CANADA

# DEBATES OF THE SENATE

OFFICIAL REPORT
(HANSARD)

THE HONOURABLE RENAUDE LAPOINTE
SPEAKER

## 1974-75-76
## FIRST SESSION, THIRTIETH PARLIAMENT
## 23-24-25 ELIZABETH II

## Volume I

(September 30, 1974 to April 30, 1975)

*Parliament was opened on September 30, 1974*
*and was prorogued on October 12, 1976*

Queen's Printer for Canada, Ottawa

The Speaker

THE HONOURABLE RENAUDE LAPOINTE

The Leader of the Government

THE HONOURABLE RAYMOND J. PERRAULT, P.C.

The Leader of the Opposition

THE HONOURABLE JACQUES FLYNN, P.C.

## THE MINISTRY

According to Precedence

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At Prorogation, October 12, 1976

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| | |
|---|---|
| The Right Honourable Pierre Elliott Trudeau | Prime Minister |
| The Honourable Allan Joseph MacEachen | President of the Queen's Privy Council for Canada |
| The Honourable Jean Chrétien | Minister of Industry, Trade and Commerce |
| The Honourable Donald Stovel Macdonald | Minister of Finance |
| The Honourable John Carr Munro | Minister of Labour |
| The Honourable Stanley Ronald Basford | Minister of Justice and Attorney General of Canada |
| The Honourable Donald Campbell Jamieson | Secretary of State for External Affairs |
| The Honourable Robert Knight Andras | President of the Treasury Board |
| The Honourable James Richardson | Minister of National Defence |
| The Honourable Otto Emil Lang | Minister of Transport |
| The Honourable Jean-Pierre Goyer | Minister of Supply and Services |
| The Honourable Alastair William Gillespie | Minister of Energy, Mines and Resources |
| The Honourable Eugene Francis Whelan | Minister of Agriculture |
| The Honourable W. Warren Allmand | Minister of Indian Affairs and Northern Development |
| The Honourable James Hugh Faulkner | Minister of State for Science and Technology |
| The Honourable Daniel Joseph MacDonald | Minister of Veterans Affairs |
| The Honourable Marc Lalonde | Minister of National Health and Welfare |
| The Honourable Jeanne Sauvé | Minister of Communications |
| The Honourable Raymond Joseph Perrault | Leader of the Government in the Senate |
| The Honourable Barnett Jerome Danson | Minister of State for Urban Affairs |
| The Honourable J. Judd Buchanan | Minister of Public Works |
| The Honourable Roméo LeBlanc | Minister of Fisheries and the Environment |
| The Honourable Marcel Lessard | Minister of Regional Economic Expansion |
| The Honourable Jack Sydney George Cullen | Minister of Manpower and Immigration |
| The Honourable Leonard Stephen Marchand | Minister of State (Small Businesses) |
| The Honourable John Roberts | Secretary of State of Canada |
| The Honourable Monique Bégin | Minister of National Revenue |
| The Honourable Jean-Jacques Blais | Postmaster General |
| The Honourable Francis Fox | Solicitor General of Canada |
| The Honourable Anthony Chisholm Abbott | Minister of Consumer and Corporate Affairs |
| The Honourable Iona Campagnolo | Minister of State (Fitness and Amateur Sport) |

# SENATORS OF CANADA

## ACCORDING TO SENIORITY

At Prorogation, October 12, 1976

| Senators | Designation | Post Office Address |
|---|---|---|
| THE HONOURABLE | | |
| Salter Adrian Hayden | Toronto | Toronto, Ont. |
| Norman McLeod Paterson | Thunder Bay | Thunder Bay, Ont. |
| George Percival Burchill | Northumberland-Miramichi | Nelson-Miramichi, N.B. |
| Michael G. Basha | West Coast | Curling, Nfld. |
| 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. |
| J. Eugène Lefrançois | Repentigny | Montreal, Que. |
| 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. |
| Allister Grosart | Pickering | Toronto, Ont. |
| Edgar Fournier | Madawaska-Restigouche | Iroquois, N.B. |
| Jacques Flynn, P.C. | Rougemont | Quebec, Que. |
| David James Walker, P.C. | Toronto | Toronto, Ont. |
| Rhéal Bélisle | 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. |
| Azellus Denis, P.C. | La Salle | Montreal, Que. |
| Eric Cook | Harbour Grace | St. John's, Nfld. |
| Daniel Aiken Lang | South York | Toronto, Ont. |
| William Moore Benidickson, P.C. | Kenora-Rainy River | Kenora, Ont. |
| Alexander Hamilton McDonald | Moosomin | Moosomin, Sask. |
| Earl Adam Hastings | Palliser-Foothills | Calgary, Alta. |
| Harry William Hays, P.C. | Calgary | Calgary, Alta. |
| Charles Robert McElman | Nashwaak Valley | Fredericton, N.B. |
| Douglas Keith Davey | York | Don Mills, Ont. |
| Jean-Paul Deschatelets, P.C. | Lauzon | Montreal, Que. |
| Hazen Robert Argue | Regina | Kayville, Sask. |
| Alan Aylesworth Macnaughton, P.C. | Sorel | Montreal, Que. |
| J. G. Léopold 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. |
| Douglas Donald Everett | Fort Rouge | Winnipeg, Man. |
| Maurice Lamontagne, P.C. | Inkerman | Aylmer, Que. |
| Andrew Ernest Thompson | Dovercourt | Kendal, Ont. |

| Senators | Designation | Post Office Address |
|---|---|---|
| THE HONOURABLE | | |
| Keith Laird | Windsor | Windsor, Ont. |
| Herbert O. Sparrow | Saskatchewan | North Battleford, Sask. |
| Richard James Stanbury | York Centre | Toronto, Ont. |
| Hervé J. Michaud | Kent | Buctouche, N.B. |
| William John Petten | Bonavista | St. John's, Nfld. |
| Raymond Eudes | de Lorimier | Montreal, Que. |
| Louis de Gonzague Giguère | de la Durantaye | Montreal, Que. |
| Ernest C. Manning, P.C. | Edmonton West | Edmonton, Alta. |
| Gildas L. Molgat | Ste. Rose | St. Vital, Man. |
| Eugene A. Forsey | Nepean | Ottawa, Ont. |
| William C. McNamara | Winnipeg | Winnipeg, Man. |
| Paul C. Lafond | Gulf | Hull, Que. |
| Ann Elizabeth Haddon Bell | 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 (Speaker) | 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. |
| John James Greene, P.C. | Niagara | Niagara Falls, Ont. |
| Joseph Julien Jean-Pierre Côté, P.C. | Kennebec | Longueuil, Que. |
| Joan Neiman | Peel | Caledon East, Ont. |
| Raymond J. Perrault, P.C. | North Shore-Burnaby | Vancouver, B.C. |
| John Morrow Godfrey | Rosedale | Toronto, Ont. |
| Maurice Riel | Shawinigan | Westmount, Que. |
| Louis-J. Robichaud, P.C. | L'Acadie-Acadia | Saint John, N.B. |
| Daniel Riley | Saint John | Saint John West, N.B. |
| Augustus Irvine Barrow | Halifax-Dartmouth | Halifax, N.S. |
| Ernest George Cottreau | South Western Nova | Yarmouth, N.S. |
| George Isaac Smith | Colchester | Truro, N.S. |
| Jack Austin | Vancouver South | Vancouver, B.C. |
| Paul Henry Lucier | Yukon | Whitehorse, Yukon. |

NOTE: For names of senators who resigned, retired, or died during the First Session of the Thirtieth Parliament, see Index.

# SENATORS OF CANADA

## ALPHABETICAL LIST

At Prorogation, October 12, 1976

| Senators | Designation | Post Office Address |
|---|---|---|
| THE HONOURABLE | | |
| Argue, Hazen | Regina | Kayville, Sask. |
| Asselin, Martial, P.C. | Stadacona | La Malbaie, Que. |
| Austin, Jack | Vancouver South | Vancouver, B.C. |
| Barrow, Augustus Irvine | Halifax-Dartmouth | Halifax, N.S. |
| Basha, Michael G. | West Coast | Curling, Nfld. |
| Beaubien, L. P. | Bedford | Montreal, Que. |
| Bélisle, Rhéal | Sudbury | Sudbury, Ont. |
| Bell, A. E. Haddon | Nanaimo-Malaspina | Nanaimo, B.C. |
| 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. |
| Bourget, Maurice, P.C. | The Laurentides | Lévis, 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. |
| Cottreau, Ernest G. | South Western Nova | Yarmouth, N.S. |
| 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. | Lauzon | Montreal, Que. |
| Desruisseaux, Paul | Wellington | Sherbrooke, Que. |
| Duggan, James | Avalon | St. John's, Nfld. |
| Eudes, Raymond | de Lorimier | Montreal, Que. |
| Everett, Douglas D. | Fort Rouge | Winnipeg, Man. |
| 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. |
| Giguère, Louis de G. | de la Durantaye | Montreal, Que. |
| Godfrey, John Morrow | Rosedale | Toronto, Ont. |
| Goldenberg, H. Carl | Rigaud | Westmount, Que. |
| Graham, Bernard Alasdair | The Highlands | Sydney, N.S. |
| Greene, John James, P.C. | Niagara | Niagara Falls, Ont. |
| Grosart, Allister | Pickering | Toronto, Ont. |
| Haig, J. Campbell | River Heights | Winnipeg, Man. |
| Hastings, Earl A. | Palliser-Foothills | Calgary, Alta. |
| Hayden, Salter A. | Toronto | Toronto, Ont. |
| Hays, Harry, P.C. | Calgary | Calgary, Alta. |
| Hicks, Henry D. | The Annapolis Valley | Halifax, N.S. |
| Inman, F. Elsie | Murray Harbour | Montague, P.E.I. |
| Lafond, Paul C. | Gulf | Hull, Que. |

| Senators | Designation | Post Office Address |
|---|---|---|
| THE HONOURABLE | | |
| Laird, Keith | Windsor | Windsor, Ont. |
| Lamontagne, Maurice, P.C. | Inkerman | Aylmer, Que. |
| Lang, Daniel A. | South York | Toronto, Ont. |
| Langlois, Léopold | Grandville | Quebec, Que. |
| Lapointe, Renaude (Speaker) | Mille Isles | Montreal, Que. |
| Lawson, Edward M. | Vancouver | Vancouver, B.C. |
| Lefrançois, J. Eugène | Repentigny | Montreal, Que. |
| Lucier, Paul Henry | Yukon | Whitehorse, Yukon. |
| Macdonald, John M. | Cape Breton | North Sydney, N.S. |
| Macnaughton, Alan A., P.C. | Sorel | Montreal, Que. |
| Manning, Ernest C., P.C. | Edmonton West | Edmonton, Alta. |
| McDonald, A. Hamilton | Moosomin | Moosomin, Sask. |
| McElman, Charles | Nashwaak Valley | Fredericton, N.B. |
| McGrand, Fred A. | Sunbury | Fredericton Junction, N.B. |
| McIlraith, George J., P.C. | Ottawa Valley | Ottawa, Ont. |
| McNamara, William C. | Winnipeg | Winnipeg, Man. |
| Michaud, Hervé J. | Kent | Buctouche, N.B. |
| Molgat, Gildas L. | Ste. Rose | St. Vital, Man. |
| Molson, Hartland de M. | Alma | Montreal, Que. |
| Neiman, Joan | Peel | Caledon East, Ont. |
| Norrie, Margaret | Colchester-Cumberland | Truro, N.S. |
| Paterson, Norman McL | Thunder Bay | Thunder Bay, Ont. |
| Perrault, Raymond J., P.C. | North Shore-Burnaby | Vancouver, B.C. |
| Petten, William J. | Bonavista | St. John's, Nfld. |
| Phillips, Orville H. | Prince | Alberton, P.E.I. |
| Quart, Josie D. | Victoria | Quebec, Que. |
| Riel, Maurice | Shawinigan | Westmount, Que. |
| Riley, Daniel | Saint John | Saint John West, N.B. |
| Robichaud, Louis-J., P.C. | L'Acadie-Acadia | Saint John, N.B. |
| Rowe, Frederick William | Lewisporte | St. John's, Nfld. |
| Smith, Donald | Queens-Shelburne | Liverpool, N.S. |
| Smith, George I. | Colchester | Truro, N.S. |
| Sparrow, Herbert O. | Saskatchewan | 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. |
| Williams, Guy | Richmond | Richmond, B.C. |
| Yuzyk, Paul | Fort Garry | Winnipeg, Man. |

# SENATORS OF CANADA

## BY PROVINCES

At Prorogation, October 12, 1976

## 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 | Joseph A. Sullivan | North York | Toronto. |
| 6 | Lionel Choquette | Ottawa East | Ottawa. |
| 7 | Allister Grosart | Pickering | Toronto. |
| 8 | David James Walker, P.C. | Toronto | Toronto. |
| 9 | Rhéal Bélisle | Sudbury | Sudbury. |
| 10 | Daniel Aiken Lang | South York | Toronto. |
| 11 | William Moore Benidickson, P.C. | Kenora-Rainy River | Kenora. |
| 12 | Douglas Keith Davey | York | Don Mills. |
| 13 | Andrew Ernest Thompson | Dovercourt | Kendal. |
| 14 | Keith Laird | Windsor | Windsor. |
| 15 | Richard James Stanbury | York Centre | Toronto. |
| 16 | Eugene A. Forsey | Nepean | Ottawa. |
| 17 | George James McIlraith, P.C. | Ottawa Valley | Ottawa. |
| 18 | John James Greene, P.C. | Niagara | Niagara Falls. |
| 19 | Joan Neiman | Peel | Caledon East. |
| 20 | John Morrow Godfrey | Rosedale | Toronto. |
| 21 | | | |
| 22 | | | |
| 23 | | | |
| 24 | | | |

## QUEBEC—24

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

## NOVA SCOTIA—10

| | Senators | Designation | Post Office Address |
|---|---|---|---|
| | THE HONOURABLE | | |
| 1 | Donald Smith | Queens-Shelburne | Liverpool. |
| 2 | Harold Connolly | Halifax North | Halifax. |
| 3 | Frederick Murray Blois | Colchester-Hants | Truro. |
| 4 | John Michael Macdonald | Cape Breton | North Sydney. |
| 5 | Margaret Norrie | Colchester-Cumberland | Truro. |
| 6 | Henry D. Hicks | The Annapolis Valley | Halifax. |
| 7 | Bernard Alasdair Graham | The Highlands | Sydney. |
| 8 | Augustus Irvine Barrow | Halifax-Dartmouth | Halifax. |
| 9 | Ernest George Cottreau | South Western Nova | Yarmouth. |
| 10 | George Isaac Smith | Colchester | Truro. |

## NEW BRUNSWICK—10

| | | | |
|---|---|---|---|
| | THE HONOURABLE | | |
| 1 | George Percival Burchill | Northumberland-Miramichi | Nelson-Miramichi. |
| 2 | Fred A. McGrand | Sunbury | Fredericton Junction. |
| 3 | Edgar Fournier | Madawaska-Restigouche | Iroquois. |
| 4 | Charles Robert McElman | Nashwaak Valley | Fredericton. |
| 5 | Hervé J. Michaud | Kent | Buctouche. |
| 6 | Michel Fournier | Restigouche-Gloucester | Pointe Verte. |
| 7 | Louis-J. Robichaud, P.C. | L'Acadie-Acadia | Saint John. |
| 8 | Daniel Riley | Saint John | Saint John West. |
| 9 | | | |
| 10 | | | |

## PRINCE EDWARD ISLAND—4

| | | | |
|---|---|---|---|
| | THE HONOURABLE | | |
| 1 | Florence Elsie Inman | Murray Harbour | Montague. |
| 2 | Orville Howard Phillips | Prince | Alberton. |
| 3 | Mark Lorne Bonnell | Murray River | Murray River. |
| 4 | | | |

## 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 | St. Vital. |
| 5 | William C. McNamara | Winnipeg | Winnipeg. |
| 6 | | | |

## BRITISH COLUMBIA—6

| | | | |
|---|---|---|---|
| | THE HONOURABLE | | |
| 1 | Ann Elizabeth Haddon Bell | Nanaimo-Malaspina | Nanaimo. |
| 2 | Edward M. Lawson | Vancouver | Vancouver. |
| 3 | George Clifford van Roggen | Vancouver-Point Grey | Vancouver. |
| 4 | Guy Williams | Richmond | Richmond. |
| 5 | Raymond J. Perrault, P.C. | North Shore-Burnaby | Vancouver. |
| 6 | Jack Austin | Vancouver South | Vancouver. |

## SASKATCHEWAN—6

| | | | |
|---|---|---|---|
| | THE HONOURABLE | | |
| 1 | Alexander Hamilton McDonald | Moosomin | Moosomin. |
| 2 | Hazen Robert Argue | Regina | Kayville. |
| 3 | Herbert O. Sparrow | Saskatchewan | North Battleford. |
| 4 | Sidney L. Buckwold | Saskatoon | Saskatoon. |
| 5 | | | |
| 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 | Ernest C. Manning, P.C. | Edmonton West | Edmonton. |
| 5 | | | |
| 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. |

## NORTHWEST TERRITORIES—1

| | | | |
|---|---|---|---|
| | THE HONOURABLE | | |
| 1 | | | |

## YUKON—1

| | | | |
|---|---|---|---|
| | THE HONOURABLE | | |
| 1 | Paul Henry Lucier | Yukon | Whitehorse. |

# 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 | R. L. du Plessis, Q.C., B.A., LL.L. |
| First Clerk Assistant | Alcide Paquette, B.A. |
| Gentleman Usher of the Black Rod | A. G. Vandelac, M.C., C.D. |
| Director of Administration and Personnel | J. Walter Dean |
| Editor of Debates and Chief of Reporting Branch | T. S. Hubbard |
| Director of Committees | Flavien J. Belzile, B.A. |
| 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 | |
| Postmaster | Harold King |
| Supervisor of Secretarial Service (English) | Mrs. Josephine Barnwell |
| Supervisor of Secretarial Service (Bilingual) | Mrs. Jocelyne Latrémouille |
| Chief of Joint Distribution Office | J. E. Levesque |
| Chief of Protective Service | W. Maheux |
| Manager of Parliamentary Restaurant | W. Pentecost |

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## REPORTING BRANCH

| | |
|---|---|
| Editor of Debates and Chief of Reporting Branch | T. S. Hubbard |
| Assistant Chief of Reporting Branch | G. R. Baker |
| Associate Editor and Senior Reporter, English | H. D. Griffith |
| Associate Editor and Senior Reporter, French | J. R. Langlois |
| Reporters | Aurèle Chénier, W. J. Culleton, G. K. Hubbard, D. L. Sellers, A. A. Gallagher, L. R. Powis, H. C. Warburton, Maurice Bolduc, N. C. Keeley, A.J. Clair. |

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## TRANSLATORS

### Department of Secretary of State

| | |
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| Director, Special Operations | Roch Blais |
| Chief, Parliamentary Translations | André Audette |
| Chief of Debates | Mireille Couillard |

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## 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

Monday, September 30, 1974

## OPENING OF FIRST SESSION THIRTIETH PARLIAMENT

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

The Senate met at 10 a.m.

## SPEAKER OF THE SENATE

READING OF COMMISSION APPOINTING HONOURABLE LOUISE MARGUERITE RENAUDE LAPOINTE

**Hon. Louise Marguerite Renaude Lapointe,** having taken the Clerk's chair, rose and said: Honourable senators, I have the honour to inform the Senate that a Commission under the Great Seal of Canada has been issued appointing me Speaker of the Senate.

The said Commission was then read by the Clerk.

**The Hon. the Speaker** then took the Chair at the foot of the Throne, to which she was conducted by Hon. Raymond J. Perrault, P.C., and Hon. Allister Grosart, the Gentleman Usher of the Black Rod preceding.

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE
OTTAWA

30 September 1974

Madam,

I am commanded to inform you that the Honourable Ronald Martland, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Administrator of the Government of Canada, will proceed to the Senate Chamber to open the First Session of the Thirtieth Parliament of Canada on this day, Monday, the 30th of September 1974 at 10:30 a.m.

I have the honour to be,
Madam,
Your obedient servant,
Andre Garneau
Brigadier General
Administrative Secretary to the
Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

## 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:

Augustus Irvine Barrow, Esquire

Ernest George Cottreau, 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 Assistant; took the legally prescribed oath, which was administered by the Clerk, and were seated:

**Hon. Augustus Irvine Barrow,** of the City of Halifax, Nova Scotia, introduced between Hon. Raymond J. Perrault, P.C., and Hon. Henry D. Hicks.

**Hon. Ernest George Cottreau,** of Yarmouth, Nova Scotia, introduced between Hon. Raymond J. Perrault, P.C., and Hon. Bernard Alasdair Graham.

**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.

At 10.15 a.m. the Senate adjourned during pleasure.

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At 10.30 a.m. the sitting was resumed, and was then adjourned, pending the arrival of the Deputy Administrator of the Government of Canada.

**Honourable Ronald Martland,** Deputy Administrator of the Government of Canada, having come and being seated,

**The Hon. the Speaker** commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that it is the desire of the Honourable the Deputy Administrator of the Government of Canada that they attend him immediately in the Senate Chamber.

Who being come,

**The Hon. the Speaker** said:

Honourable Members of the Senate:

Members of the House of Commons:

I have the honour to inform you that His Excellency the Administrator of the Government of Canada has been pleased to cause Letters Patent to be issued under his sign Manual and Signet constituting the Honourable Ronald Martland, 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.

**The Hon. the Speaker** said:

Honourable Members of the Senate:

Members of the House of Commons:

I have it in command to let you know that His Excellency the Administrator of the Government of Canada does not see fit to declare the causes of his summoning the present Parliament of Canada until a Speaker of the House of Commons shall have been chosen, according to law; but this afternoon, at the hour of three o'clock His Excellency will declare the causes of his calling this Parliament.

The House of Commons withdrew.

The Honourable the Deputy Administrator of the Government of Canada was pleased to retire.

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The sitting of the Senate was resumed.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE
OTTAWA

30 September 1974

Madam,

I have the honour to inform you that His Excellency the Administrator of the Government of Canada will arrive at the Main Entrance to the Parliament Buildings at 2.35 p.m. on this day Monday, the 30th of September 1974, and when it has been signified that all is in readiness, will proceed to the Chamber of the Senate to open formally the Thirtieth Parliament of Canada.

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

The Honourable
The Speaker of the Senate,
Ottawa.

On motion of Senator Langlois, seconded by Senator Godfrey, the Senate adjourned until 2.30 p.m.

[The Hon. the Speaker.]

## SECOND SITTING

The Senate met at 2.30 p.m., the Speaker in the Chair.

The Senate adjourned during pleasure.

At 2.35 p.m. His Excellency the Administrator of the Government of Canada having come and being seated upon the Throne,

**The Hon. the Speaker** commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that it is His Excellency the Administrator's pleasure that they attend him immediately in the Senate Chamber.

The House of Commons being come,

Their Speaker, the **Hon. James Jerome**, said:

May it please Your Excellency,

The House of Commons has elected me their Speaker, though I am but little able to fulfil the important duties thus assigned to me.

If, in the performance of those duties, I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to Your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

**The Hon. the Speaker of the Senate** answered:

Mr. Speaker, I am commanded by His Excellency the Administrator of the Government of Canada to declare to you that he freely confides in the duty and attachment of the House of Commons to Her Majesty's person and Government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, he grants, and upon all occasions will recognize and allow their constitutional privileges. I am commanded also to assure you that the Commons shall have ready access to His Excellency upon all seasonable occasions and that their proceedings, as well as your words and actions, will constantly receive from him the most favourable construction.

## SPEECH FROM THE THRONE

His Excellency the Administrator of the Government of Canada was then pleased to open the First Session of the Thirtieth Parliament with the following speech:

*Honourable Members of the Senate:*

*Members of the House of Commons:*

I have the honour to welcome you to the First Session of the 30th Parliament of Canada.

I am here today in my capacity as Administrator of the Government of Canada, duties which I assumed following the illness suffered by the Governor General last June. Canadians were saddened to hear of His Excellency's stroke, but have been encouraged by reports of his steady progress. I am happy to say that his recovery is such that providing all continues to go well he will be able to resume his role before too long. I am sure I reflect the feelings of all Canadians in expressing gratitude that he will be able to give further service to his country in the high office which he holds.

This year marks an event of particular interest and importance to all Canadians—the celebration of the twenty-fifth anniversary of the entry of Newfoundland into Confederation. We anticipate with great pleasure the visit of His Royal Highness, the Duke of Edinburgh, who will shortly join us to share in this happy occasion. In November the citizens of Ontario will welcome Her Royal Highness Princess Anne and her husband who will attend the opening of the Royal Agricultural Winter Fair and other civic engagements.

The international economic situation is serious, with a high rate of inflation, balance of payments problems, lower growth rates and the rapid accumulation of large currency reserves by a few countries. Canada is engaging in bilateral and multilateral discussions as part of a concerted effort to ensure that the current fragile state of the world's economy is strengthened. Those developing countries lacking the natural resources which have enabled others to benefit from high commodity prices have been particularly hard hit by this situation. Canada is contributing to international measures to reduce the unjust and potentially dangerous gap between the rich and the poor. This will involve us not only in increasing the flow of financial assistance to developing countries but in re-examining other policies which affect our economic relations with the Third World.

Canada has contributed to many international peacekeeping operations. A source of special concern at present is the instability in Cyprus and in the Middle East where 2,000 members of Canada's Armed Forces are performing dedicated service with the two peacekeeping forces which the United Nations has established there. While these forces have had some success in keeping the belligerents apart, the necessary political solutions appear distant and, unhappily, civilian casualties, as well as casualties among members of the peacekeeping forces, continue.

In the context of the United Nations, Canada will also take:

—initiatives to provide for adequate safeguards so that spreading nuclear technology and materials are not perverted for military purposes;

—initiatives to increase world food aid so that the disastrous shortages some countries are experiencing may be alleviated.

For Canada as well as for most of the world the most serious problem is inflation; it is necessary both to deal with its causes and to mitigate its effects. This world-wide problem had its origins in the largest increases in food, energy and other commodity prices in a generation, occurring at the same time as an upsurge in economic activity in all major industrialized nations. The policy of the Government on inflation has been to pursue appropriate fiscal and monetary policies, and:

—to increase the supply of goods and services;

—to protect those least able to protect themselves; as well as

—to soften the impact of soaring oil prices on Canadian consumers and to cushion the economy against disruptive increases in other commodities.

It was generally expected, inside Canada and outside, that the tide of inflation would recede as conditions in the international food and commodity markets returned to normal, but a new situation has been created. The major oil exporting countries have re-affirmed their determination to keep the prices of their oil to importing countries, including Canada, at a high level. New adversities have fallen upon crops in Canada, the United States and elsewhere with possible adverse effects for food prices. Industrial commodities have not generally fallen in price as much as some expected in a world of static or falling industrial production. International interest rates have been pushed up to record levels and financial markets have been seriously disturbed.

Industrial unrest has become more prevalent in the world as a result of inflation. Agreements reached through collective bargaining are being abrogated as workers feel they have inadequate compensation to deal with inflation. In some countries there is a threat to the cohesion of the very fabric of society.

As various groups in society try to protect themselves against rising prices by seeking higher incomes, a stronger element of cost derived inflation is created. It is clear that some groups are much better equipped to protect themselves than others. Corporations, trade and professional associations, labour unions and governments are in most cases all able to adjust to inflation, but there are many Canadians on fixed incomes and others lacking economic power whose incomes are not rising as rapidly as the rate of inflation and for whom the consequences of inflation are a cause for concern.

Canada has thus far suffered less from inflation than most other countries, but the problem is serious and urgent. For its part, the Government will exercise restraint in its own expenditures with particular emphasis on improving effectiveness and efficiency in its existing operations while controlling expansion of new activities which, although desirable, would contribute to inflationary pressures. The Federal Government will urge that provincial and municipal governments take similar steps.

The total expenditures of the Federal Government in the 1975-76 fiscal year are expected to incorporate the costs of certain major new measures, including payments to equalize prices of petroleum products in Canada. Insofar as further new initiatives are concerned, the Government will be conscious of the need for restraint and careful phasing in relation to the state of the economy. Federal expenditures on goods and services, as opposed to various transfer payments, have remained relatively constant as a proportion of Gross National Product for some years, and their proportion was lower in 1973 than it was in 1961.

The Government does not intend deliberately to generate slack in the economy in order to combat inflation. Higher production, not lower, is essential to slowing down price advances. The Government does intend to ask all Canadians to join with it in a co-operative effort to achieve by non-inflationary means an equitable sharing among all groups in the community of the fruits of our productive efforts.

In order to increase the supply of goods and services, which is the first objective of the Government in dealing with inflation, a number of measures will be proposed:

—To increase food production—

—incentives to farmers and fishermen including the stabilization of incomes and markets,

—continued international action to ensure that Canada has the right to manage its coastal resources and environment, including the conservation of fish stocks;

—To increase construction of homes—

—financial assistance in order to reduce the cost of serviced land and to encourage land assembly;

—To increase economic productivity—

—greater financial and other support for small business,

—continued reorientation of manpower activities so that Canadians are trained and available in the right locations to fill the increased number of job opportunities,

—amendments to the Unemployment Insurance Act,

—extension of the Regional Development Incentives Act;

—To increase the supply of energy—

—the establishment of Petro-Canada, the national petroleum corporation,

—guarantees for domestic control of uranium and for adequate future supplies related to Canadian needs,

—steps to ensure that the price of Canadian oil and gas is regulated in a manner which will encourage necessary exploration and development in Canada;

—To ensure continued export of Canadian grain—

—legislation to ensure the resumed movement of Western grain, if the current dispute has not already been resolved,

—steps to facilitate grain handling this winter.

In order to help protect those particularly hard hit by inflation, which is another objective in the battle against inflation, the following measures will be taken or proposed:

—To monitor food prices—

—renew the mandate of the Food Prices Review Board until the end of 1975 so that it may continue to report regularly on trends in food prices and analyze the reasons for price changes in specific areas;

—To help home buyers—

—additional assistance to buyers of moderately priced housing who have not owned a home before,

—ask financial institutions to continue to direct all low down payment high ratio mortgages exclusively to moderately priced housing,

—a Registered Home Owners Savings Plan,

—a system of warranties which will protect new home buyers of National Housing Act financed homes,

—better disclosure provisions for the true interest rates on mortgages;

—To protect the consumer—

—first stage amendment of the Combines Investigation Act, including measures dealing with unfair or uncompetitive business practices such as misleading advertising and pyramid, referral or bait-and-switch selling,

—a comprehensive overhaul of consumer credit legislation, including disclosure by all lending institutions of effective rates of interest on all loans,

—a total revision of our bankruptcy law, including special procedures to help the consumer debtor,

—improved safety of consumer electrical products,

—establishment of more consumer storefront offices;

—To assist those having difficulty finding employment, and in cooperation with the provinces—

—a community employment strategy for people who experience chronic and particular difficulty in finding and keeping regular employment,

—special efforts on behalf of individuals and specific groups who are ready and willing to work but tend to experience particular difficulty in finding regular employment;

—To help older citizens, the needy and war veterans—

—provide for regular increases in the Year's Maximum Pensionable Earnings in 1976 and subsequent years, revise the Year's Basic Exemption, and eliminate the earnings test on retirement pensions for people aged 65 to 70,

—provide for the payment of allowances to the spouses aged 60 to 65 of Old Age Security recipients effective October 1975 and eliminate certain hardships involving Canadians absent from Canada for limited periods of time,

—achieve equity as between provinces in the application of the Canada Assistance Plan in respect of the treatment of youthful offenders in other than welfare institutions, and in respect of the care given needy persons in nursing-homes in provinces that have introduced universal nursing-home care programs, and

—further increases in war veterans allowances.

The third objective of the Government's policy to combat inflation is to take such specific initiatives in the economy as are required in order to deal with unjustified increases in incomes, prices and profits.

The Government will introduce legislation to deal with unjustified price increases where such increases are identified. This legislation will be designed to ensure that unacceptable profit levels are not being realized.

You will be asked to approve the imposition of an export charge on crude oil and certain other petroleum products to provide compensation for Canadians who consume imported oil and to regulate the price of Canadian hydrocarbons in interprovincial trade, so that all Canadians pay

the same basic price, plus appropriate transportation charges, no matter where they may live.

There must be a greater awareness of the need for restraint by everyone in what each seeks to secure in incomes, profits, prices or taxes if inflation is to be mitigated. Demands to secure more than the economy can provide, or indeed for those who already have a respectable return to seek to benefit relatively from inflation, must be resisted, and the Government believes it has a clear responsibility in this area. Just as no one group in society should benefit at the expense of others from inflation, so should no one group shoulder an unfair burden.

The Government has therefore initiated a series of consultations with the principal groups in our society—business, professions, farmers, labour and provincial governments. They will be asked what proposals they can suggest and what contribution they are willing to make to defeat inflation. They will be asked how productivity can be increased. They will be asked if improvements can be made to the basically adversarial nature of the collective bargaining system, leading toward a joint search for solutions to mutual problems. Representatives of the private pension industry will be asked to explore jointly with Government ways of protecting pensioners against inflation. The Government will ensure that these consultations deal with the problems of those lacking organized power in the economy and retired people, for in many cases they are the ones most adversely affected by inflation.

The Federal Government believes that it has the responsibility of playing the leading role in bringing Canadians together to discuss their common problems and challenges and to develop proposals for their solution. The Government intends to fulfill this leadership role with vigour and determination. These meetings will form part of a major effort by the Federal Government to enter into a dialogue with all segments of the Canadian community.

In the inter-related society and economy of today, a clear distribution of responsibilities among the different levels of government in a federal state cannot in practical application have the neat precision that it has in political theory. Few actions can be taken by one level of government without affecting, or taking into account, the policies and programs of another. In many areas of government activity effective implementation of a government's policy depends upon the cooperation of other levels of government. Consequently the Government will:

—propose a number of conferences with the provinces during the coming year, including one at the First Ministers level early in 1975; and

—take new measures within the federal administrative structure to improve the coordination of federal policies and programs that are of interest to the provinces and to make consultation with them even more effective.

A key factor in increasing supply is transportation. More generally, transportation is vital to Canada providing for the flow of people and goods that link and bind our regions. It is at the heart of our ability to function as a domestic economy, and as a trading nation. Transportation must be an instrument of national purpose, designed to achieve broad social and economic objectives. While the scale of Canada is one of its greatest assets, equally, it poses challenges of distance and communication virtually unique in the world. These problems are particularly real for the provinces and regions away from central industrial Canada. The Government does not believe the principles underlying the present transportation system or its methods of management and operation are adequate to meet current and future national aspirations.

The Government believes transportation rates should continue to be based on the principle of competition among alternative modes of transportation in areas where there is effective competition. Where such competition does not meaningfully exist, transportation rates cannot be allowed to exact what the market will bear. Consideration of costs, as reflected in the provision of comparable services in circumstances where competition is effective, is a more acceptable guide, and it is toward the achievement of equitable arrangements on such a basis that the Government will work. Even as so qualified, the principle of effective competition may have to be subject to exceptions to permit the achievement of national policies relating to the reduction of regional economic disparities and the encouragement of a more balanced distribution of industry.

The Government is conducting a comprehensive examination of the ability of existing ground, air and marine transportation systems to meet present and growing future demands for passenger and goods services. Also under review are the roles of the various bodies which manage, operate and regulate the transportation system. The aim is to determine the role of government in both the public and private sectors of transportation, the most rational use of available capital resources, and the most appropriate means of balancing existing regulation and direct government intervention. While the cooperation of all parties will be sought, these problems are of a scale that they require Federal Government coordination. This work will lead to the implementation over the next several years, at a rate matched to the Government's overall financial ability, of a program of changes designed to produce a modern, safe, efficient and coordinated transportation system.

There are a number of new initiatives that the Government is prepared to undertake immediately designed to improve transportation services in Canada which will not in any way prejudice the review of basic policy to come:

—a program in cooperation with the railways which will lead to the eventual creation of new Government machinery to ensure the effective management of all ground transport;

—immediate implementation of experimental programmes designed to upgrade progressively a number of intercity passenger train services;

—ensuring an adequate supply of rail cars for the future and to resolve rail access problems to all major ports and distribution centres;

—improved transportation to and from remote areas, including further assistance to airports in small municipalities, and a new program to fund airports located in developing areas of the country;

—legislation to provide for the most efficient port system for Canada compatible with local, regional and national interests;

—steps leading to the creation of Canadian-owned ice-breaking cargo vessels for use in the North;

—establishment of an Independent Accident Investigation Board;

—new laws concerning shipping and the coasting trade in Canada;

—ensuring rail costing data will be made available to provincial governments pending consideration of a more comprehensive transportation information act;

—additional steps to strengthen the effectiveness of urban transportation systems and improvement of commuter services compatible with regional and provincial plans for urban development.

The Government believes further steps must be taken to enhance Canada's independence and sense of identity. To this end measures will be proposed to:

—revise the law governing corporations including the introduction of a provision whereby a majority of directors of federally incorporated companies must be Canadian;

—provide for Government intervention in cases where a Canadian company may be prevented from fulfilling export orders by its foreign ownership;

—enhance Canadian processing of the country's natural resources which are exported, involving consultations with the provinces and negotiations with other countries;

—ensure Canadian technological innovation is encouraged and available for the benefit of Canadian industry;

—ensure ownership of fishing vessel licenses is retained by Canadians;

—produce a new Citizenship Act;

—confirm O Canada! as our national anthem;

—restructure federally supported granting councils which provide money for university research in the humanities and social sciences as well as the natural sciences;

—establish an integrated regulatory body for telecommunications;

—establish a Joint Committee of the House and Senate to consider questions relating to the future of the National Capital Region;

—preserve the national heritage by providing incentives for the purchase by Canadian institutions of works of art which might otherwise be exported; and

—bring assistance to Canadian cultural enterprises by extending the provisions of the Foreign Investment Review Act; by promoting the sale of Canadian books and magazines; and by opening discussions with provincial governments about ways to increase the exposure of Canadian films in commercial theatres in Canada.

The health of Canadians will be a priority for the Government, with emphasis being placed on the prevention of illness, which includes raising the level of physical fitness of Canadians. A series of major athletic events including the Canada Winter Games in 1975, the Olympic Games in 1976, the Canada Summer Games in 1977 and the Commonwealth Games in 1978, should stimulate all Canadians, and particularly youth, to higher levels of participation and achievement in this area.

The federal-provincial Social Security Review is continuing on an urgent basis. Studies on alternative approaches to the reform of the income security system are expected to be sufficiently advanced to enable federal and provincial ministers to agree upon a preferred approach at an early date. Similarly it is anticipated that proposals for the reform of social services will have been agreed upon shortly.

Stemming the despoilation of our planet and returning our water, air, and land to a more natural state are urgent and challenging goals. Legislative measures toward these goals will include:

—greater protection from contaminating substances in the interests of human health and ecological stability; and

—curtailment of ocean dumping through international agreement.

The Government is also determined to continue its program of extending equality before the law to all Canadians. To this end wide-ranging legislation will be introduced to guarantee the equal status of women in areas within the Federal Government's jurisdiction. In this respect the Government is planning a substantial program of activities to mark International Women's Year in 1975.

Other measures related to equality before the law include:

—human rights legislation;

—substantial amendments to the Criminal Code;

—legislation to provide for royalty rates for oil and gas on Indian reserves comparable to those charged by oil-producing provinces;

—amendments so that the Supreme Court can deal more expeditiously with cases which come before it and to remove the right of appeal based solely on financial considerations.

There has been a rapid expansion in the numbers of people seeking to come to Canada as immigrants, as students, and as temporary workers. A Green Paper will be published shortly which will form the basis for public and federal-provincial discussion.

The volume of public business before Parliament increases with each passing year and this Session will not be an exception. The view is widely shared within and without Parliament that the rules and procedures of the House of Commons should be adapted to enable Members on all sides—supporting and opposing the Government—to discharge their growing responsibilities more effectively. The Government will seek, as a matter of urgency, support on a non-partisan basis for the necessary reforms of Parliamentary rules and for measures to be laid before you dealing with:

—redistribution of seats in the House of Commons;

—broadcasting the proceedings of the House; and

—possible conflicts of interest of Members of the House of Commons and the Senate.

Amendments will be proposed to the Public Service Staff Relations Act.

You will be asked to consider other legislative proposals.

*Members of the House of Commons,*

The Government intends to present a budget early in this Session.

You will be asked to appropriate the funds required to carry on the services and expenditures authorized by Parliament.

*Honourable Members of the Senate,*

*Members of the House of Commons,*

May Divine Providence guide you in your deliberations.

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The House of Commons withdrew.

His Excellency the Administrator of the Government of Canada was pleased to retire.

The sitting of the Senate was resumed.

## RAILWAYS BILL

FIRST READING

**Senator Langlois** presented Bill S-1, relating to railways.

Bill read first time.

## SPEECH FROM THE THRONE

CONSIDERATION OCTOBER 1

**The Hon. the Speaker:** Honourable senators, I have the honour to inform you that His Excellency the Administrator of the Government of Canada 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?

**Senator Langlois** moved, seconded by Senator Bourget:

That the Speech of His Excellency the Administrator of the Government of Canada, delivered this day from the Throne to the two Houses of Parliament be taken into consideration tomorrow, Tuesday, the first day of October, 1974.

Motion agreed to.

## COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

**Senator Langlois** moved, seconded by Senator Grosart:

That all the 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.

## COMMITTEE OF SELECTION

APPOINTMENT

**Senator Langlois** moved, seconded by Senator Grosart:

That pursuant to Rule 66, the following senators, to wit: The Honourable Senators Bourget, Choquette, Denis, Flynn, Grosart, Inman, Langlois, Macdonald (*Cape Breton*), Perrault, Petten and Quart, be appointed a Committee of Selection to nominate Senators to serve on the several standing committees during the present session; and to report with all convenient speed the names of the senators so nominated.

Motion agreed to.

## DOCUMENTS TABLED

**Senator Langlois** tabled:

Report on operations under the Regional Development Incentives Act for the months of March 1974 to June 1974, inclusive, pursuant to section 16 of the said Act, Chapter R-3, R.S.C., 1970.

Copies of Statement on operations under the Veterans Insurance Act for the fiscal year ended March 31, 1974, 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, 1974, pursuant to section 17(2), Chapter 59, Statutes of Canada, 1951.

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, 1974, pursuant to section 65(6) of the said Act, Chapter I-2, R.S.C., 1970.

Report of Air Canada for the year ended December 31, 1973, pursuant to section 27 of the Air Canada Act, Chapter A-11, R.S.C., 1970.

Auditors' report to Parliament on the accounts of the Canadian National Railway System for the year ended December 31, 1972, pursuant to section 40 of the Canadian National Railways Act, Chapter C-10, R.S.C., 1970.

Auditors' report to Parliament on the accounts of the Canadian National Railway System for the year ended December 31, 1973, pursuant to section 40 of the Canadian National Railways Act, Chapter C-10, R.S.C., 1970.

Report of the Canadian National Railways for the year ended December 31, 1973, pursuant to section 40 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, 1973, pursuant to section 17 of the Canadian National Railways Capital Revision Act, Chapter 311, R.S.C., 1952.

Capital Budget of Central Mortgage and Housing Corporation for the year ending December 31, 1974, 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. 1974-1282, dated May 30, 1974.

Report of The St. Lawrence Seaway Authority, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1973, 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, 1973, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, Chapter F-10, 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, 1973, 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 of the Northern Transportation Company Limited, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1973, pursuant to 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, 1974, pursuant to section 49 of the said Act, Chapter V-4, R.S.C., 1970.

Report on the administration of Part I of the Royal Canadian Mounted Police Superannuation Act for the fiscal year ended March 31, 1974, pursuant to section 26 of the said Act, Chapter R-11, R.S.C., 1970.

Report of the Army Benevolent Fund Board, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to section 13 of the Army Benevolent Fund Act, Chapter A-16, R.S.C., 1970.

Copy of Proceedings of the Royal Society of Canada, 1973, together with a copy of the 1973-1974 Calendar and a copy of the Report of Council containing the financial statements of the Society for the year ended February 28, 1974, and the Auditors' report thereon, pursuant to section 9 of An Act to incorporate the Royal Society of Canada, Chapter 46, Statutes of Canada, 1883.

Revised Capital Budgets of the National Battlefields Commission for the fiscal years ending March 31, 1973 and March 31, 1974, 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. 1974-1285, dated May 30, 1974, approving same.

Capital Budget of the National Battlefields Commission for the fiscal year ending March 31, 1975, 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. 1974-1286, dated May 30, 1974, approving same.

Report of Canadian Patents and Development Limited for the fiscal year ended March 31, 1974, 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.

Report of the Superintendent of Insurance on the administration of the Pension Benefits Standards Act for the fiscal year ended March 31, 1974, pursuant to section 22 of the said Act, Chapter P-8, R.S.C., 1970.

Report of operations under the Civil Service Insurance Act for the fiscal year ended March 31, 1974, pursuant to section 21(2) of the said Act, Chapter 49, R.S.C., 1952.

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, 1974, pursuant to section 70(6) of the said Act, Chapter I-6, R.S.C., 1970.

Report of expenditures and administration in connection with the Youth Allowances Act for the fiscal year ended March 31, 1974, pursuant to section 13 of the said Act, Chapter Y-1, R.S.C., 1970.

Report of expenditures and administration in connection with the Old Age Security Act for the fiscal year ended March 31, 1974, pursuant to section 26 of the said Act, Chapter O-6, R.S.C., 1970.

Report of expenditures and administration in connection with the Family Allowances Act for the fiscal year ended March 31, 1974, pursuant to section 14 of the said Act, Chapter F-1, R.S.C., 1970.

Report on the administration of Allowances for Disabled Persons in Canada for the fiscal year ended March 31, 1973, pursuant to section 12 of the Disabled Persons Act, Chapter D-6, R.S.C., 1970.

Report of expenditures and administration in connection with the Unemployment Assistance Act for the fiscal year ended March 31, 1973, pursuant to section 8 of the said Act, Chapter U-1, R.S.C., 1970.

Report on the administration of Allowances for Blind Persons in Canada for the fiscal year ended March 31, 1973, pursuant to section 12 of the Blind Persons Act, Chapter B-7, R.S.C., 1970.

Report on the administration of Old Age Assistance in Canada for the fiscal year ended March 31, 1973, pursuant to section 12 of the Old Age Assistance Act, Chapter O-5, R.S.C., 1970.

Statement of all monies refunded under the authority of The Refunds (Natural Resources) Act for the period February 27 to September 29, 1974, 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 February 27 to September 29, 1974, pursuant to section 2 of An Act respecting Certain Debts due the Crown, Chapter 51, Statutes of Canada, 1926-27. Nil Return.

Copies of Ordinances passed by the Council of the Yukon Territory at its 1973 Third 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. 1973-3018, dated October 4, 1973, approving same.

Auditor General's report to the Solicitor General on the examination of the accounts and financial statement of the Royal Canadian Mounted Police (Dependants) Pension Fund for the fiscal year ended March 31, 1974, pursuant to section 55(4) of the Royal Canadian Mounted Police Pension Continuation Act, Chapter R-10, R.S.C., 1970.

Report of the Northern Canada Power Commission, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, 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.

Copies of Orders in Council P.C. 1974-1521 and 1974-1522, dated July 4, 1974, amending, respectively, Parts I and 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 relating to the administration of the Farmers' Creditors Arrangement Act for the fiscal year ended March 31, 1974, pursuant to section 41(2) of the said Act, Chapter F-5, 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, 1974, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

Report of the Auditor General on the examination of the accounts and financial statements of the National Battlefields Commission for the fiscal year ended March 31, 1974, pursuant to section 12 of An Act respecting the National Battlefields at Quebec, Chapter 57, Statutes of Canada, 1907-08, and sections 75(3) and 77(3) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

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, 1974, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

Reports of the Atlantic Pilotage Authority, the Laurentian Pilotage Authority, the Great Lakes Pilotage Authority, Ltd. and the Pacific Pilotage Authority, including accounts and financial statements certified by the Auditor General, for the year ended December 31, 1973, pursuant to section 28 of the Pilotage Act, Chapter 52, Statutes of Canada, 1970-71-72.

Report of the Administrator of the Maritime Pollution Claims Fund for the fiscal year ended March 31, 1974, pursuant to section 747 of the Canada Shipping Act, Chapter S-9, as amended by Chapter 27 (2nd Supplement), R.S.C., 1970.

Report of the Atomic Energy Control Board of Canada for the fiscal year ended March 31, 1974, pursuant to section 20(1) of the Atomic Energy Control Act, Chapter A-19, R.S.C., 1970.

Copies of Orders in Council P.C. 1974-1332 and 1974-1328, dated June 6, 1974, amending, respectively, Parts I and 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.

Copies of Orders in Council P.C. 1974-1192 and 1974-1193, dated May 30, 1974, amending, respectively, Parts I and 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.

Copies of Orders in Council P.C. 1974-1100 and 1974-1101, dated May 14, 1974, amending, respectively, Parts I and 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 Cape Breton Development Corporation, including its financial statements and Auditors' Report, for the three months ending March 31, 1974, pursuant to section 33 of the Cape Breton Development Corporation Act, Chapter C-13, R.S.C., 1970.

Report on the operation of Agreements with the Provinces under the Hospital Insurance and Diagnostic Services Act for the fiscal year ended March 31, 1973, pursuant to section 9 of the said Act, Chapter H-8, R.S.C., 1970.

Capital Budget of the Royal Canadian Mint for the year ending December 31, 1974, 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. 1974-1097, dated May 10, 1974, approving same.

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, 1973, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

Report of Polymer Corporation Limited, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1973, 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, 1974, 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 Canadian Arsenals Limited, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

Report of Canadian Commercial Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, 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.

Report on Vocational Rehabilitation for the fiscal year ended March 31, 1974, pursuant to section 8 of the Vocational Rehabilitation of Disabled Persons Act, Chapter V-7, R.S.C., 1970.

Copies of Order in Council P.C. 1974-1544, dated July 16, 1974, 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 respecting operations under the Health Resources Fund Act for the fiscal year ended March 31, 1974, pursuant to section 13 of the said Act, Chapter H-4, R.S.C., 1970.

Report on proceedings under the Canada Labour Code, Part III (Labour Standards), for the fiscal year ended March 31, 1974, pursuant to section 75 of the said Code, Chapter L-1, R.S.C., 1970.

Statement showing Classification of Deposit Liabilities Payable in Canadian Currency of the Chartered Banks of Canada as at April 30, 1974, pursuant to section 119(1) of the Bank Act, Chapter B-1, R.S.C., 1970.

Report of operations under the Crop Insurance Act for the fiscal year ended March 31, 1973, pursuant to section 13 of the said Act, Chapter C-36, R.S.C., 1970.

Report of the Agricultural Stabilization Board for the fiscal year ended March 31, 1974, 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, 1974, pursuant to section 7 of the Agricultural Products Board Act, Chapter A-5, R.S.C., 1970.

Capital Budget of The St. Lawrence Seaway Authority for the year ending December 31, 1974, 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. 1974-1037, dated May 2, 1974, approving same.

Capital Budget of the National Harbours Board for the year ending December 31, 1974, 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. 1974-964, dated April 25, 1974, approving same.

Capital Budget of the Northern Transportation Company Limited for the year ending December 31, 1974, 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. 1974-1169, dated May 17, 1974, approving same.

Report of the Minister of Transport on the administration of the Motor Vehicle Safety Act for the fiscal year ended March 31, 1973, pursuant to section 20 of the said Act, Chapter 26 (1st Supplement), R.S.C., 1970.

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, 1974, pursuant to section 14 of the Government Harbours and Piers Act, Chapter G-9, R.S.C., 1970.

Capital and Operating Budgets of the Canadian National Railways for the year ending December 31, 1974, pursuant to section 37(2) of the Canadian National Railways Act, Chapter C-10, and 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. 1974-2107, dated September 19, 1974, approving same.

Report of the Department of Transport containing a Statement of Leases granted under authority of the Government Harbours and Piers Act, for the fiscal year ended March 31, 1974, pursuant to section 18 of the said Act, Chapter G-9, R.S.C., 1970.

Report of the Standing Senate Committee on Legal and Constitutional Affairs, appointed in the last session of Parliament and authorized in that session to examine and report upon all aspects of the parole system in Canada.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Tuesday, October 1, 1974

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

Prayers.

## THE LATE HONOURABLE ROMUALD BOURQUE

TRIBUTES

**Hon. Raymond J. Perrault:** Honourable senators, since we met last May we have lost an esteemed member of this chamber by the death of Senator Romuald Bourque, the senator for de la Vallière in the province of Quebec, who passed away on August 14.

Senator Bourque had a long career of service to his country, his province and his community. He was Mayor of Outremont from 1947 to 1963. In 1952 he was elected to the House of Commons and he was re-elected in four subsequent elections. In July 1963, as some members will recall, he was summoned to the Senate.

Senator Bourque was born and educated in Ottawa. In addition to his career of public service he had a long and distinguished career as a successful member of the business community in his home province of Quebec. Romuald Bourque was a friendly man who made a lasting impression in all parts of this house and in all parts of Parliament, and before he was stricken with ill health he was a very faithful attendant in this chamber. Although Senator Bourque has been absent from this chamber for some time, we shall miss him greatly and we are deeply grieved at his death.

I convey to his widow and the members of his family our deepest sympathy.

**Hon. Allister Grosart:** Honourable senators, in the unavoidable absence of Senator Flynn, it is my sad duty to associate myself with the regrets expressed by the Leader of the Government on the passing of our colleague, Senator Bourque.

On behalf of this group, I am also pleased to associate myself with the tribute paid to him. I remember him very well. He came to the Senate the year after I did and recently occupied an office in the same corner of the fourth floor as I do. From time to time he would drop into my office, and occasionally I would drop into his, and I was happy to be able to receive from him some of the wisdom that he had acquired over his many years of public service.

Senator Bourque typified the best in the dedication to public service which is a characteristic of an increasing number of Canadians in public service. As the Leader of the Government has mentioned, Senator Bourque was Mayor of Outremont for 14 years. He was elected to the House of Commons five times in succession. He had, if I may say so, the distinction of having been a Liberal member of Parliament from Quebec elected in that historic year 1958.

His associations with the business community were very extensive, extending from his activities as publisher in Sherbrooke to his activities in the printing business in the city of Montreal.

We shall miss him, because, as the Leader of the Government has said, he regularly attended here in the Senate and in committee. In the work of the Senate his counsel was always available to anyone who sought it, and I am glad to say that from time to time I was one who did.

On behalf of this group and, if I may presume, on behalf of all his colleagues, I extend our condolences to his widow, his son and family, and his many grandchildren, who will miss him perhaps even more than we shall, even though we shall miss him greatly.

[*Translation*]

**Hon. Azellus Denis:** Honourable senators, as a personal friend of Senator Bourque, I join my voice to that of the Leader of the Government in the Senate as well as that of the Acting Leader of the Opposition, to mourn the loss of a friend whose high merit won him great achievements in every sphere of activity in which he delved during his fruitful career, as well in the field of business as in the service of his fellow citizens. He founded, managed and developed a business firm which was the envy of his competitors.

As for his public life, his services were called upon for many years; as the Leader of the Senate pointed out, he put his talents of administrator to use in the service of the city of Outremont both as councillor and as mayor.

Then, the electors of the federal riding of Outremont elected him member of Parliament. I had the privilege of being his colleague in the House of Commons—his riding and mine being neighbouring ridings—and he never refused to help younger candidates through his influence, prestige and eloquence. For this, I am personally grateful to him.

Finally, to crown a well-rounded career, the Prime Minister summoned him to the Senate, where Senator Bourque continued to give his fellow citizens the benefit of the wisdom of his advice.

In my turn, I express to the bereaved my most sincere condolences.

**Hon. J.-E. Lefrançois:** Honourable senators, I wish to associate myself with those who have spoken before me to mourn over the death of Senator Bourque, a colleague whom we all loved.

From the time of his appointment to the Senate in July 1963, the senator and myself were almost inseparable, since we travelled together, ate together, and spent our spare time together. I therefore mourn the loss of more

than a colleague, for he was a sincere and devoted friend whom I shall always remember.

To his family, I express my sincere condolences.

[*English*]

## LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN TABLED

**The Hon. the Speaker:** Honourable senators, I have the honour to table the report of the Parliamentary Librarian to the First Session of the Thirtieth Parliament, 1974.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Auditor General's Report to the Minister of Manpower and Immigration on the examination of the accounts and financial statements of the Unemployment Insurance Commission for the fiscal year ended March 31, 1974, pursuant to section 138 of the Unemployment Insurance Act, 1971, Chapter 48, Statutes of Canada, 1970-71-72.

Report of the Public Service Commission of Canada for the year ended December 31, 1973, 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, 1973, 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, 1973, pursuant to section 45 of the Public Service Employment Act, Chapter P-32, R.S.C., 1970.

Report of the National Museums of Canada, including accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to section 22 of the National Museums Act, Chapter N-12, R.S.C., 1970.

Report of the President of the National Research Council of Canada for the fiscal year ended March 31, 1974, pursuant to section 16 of the National Research Council Act, Chapter N-14, R.S.C., 1970.

Report on the administration of the Emergency Gold Mining Assistance Act for the fiscal year ended March 31, 1974, pursuant to section 10 of the said Act, Chapter E-5, R.S.C., 1970.

Report of the Fisheries Prices Support Board for the fiscal year ended March 31, 1974, pursuant to section 7 of the Fisheries Prices Support Act, Chapter F-23, R.S.C., 1970.

Report of the Minister of Finance respecting Olympic coins for the period ended March 31, 1974, pursuant to sections 13(1) and 13(3) of the Olympic (1976) Act, Chapter 31, Statutes of Canada, 1973-74.

[Senator Lefrançois.]

• (1410)

## SUPREME COURT ACT

BILL TO AMEND—FIRST READING

**Senator Perrault** presented Bill S-2, to amend the Supreme Court Act and to make related amendments to the Federal Court Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday, October 8.

Motion agreed to.

## STATUTE REVISION BILL

FIRST READING

**Senator Perrault** presented Bill S-3, to provide for a continuing revision and consolidation of the statutes and regulations of Canada.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday, October 8.

Motion agreed to.

## CUSTOMS ACT

BILL TO AMEND—FIRST READING

**Senator Perrault** presented Bill S-4, to amend the Customs Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday, October 8.

Motion agreed to.

## AIRCRAFT REGISTRY BILL

FIRST READING

**Senator Perrault** presented Bill S-5, to enable Canada to comply with a Convention on the International Recognition of Rights in Aircraft.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday, October 8.

Motion agreed to.

## CANADIAN WHEAT BOARD ACT

BILL TO AMEND—FIRST READING

**Senator Perrault** presented Bill S-6, to amend the Canadian Wheat Board Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday, October 8.

Motion agreed to.

## BUSINESS OF THE SENATE

**Senator Grosart:** Honourable senators, I wonder if I could ask the Leader of the Government if there is any special significance in the fact that we now have five bills introduced in the first instance in the Senate? This is a rather unusual but perhaps welcome procedure.

**Senator Perrault:** Honourable senators, may I respond by saying to the honourable Leader of Her Majesty's Opposition in the Senate that, cognizant of the desire of all members on both sides of the house to make this body increasingly important and relevant in the Canadian parliamentary system, representations have gone forward from many parts of this house to have more legislation originate in this chamber. I welcome the expression of support for this procedure by the Leader of the Opposition.

## SPEECH FROM THE THRONE

### TERMINATION OF DEBATE ON ADDRESS IN REPLY ON EIGHTH SITTING DAY

**Senator Langlois:** Honourable senators, I move, seconded by Senator Perrault, with leave of the Senate and notwithstanding rule 45(1)(i):

> 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 Administrator's Speech from the Throne addressed to both Houses of Parliament be concluded on the eighth sitting day on which the order is debated.

**Senator Grosart:** Honourable senators, I wonder if I might ask the Leader of the Government if he could designate the eight sitting days.

**Senator Perrault:** May I respond by stating that we hope to be able to detail and delineate those days at tomorrow's sitting.

Motion agreed to.

## THE HONOURABLE DAVID WALKER, P.C.

On the Question Period:

**Senator Buckwold:** Honourable senators, I have a question of a facetious nature. I wonder who the new face is across the way, sitting on Senator Choquette's left. I can only say that the beard is a great improvement.

**Senator Walker:** It certainly hides a great many sins, doesn't it? As a matter of fact, I have for some time been most anxious to emulate Senator Argue.

## SENATE CHAMBER

### SEATING ARRANGEMENTS FOR SENATORS ON CEREMONIAL OCCASIONS—QUESTION

**Senator Rowe:** Honourable senators, if it is not inappropriate to raise the question at this time, may I say that it struck me yesterday that some better arrangement should be made for the accommodation of senators in their chamber—our chamber—than has been the custom in the past. I am thinking specifically of the fact that at the opening ceremonies yesterday several senators, having arrived shortly before the ceremonies were to begin, were a little embarrassed because of the difficulty in finding places to sit. It seemed to me there were not enough seats to accommodate all the senators who attended here.

● (1420)

At no time should a senator find it difficult to get a seat in this chamber, and I wonder whether on ceremonial occasions, when our desks have to be removed and arrangements made to accommodate guests, the seats for senators could have their names on them. There should be some system installed to guarantee all senators a seat. They should not have to go through the embarrassment and trouble of wandering around, trying to squeeze in somewhere.

**Senator Perrault:** I want to assure the honourable senator that his recommendations will be given careful consideration, and that proper communications will be made with respect to the matter he has raised.

### AMPLIFICATION AND SIMULTANEOUS INTERPRETATION SYSTEM—QUESTION

**Senator Choquette:** Honourable senators, now that suggestions are being made to improve conditions in the Senate chamber, I have a suggestion to make which I think is timely. It is that an amplification system should be installed in our galleries. I made this suggestion some five years ago, and I was given assurance that the matter would be looked into promptly and that something would be done about it.

The Opening of Parliament in the Senate chamber is an historic occasion. Many of us have seen it perhaps sixteen or seventeen times, but it is a memorable event for visitors. Yesterday I had some guests who were sitting in the gallery and they could not hear one word of the Speech from the Throne. They could not hear one word said by Madam Speaker.

I submit that something should be done as soon as possible to remedy this situation. The galleries should not only have loudspeakers installed but should be equipped with a simultaneous translation system similar to the one at the United Nations where people can plug in and listen to what is being said in whatever language they want. We have two official languages here, and visitors in our galleries, as well as senators on the floor, should be able to plug in to an amplification and translation system and listen in the language of their choice.

This equipment should have been installed in our galleries a long time ago, and I am suggesting to the new leader that something be done about it immediately.

**Senator Croll:** I am amused when the honourable senator says "Plug in." I have been plugging in for fifteen minutes and have heard nothing.

**Senator Perrault:** I want to assure Senator Choquette that his recommendation, along with the previous one raised by Senator Rowe, will be properly considered. All of

us appreciate the unfortunate distractions which were apparent yesterday. The senator has made a good suggestion, and hopefully something can be done to correct the situation.

**Senator Grosart:** It seemed to me the problem yesterday was that there were far more senators than usual in this area on the left of the Speaker. I had hoped some of them might remain, but I can assure them there are some vacancies here.

**Senator Langlois:** What did you do to attract them?

**Senator Connolly (Ottawa West):** Honourable senators, I would like to make a remark that I am sure will find a ready response in the bosom of all senators, and that is that the work of the staff of the Senate since yesterday afternoon in restoring this chamber to its present condition has been remarkable. As a rule we take these things for granted, but this was a very special kind of effort that was made, and we are indeed indebted to them.

**Hon. Senators:** Hear, hear.

## SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

The Senate proceeded to consideration of His Excellency the Administrator's Speech at the opening of the session.

**Hon. Joan Neiman** moved, seconded by Hon. Ernest G. Cottreau:

> That the following Address be presented to His Excellency the Administrator of the Government of Canada:
>
> To His Excellency the Right Honourable Bora Laskin, Chief Justice of Canada and Administrator of the Government 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.

[*Translation*]

She said: Honourable senators, let me on your behalf assure His Excellency Jules Léger that we deeply regretted his absence yesterday, on the occasion of the opening of the First Session of the Thirtieth Parliament of Canada.

But assuredly he was most brilliantly represented by his deputy, the Right Honourable Bora Laskin.

We wish to extend His Excellency our best wishes for a prompt recovery, and we look forward to seeing him soon back with us.

[*English*]

Senator Muriel Fergusson was appointed our Speaker shortly after I was summoned to the Senate, and I well recall, while our elevations were similar if somewhat unequal, we both felt a certain amount of trepidation in the contemplation of our new duties.

As you all know, Senator Fergusson dealt with her new duties magnificently. I do not think I could ever have maintained the pace nor could I have achieved the goals that she set for herself in fulfilling the obligations of her office. I should very much like to congratulate her on her tact and humour in dealing with the difficult decisions and situations that so often arose. I also thank her most sincerely for the contributions she has made to us during her period as Speaker, and for the contributions that I know she will continue to make.

**Hon. Senators:** Hear, hear.

**Senator Neiman:** I am, of course, delighted to welcome our new Madam Speaker and I am, naturally, somewhat proud that the Prime Minister has seen fit to appoint another member of our sex to this important position. She will add her own special brand of Gallic humour to the competence displayed by her predecessor in office.

[*Translation*]

The Honourable the Speaker certainly has a better knowledge of my mother tongue than I of hers. I will therefore strive, and this is my challenge, to learn and speak this language of hers which is new to me.

I wish to take this opportunity to wish her, on behalf of all the honourable senators, many, many years as Speaker of this house.

We cordially assure her of our affection and support.

[*English*]

I should like also, honourable senators, to express my personal tribute to the Honourable Paul Martin, who has served our country so brilliantly, devotedly and effectively in many areas of public life.

**Hon. Senators:** Hear, hear.

**Senator Neiman:** His most recent field of service was as government leader in the Senate.

From my earliest recollections of Senator Martin I know that he has always been a political force to be reckoned with and respected. All party considerations aside, anyone who has ever known Senator Martin, or even known of him, can only have the deepest admiration for the manner in which, by his tremendous talent and energy, he consistently served not only Canada, but, indeed, many other countries of the world.

● (1430)

Senator Martin long ago earned a respite from his continuous labour in public service, but I rather suspect that he does not yet want it. In whatever way he chooses to continue it, he should know that, no matter how tenuous or infrequent the association of some of us has been with him, we are all happy to accept a modest amount of credit for his accomplishments.

I extend a warm welcome to our new government leader, the Honourable Raymond Perrault.

**Hon. Senators:** Hear, hear.

**Senator Neiman:** Our young Lochinvar has come out of the West, undoubtedly bringing many fresh ideas which he will impart to us before we can settle back into our old bad habits—if we had any, of course. I shall be interested in the new directions he suggests, because I believe that in order to remain vital the Senate must be prepared to experiment and to change to meet the constantly changing demands of the society it serves. I expect Senator Perrault will find many new challenges. I wish him great success in the important position he has assumed.

I am glad to know that our deputy leader and the Leader of the Opposition are carrying on in their duties. I see that we have a new Deputy Leader of the Opposition and I am sure that he will be as effective as Senator Choquette was before him.

**Hon. Senators:** Hear, hear.

**Senator Neiman:** I am glad to see that Senator Choquette is still occupying a front bench, because I enjoy his pixie smile with the rapier wit that he generally directs across to the other side.

Finally, since I am sure their Maritime colleagues, who know them much better than I, will have a great deal to tell us about them shortly, I only wish at this point to welcome our new members, the Honourable Irvine Barrow and the Honourable Ernest Cottreau. We are happy to have them with us.

**Hon. Senators:** Hear, hear.

**Senator Neiman:** Being a comparative novice in this chamber and also conscious of the honour which is bestowed on me in asking me to move the motion for the Address in reply to the Speech from the Throne, you can well imagine that I had to start thinking about what I was going to say some time in advance. Of course, it was easy to guess that a good part of the Speech from the Throne would be reasonably similar in thrust to the previous one, of just nine months ago, since the government then really did not have the opportunity to implement many proposals the Speech contained. As we heard yesterday, intervening events, and particularly the steadily darkening economic picture, have altered some of the priorities the government has set for itself. Throne Speeches tend to be filled with rather lofty expressions of a government's concern for the economic good and social well-being of its citizens, as well as rather cloudy proposals as to how the desired improvements are going to be achieved. In the end we know, however, that it is what a government does during its tenure, not what it says it will or will not do, that counts.

I am concerned a little about what I think are some significant omissions, or, at least, lack of specifics, in the Speech from the Throne. I am hopeful, however, in the long period of time which this government has been granted to prove its good intentions, it will demonstrate that its concerns go far beyond those briefly outlined in the Speech from the Throne.

There is no doubt that the state of the economy, ours or that of some other country, is a popular topic of conversation these days. I hope we do not talk ourselves into a severe recession because, with absolutely no expertise on the subject, I simply do not think that need happen. However, the shortages of essential commodities and a volatile money market have created grave international tensions, and I am concerned as to how the affected countries will attempt to moderate their present difficulties.

The oil shortage last year, no matter how artifically created it may have been, shocked industrialized nations into an unhappy awareness of their dependency on the few oil-producing countries of the world. Millions of dollars have been pouring daily into the coffers of the Organization of Petroleum Exporting Countries. The World Bank predicts that by 1985 the staggering sum of $1.2 trillion will have passed into the hands of that organization. Money is power, and those nations who now hold the balance of power cannot be expected to relinquish it easily.

I am reminded of a passage in Viscount Morley's *Life of Richard Cobden:*

> Great economic and social forces flow with a tidal sweep over communities that are only half-conscious of that which is befalling them. Wise statesmen are those who foresee what time is thus bringing, and endeavour to shape institutions and to mould men's thoughts and purpose in accordance with the change that is silently surrounding them.

The implications of that statement are shockingly pertinent in the light of certain events in the international scene of which we have recently been made aware. We have had some relevations of the interference with, and the abrogation of, the basic rights of people within nations and between nations.

A principle is set out in the Atlantic Charter:

> —to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity.

We are now indeed a planetary society, and President Gerald Ford reminded the United Nations of that fact when he urged its members to adopt a global strategy for food and energy, but the iron fist was there beneath the velvet glove. The implied threat contained in some of his later remarks should give us all cause to ponder and to worry. When their lifelines are being squeezed or cut off or, indeed, where people have very few lifelines even to cling to, nations often feel justified in adopting tactics which infringe on the rights of other nations, sometimes even to the point of armed intervention.

In those bilateral and multilateral discussions which the government has already commenced with other countries, I hope Canada will play a leading role in stressing the importance of recognizing the differing needs and aspirations of each of them, and the essentiality of resolving any basic conflicts of interest by open and honest negotiation. I would add that no matter what Canada does, I believe it must also play a leading role in providing food and essential materials particularly to a number of those countries which are part of what we call the Third World.

● (1440)

No matter what other measures we take to restrict our own expenditures, that has to be part of our global strategy and part of our duty to other nations.

On July 8 the Canadian people gave the Prime Minister and his government an overwhelming mandate and a clear message, "We want a strong government, able and prepared to deal decisively with the most pressing problem in our country today—inflation." I think they got the message, but its implementation will not be easy.

The Speech from the Throne described in some detail the inflationary squeeze in which not only Canada but virtually all developed countries are caught, and which, combined with critical shortages of essential materials and food, has had a damaging effect on the economy of the country.

I was pleased to note that the government, realizing that the problems engendered are national and international in character, has undertaken to work closely with all other levels of government, and to exercise leadership in encouraging the closest cooperation amongst them to seek and work at solutions. I would hope that this policy would always be followed.

Most people will be encouraged by the declared intention of the government not deliberately to generate slack in the economy in order to combat inflation. Instead, it has set out an extensive list of methods it proposes to use. We can only wish it Godspeed and good luck.

One undertaking I particularly like is that the government will exercise restraint in its own expenditures, and will concentrate instead on improving the effectiveness and efficiency of its operations.

The objectives of the government are as concise as they are commendable. Apart from its "appropriate fiscal and monetary policies," which I gather we shall not be able to assess fully until that "early budget" is brought down, the government proposes:

—to increase the supply of goods and services;

—to protect those least able to protect themselves; as well as

—to soften the impact of soaring oil prices on Canadian consumers and to cushion the economy against disruptive increases in other commodities.

I might say here that I do not personally believe that inflation is having quite as devastating an effect on Canadians as some of the howls of anguish would indicate. Although many are hurt, few are mortally wounded. I have yet to hear of anyone who has put his car on blocks because he cannot afford the gasoline to run it. But one important segment of our nation has been badly hurt. I refer to those on fixed incomes or with no income at all other than welfare payments. They need our immediate attention.

The government has re-affirmed its intention to protect those least able to protect themselves. In line with that continuing policy, which I know we all support, the Minister of National Health and Welfare has announced that there will be another increase in the Old Age Security pension and the Guaranteed Income Supplement in October. However, other sections of the needy have been overlooked. I recall reading in a Toronto newspaper last week a letter from a blind pensioner stating that the government had apparently forgotten that his needs were just as great as those who receive the Old Age Pension. Apparently this sector of our society has not been remembered by the government. The government provides various pensions because it recognizes its obligations to particular classes of citizens. Those in need must be treated equally. Most importantly, all governments must try to find some method of ensuring that when a much needed increase in financial assistance is given with one hand, it is not immediately taken away with the other.

The government has listed in considerable detail the measures it proposes to take to combat inflation. I do not propose to review them all. None of them are startlingly new, but all of them, if implemented efficiently and effectively, will undoubtedly have an ameliorating effect on our troubled economy. Again, it is the performance and not the promises that we shall be watching. I would have to be convinced, as also would the hungry people of this country, that the Canadian Egg Marketing Agency could not somehow have done a better job.

Many honourable senators will agree with the blunt remark of the Minister of Transport a few months ago that our transportation system is in a mess. We shall welcome any and all improvements the government intends to make—and the sooner the better.

In this age of people against planes, ratepayers' groups against expanding airports, and our growing awareness of the ecological damage they cause, we need and we want alternatives. Had we commenced thinking about this situation much earlier and had done something about it, it is just possible that we would not now be faced with all the problems concerned with the building of a second airport near the city of Toronto.

Many Canadian women will be somewhat less than ecstatic at the government's intention—I quote from the Throne Speech—to introduce "wide-ranging legislation . . . to guarantee the equal status of women." How often have we heard those words before? The report of the Royal Commission on the Status of Women was tabled four and a half years ago, and out of 167 recommendations within the jurisdiction of the federal government, only about one third of them have been implemented. It is hardly a great track record.

However, we have recently had public commitments from some of our ministers to introduce in the near future amendments to laws which are of great concern to us women. The Minister of National Health and Welfare has stated that he will shortly introduce an amendment to the Canada Pension Act to ensure equal treatment of men and women with regard to pensions under the act. Great!

The Minister of Justice recently stated that he is considering amendments to the Criminal Code which will considerably ease the problems of women testifying in the courts in connection with charges of rape. That is a very painful process to which women are subjected both before and after the event, and the Minister of Justice has rightly recognized that some changes are necessary. Such changes will be of help not only to women but also to those charged with the enforcement and administration of justice.

● (1450)

I might remind the minister, at the same time, that Recommendation No. 152 of the Report of the Royal Commission on the Status of Women is that any requirement that women must establish they were of previously chaste character be deleted from all sections of the Criminal Code. Certainly, in the case of rape, the question of whether a woman was of previously chaste character has absolutely no relevance to the offence. That section should have been changed a long time ago, and its deletion is long overdue.

In January 1970 the Law Reform Commission of Canada published a working paper on family law. Shortly afterwards, the Ontario Law Reform Commission published its volumes of studies and proposals, many of which contained remarkably similar proposals to those contained in the federal draft. The federal paper has not gone beyond

being considered a working paper, nor have I heard any evidence in the Ontario Legislature that any action has been taken on the recommendations contained in the Ontario report. There are a number that affect matrimonial and property rights of women, and these are of utmost importance to all of us.

I do not think it was until the infamous *Murdoch* case of about a year ago that many women really realized that the status of being legally married brought with it certain very definite economic disadvantages. I am not here to suggest that we dispense with the venerable institution of marriage, or that we place our warm relations with our spouses on a monetary basis. What I am saying is that the government and the legislators of this country should be taking some action to improve the status of women with respect to their marriage contracts.

We are fortunate in having a most distinguished Chief Justice of Canada. He is a person who has played, and undoubtedly will continue to play, a very influential role in reforming some of our hoary and horrendous concepts regarding women in the twentieth century.

The government has given no indication that it intends to clarify the law with respect to therapeutic abortions. I do not want to get into the merits of this most difficult question. Regardless of one's personal convictions, the relevant sections of the Criminal Code are so imprecise that they have led to a variety of interpretations in their application. This has created a number of grave injustices and has resulted in unequal treatment to women in similar circumstances, and thus to an uncertainty as to what their legal rights are in this matter. It is objectionable, not only to women who oppose the widening of this particular law but to those who would reject it entirely. The present Minister of Justice has stated his personal position on this matter. I do not happen to agree with it in its entirety, but I do agree that he is entitled to hold it. However, he does have an obligation, as does his government, to clarify the law—and I hope it has the courage to do so—in order that we may know how the law is to be administered.

May I just add here that I am extremely pleased at the quantity and quality of the women elected to the Thirtieth Parliament—and I do not exclude those in the Opposition Party. I am convinced that they are as bright and capable, and will make as great a contribution, as any of their male colleagues. I think they would want me to say that they were not elected merely as women, for women, but rather as members of Parliament to serve all their constituents. I am happy they are there and I think their mere presence, the mere fact that we have that many more, will mean that perhaps in some of these areas of law affecting women the government will be less likely to waffle, if I may use that word in this chamber, than it has in the past.

The Speech from the Throne noted that the volume of public business before Parliament increases each year, and that the government proposes to seek reforms of the rules and procedures of the House of Commons to enable its members to discharge their growing responsibilities more effectively. Well and good. However, I should like to remind the Prime Minister that this Senate, too, is part of Parliament, and that the members of this chamber are prepared to accept and discharge all responsibilities which would contribute to good government and to better service to the Canadian people. I think we have made a marvellous beginning in that respect today with the number of bills that have already been introduced in this chamber.

Let the appropriate committee of the other place begin to discuss its own reforms, and we should have a similar one at the same time. But there must then be a joint committee of both houses—unless, of course, the Prime Minister is considering abolishing this chamber—to consider how we can best work together. We must remember that we are indivisible, and that our strength lies in that fact.

I have one final comment to make. A very distressing event took place on the steps of Parliament yesterday—one no less than tragic for the native people of Canada—while we were taking part in the traditional pomp and splendour of the Opening of the Thirtieth Parliament of Canada. This, if they would believe us, is their Parliament as well as ours. I have flipped through the pages of previous Speeches from the Throne, and nowhere have I found any acknowledgment of our primary moral obligation to right the wrongs we have committed against our brothers and sisters. To be fair, the federal government has moved much more quickly in the past 10 years to slow the slide of our native people into destitution and degradation. But all of the patchwork panaceas are too little, and they may be too late.

● (1500)

I do not for a minute condone violence or armed threat. In my mind I know that that route is as useless as it is wrong, but in my heart I understand what desperation can make those people do. They are tired of platitudes and pious promises. I do not underestimate the difficult problems and decisions that our new minister has inherited, which are not made easier by the fact that the native people are as diverse as the rest of us and do not necessarily have the same needs or goals, but we must assume responsibility and leadership with other responsible governments to redress some of the wrongs which have been done and meet the legitimate demands of that large segment of our population.

The most urgent duty of this government is the settlement of the land claims of the native people, and that is the most complex issue of all. I gather the government proposes to delay action until it receives the report of Mr. Justice Berger of British Columbia on the Mackenzie River delta complex. The other day I had a letter from a member of his commission that is studying the question of family law out there. She mentioned that this problem of native land claims arose time and time again because the native people out there simply do not know what their future will be or how they will exist as family units unless they have some direction from the government. I would urge this government to move quickly and decisively in starting work on the land claims, and not wait for recommendations from one group or another, or even from their own departments. They can start to coordinate. They know it will cost money, and this is probably what makes them delay so long. I ask that they start now. It has crossed my mind that, faced with this very complex constitutional situation, with the problems that are involved, perhaps some of the distinguished members of this Senate

could be of immense help in settling some of the constitutional issues.

I should like to light a candle here today. To paraphrase the concluding invocation in the Speech from the Throne: May we all be guided by wisdom, inspired by the opportunities we have been accorded as members of the Senate of Canada, and given the strength to meet the challenges we face.

[*Translation*]

**Hon. Ernest G. Cottreau:** Honourable senators, it is with great apprehension and deep respect towards the authority vested in this august house that I rise to second the motion for an Address in reply to the Speech from the Throne. When I was invited to take part in this debate, I first expressed my great surprise, then my doubts as to my ability to do justice to such a great honour, for I have no parliamentary experience nor any knowledge of Senate procedure. A certain lack of self-confidence is surely justified in my mind as I now undertake to give my first speech.

[*English*]

Honourable senators, on May 8 last I accepted the honour of becoming a senator with the determination to serve my country to the best of my ability with what few qualifications I possess. I had no pretensions then, nor have I any now, and for me to function at all I must remain myself. As a consequence of this my speech may in no way compare with that of Senator Neiman, who has so ably moved the motion for an Address in reply to the Speech from the Throne.

With your leave, honourable senators, I shall confine most of my remarks to the part of Canada that is known to me. If I can judge by the spirit of friendship and good camaraderie that seems to exist among honourable senators, I would venture the thought that should I fall into grievous error in my brief discourse I shall receive your indulgence and understanding.

If I may, Madam Speaker, I should like to add my voice to that of the mover of this motion, and convey to you my congratulations on your appointment to the high office of Speaker. From you past record I have every confidence that you will enjoy success and good health throughout this Thirtieth Parliament.

**Hon. Senators:** Hear, hear.

**Senator Cottreau:** I should also like to offer my sincere and hearty congratulations to Senator Perrault on his appointment as Leader of the Government in the Senate.

Sir, may you enjoy many years of good health and continued success in your new office.

**Hon. Senators:** Hear, hear.

**Senator Cottreau:** Senator Neiman has already paid deserving and justified tributes to those other senators who have either assumed new responsibilities or given way to others while continuing to serve their country. In every respect I want to associate myself with Senator Neiman's remarks in reference to Senator Martin, Senator Fergusson, Senator Grosart and Senator Choquette.

**Hon. Senators:** Hear, hear.

[Senator Neiman.]

**Senator Cottreau:** Honourable senators, as I am practically a complete stranger to you, and as I was not ushered into this chamber on the strength of my brilliant success and glorious achievement in public life, I feel I should tell you a little bit about myself, my home area with its approximate location, part of its history and what I consider to be its importance in the Canadian context.

I was born in Nova Scotia, more specifically in the southwest part of Nova Scotia which, in political geographical terms, is called the federal riding of South Western Nova. This is an area which comprises the four imposing counties of Annapolis, in part, Digby, Yarmouth and Shelburne, in part. It is in this part of Nova Scotia that I have lived for the most part of my life.

Before I continue with my remarks about my native Nova Scotia, I want to bring into the focus of my speech a certain aspect of its population which has led to my presence here.

[*Translation*]

Honourable senators, I understand and accept the principle whereby it is my duty, as well as my pleasure, to put my services at the disposal of all my fellow citizens, regardless of ethnic origin, colour or religion. Having lived for 60 years in a society that encompassed those various elements, I have always strived to respect the rights of others, and believe that I have at all times contributed to maintaining peace and good will in that society. I shall endeavour to continue to do so in the Senate.

You well know, honourable senators, that my presence here with you I owe mostly to the fact that I am a Nova Scotian of Acadian origin. Senator Ambroise Comeau of Metaghan River, of the riding of Digby in Nova Scotia, was appointed to the Senate in 1907, as a result of long consultations between the Acadian citizens of Nova Scotia, the Hon. W. S. Fielding, then minister from Nova Scotia in the federal cabinet and other members of consequence in the cabinet such as, for instance, Sir Wilfrid Laurier. It was agreed at the time that it would only be fair for an Acadian from Nova Scotia to be appointed to the Canadian Senate. The practice has since survived, for which the Acadians are most grateful. They see in the Senate the defender of minority rights in Canada. I should therefore be remiss in my duty if I did not speak of my fellow citizens the Acadians of Nova Scotia.

According to the last census, the population of Nova Scotia now numbers 788,960 most of whom are of English origin. Acadians account for about 80,000 more than half of whom give English as their first language. All this is to say that practically speaking Nova Scotia is an English province. Acadians realize that, and they have no thought or ambition of wanting to make that province a French province. Consequently, we have no social unrest coming from the French minority. Nevertheless, ever since their early days they vindicated their rights to their culture and faith in full freedom. That is why they survived in spite of circumstances of sometimes severe hardships, and they are now recognized as deserving citizens.

Acadians were slow and old-fashioned in making progress due to isolation because they settled in Acadian towns along the seashore in the four corners of the province. They were also often the victims of diffidence due to

lack of education which sometimes held them back behind the rest of society. But that is part of the past. Acadians no longer live in the past.

It should be recognized that Acadians developed in the past twenty years. Thanks to financial assistance the federal government, through the Department of the Secretary of State, made it possible for Nova Scotia since 1970 to promote bilingual education in our high schools and our only French college—Collège Sainte-Anne—which undertook the necessary steps to accelerate the improvement of the French language in Acadian commmunities. The French language is indeed the strongest characteristic of Acadians. So it is essential that it be safeguarded.

● (1510)

Along that line I quote from the Graham Report of the Royal Commission on Education, Public Services and Provincial-Municipal Relations in Nova Scotia as follows:

> We heard arguments both sound and eloquent in favour of stronger and more efficient efforts to make available to Acadian students the possibility of acquiring the capacity to communicate and think in French. Progress in that direction was considered essential to the preservation of the French language and the Acadian culture in Nova Scotia.
>
> We are convinced of the soundness of those arguments. It is fair and reasonable that Acadians expect from their schools that they contribute seriously to maintaining and furthering that language and that culture that they preserved for close to four centuries, and in spite of extreme difficulties. It is obvious that Nova Scotia would suffer an incalculable loss if the heritage of the Acadian culture were to disappear.

I conclude my remarks on the subject of Acadians by saying that I do not agree with those who predict the disappearance of the Acadian culture. The Acadian people, due to their tenacity and courage, have adapted to modern life conditions and have earned the right to be placed on an equal footing with all the other peoples who form the Canadian mosaic.

[*English*]

Honourable senators, I am grateful to the mover for her analysis of the Speech from the Throne. In my view, she has brought out what I consider to be the most salient points, and in no way would I want to supplement her remarks. However, I do feel that of all the points mentioned some are of particular interest to me.

For instance, I am pleased to note in the Speech from the Throne the concern shown by the government for Canadians in all walks of life, particularly with respect to the problem of inflation. The matter of inflation is of prime importance to us in the Maritimes where our level of earning is below that of other provinces, and where the escalation of prices is creating hardships to many. Although I do not believe it possible for the government to legislate an end to inflation, I do believe that its concern and its active participation and, perhaps more important, its leadership in fighting it will come as a great help to the country as a whole.

I was particularly impressed by the mention of fisheries and transportation, because they do relate closely with the problems which afflict Nova Scotia—in particular, the southwestern part of Nova Scotia.

The fishing industry takes first priority with me, because in the counties of Shelburne, Yarmouth and Digby it is the main resource. These counties accounted for 43.5 per cent of the total landed value of fish in the entire province of Nova Scotia in 1972. In that year, according to the statistics in the ninth annual report of the Nova Scotia Department of Fisheries, the values of fish landed in those counties were:

| | |
|---|---|
| Shelburne | $10,905,000.00 |
| Yarmouth | $10,794,000.00 |
| Digby | $ 7,544,000.00 |
| Total | $29,243,000.00 |

The total value of fish landed in the province for that year was $67,091,000.

While the landed value appears to be on the increase over the previous years, we in southwestern Nova Scotia are greatly concerned that there is a dwindling trend in the landed weight of fish. To illustrate this, I quote a paragraph from the same report:

> The history of Nova Scotia fisheries in the last three to five years has been one of rising prices in export markets (chiefly in the United States), strong demand abroad and at home, and a need to increase, in one way or another year by year, the effort to maintain catch levels. Although the figures show that Nova Scotia's annual catches of fish never before totalled as much as have been caught annually since 1965, the annual totals since 1968 show a declining trend and for some species the decline has been severe.

I trust that this will illustrate to you, honourable senators, the reason for my concern. Any threat to the fishing industry in Nova Scotia is a threat to the basic economy of my area, and therefore it is with great appreciation that I witness in the Throne Speech some considerable evidence of government concern for the protection and the control of our fisheries.

● (1520)

Much is needed in the way of control in the area of our offshore fishing. The fortunes of our fishermen are being threatened by the massive fishing effort of foreign fleets operating off our coast, sometimes, according to reports by local fishermen, within our territorial waters. Headlines in the provincial press, as recent as September 17 and 18 last, report extensive damage done to a local fisherman's equipment by what are presumed to be foreign trawlers. A similar incident, but with greater damage, occurred in July last.

Needless to say, this situation poses a problem which has very serious connotations. I am pleased to tell you that this matter has been brought to the attention of the federal officials who are conducting an investigation and who, hopefully, will be able to bring forward a solution.

While the Conference on the Law of the Sea, held recently in Caracas, did not produce all the immediate relief and solutions to the ills facing the fishing industry that many of us had hoped for, I still hold the optimistic view that it laid the groundwork for the establishment of an international law which will give Canada exclusive

fisheries jurisdiction out to 200 miles off our shores. Only then will we be in a position to exercise proper and adequate control of this most vital industry.

Honourable senators, these are some of the problems which confront us in South Western Nova. We also lack wharfing and harbour facilities. In late years the number of fishermen has grown, and in many instances the facilities have remained the same and are naturally deteriorating rapidly. It is my hope that the federal government, through the Department of the Environment, will see fit to make an in-depth study of this situation and resolve it without further delay.

A step in this direction has already been taken with the appointment of the Honourable Roméo LeBlanc, the minister responsible for fisheries operation in the Department of the Environment. The appointment of Mr. LeBlanc to this very important position gives a new dimension to the proper development of the fishing industry on all our coasts, and I have every confidence that he will provide a new direction and give a more meaningful purpose to one of the real "bread and butter" industries of Nova Scotia. It will be my pleasure to do my utmost to enhance the fortunes of fishermen.

I would not want to leave you, honourable senators, with the impression that every citizen in South Western Nova is a fisherman. We have a modest agricultural industry, although not as affluent an industry as in the Annapolis Valley or the counties of Cumberland and Colchester where the soil is of better fertility than ours. We also have forestry, but again not in major proportions. A large sector of our working force is taken up by the trades, small businesses and, of course, the professions.

The second point I wish to emphasize is that of transportation, already brought out by Senator Neiman. The Speech from the Throne states that the first objective of the government in dealing with inflation will be to increase the supply of goods and services. Among the many measures mentioned as ways of achieving this aim is the improvement of our systems of transportation. I quote from the Speech from the Throne:

> A key factor in increasing supply is transportation. More generally, transportation is vital to Canada providing for the flow of people and goods that link and bind our regions. It is at the heart of our ability to function as a domestic economy, and as a trading nation. Transportation must be an instrument of national purpose, designed to achieve broad social and economic objectives. While the scale of Canada is one of its greatest assets, equally, it poses challenges of distance and communication virtually unique in the world. These problems are particularly real for the provinces and regions away from central industrial Canada.

Honourable senators, my area is a region away from industrial Canada, and transportation plays a vital role in our economy. Improvements are needed in our ground, air and marine transportation systems. The towns of Digby and Yarmouth are terminals for ferry services. Digby has a ferry link to Saint John, New Brunswick, and Yarmouth has ferries to Bar Harbour and Portland, Maine. Our proximity to the United States facilitates the flow of visitors into our area and enhances our tourist trade, and also causes a tremendous input into our economy. One of the ferries operating out of Yarmouth is the *M. V. Bluenose,* a government-owned ship which is now showing signs of age and obsolescence. It would be my hope that the government will seriously consider plans to replace this ship in order to assure the continuance of this most vital service. There is a great need for improvement in the facilities of air and ground transportation, and I shall work toward these improvements as time goes on.

In an age when the entire world is constantly being challenged by numerous and most complex problems, I feel that Canada has been able to cope with its share of problems with a great measure of success. This has been made possible by the close co-operation of government, labour, the private sector and all Canadians. The Speech from the Throne promises to continue the efforts to keep the country healthy and strong. For this reason it is my pleasure and honour to second the motion for the adoption of an Address in reply to the Speech from the Throne as moved by Senator Neiman.

On motion of Senator Grosart, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, October 2, 1974

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Capital Budget of the Export Development Corporaton for the year ending December 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. 1973-3647, dated November 22, 1973, approving same.

Capital Budget of the Export Development Corporation for the year ending December 31, 1974, 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. 1974-1287, dated May 30, 1974, approving same.

Report of operations under the Canada Water Act for the fiscal year ended March 31, 1974, pursuant to section 36 of the said Act, Chapter 5 (1st Supplement), R.S.C., 1970.

Report of the International Development Research Centre, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to section 22 of the International Development Research Centre Act, Chapter 21 (1st Supplement), R.S.C., 1970.

Report on the activities of the Food and Agriculture Organizaton (FAO) for the fiscal year 1973-74, pursuant to section 3 of the Food and Agriculture Organization of the United Nations Act, Chapter F-26, R.S.C., 1970.

Report of activities under the Prairie Farm Assistance Act for the Crop Year 1972-73, pursuant to section 12 of the said Act, Chapter P-16, R.S.C., 1970.

Report of the Superintendent of Insurance for Canada, Volume I, Abstract of Statements of Insurance Companies in Canada, for the year ended December 31, 1973, pursuant to section 8 of the Department of Insurance Act, Chapter I-17, R.S.C., 1970.

Copies of twelve contracts between the Government of Canada and various municipalities in the Provinces of British Columbia, New Brunswick and Nova Scotia, 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.

Public Accounts of Canada, Volume I, for the fiscal year ended March 31, 1974, pursuant to section 55(1) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

Report on the administration of the Canada Student Loans Act for the loan year ended June 30, 1973, pursuant to section 18 of the said Act, Chapter S-17, R.S.C., 1970.

## BUSINESS OF THE SENATE

On the Question Period:

**Senator Perrault:** Honourable senators, yesterday a question was directed to this side by the Deputy Leader of the Opposition with respect to the days on which the motion arising from the Speech from the Throne will be considered. It is the intention to deal with this motion on consecutive sitting days, unless emergency legislation intervenes.

**Senator Grosart:** Honourable senators, could I direct a question to the Leader of the Government? He has said that we will consider the motion on consecutive sitting days. May I ask if that means Tuesday to Thursday, because under our rules these are not what would be regarded as consecutive sitting days? Secondly, can the leader inform the Senate what he has in mind with regard to possible emergency legislation, which I think was the phrase he used?

**Senator Perrault:** It has been the practice of the Senate to meet Tuesday to Thursday inclusive. That would be the interpretation which would be placed on "consecutive sitting days." We will be in a position to announce the business of this house tomorrow afternoon, at which time we will be pleased to provide appropriate information for the consideration of all honourable senators.

It was noted in the Speech from the Throne on Monday that a very difficult situation has arisen with respect to the movement of grain from west coast ports, and the government has in mind the possibility of some extraordinary legislative action, should it be necessary, to expedite the shipment of grain from the west coast.

## SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Administrator's Speech at the opening of the session, and the motion of Senator Neiman, seconded by Senator Cottreau, for an Address in reply thereto.

**Hon. Allister Grosart:** Honourable senators, I resume the debate at this time in the unavoidable absence of Senator Flynn, who will be with us again shortly to make it clear, in his own very special and effective way, that the official Opposition in the Senate will, in spite of some recent disappointments, continue to discharge its duties to the Senate and to Parliament and the public of Canada. I

know that honourable senators supporting the government, some of whom confront us across the aisle and others who increasingly surround us in this last bastion of democracy in this place, are as equally concerned as we are that we perform our function here in keeping with the high traditions of this chamber. We will try not to disappoint them. We congratulate our friends on their good fortune on July 8, and assure them that we will do what we can, in collaboration with our colleagues elsewhere, to bring that good fortune to an end as soon as is reasonably possible.

**Senator Langlois:** Wishful thinking!

**Senator Grosart:** We begin a new session of a new Parliament with some new faces in new places. I refer particularly, of course, to Her Honour the Speaker, or, as I prefer it, le Président of the Senate, or perhaps it should be la Présidente of the Senate; I am not sure which. We need, I think, to decide on a proper form of address, and I hope that in due course we will do so. I confess that when Senator Fergusson was our Speaker I had great difficulty in bringing myself to address her as "Madam Speaker." Although she ruled us at times with a properly firm hand, such was her personality and charm when she occupied the Chair that a mere "Madam" seemed inappropriate to me as a form of address. Besides, perhaps from my younger days, there were some connotations of that word that I tended to shy away from.

**Senator Walker:** Speak for yourself.

**Senator Grosart:** Now, of course, we have a new problem. Will it be "Mademoiselle Speaker" or "Ms. Speaker"? I do not know, but I rather hope not. Admittedly Her Honour has the vivacity, the décor, the chic and the intelligence that English-speaking Canadians at least associate with a Mademoiselle from Montreal. But again I have the feeling that "Mademoiselle Speaker" would be inappropriate, and I find even more problems, of course, with "Ms. Speaker".

**Senator Walker:** What about "beautiful Speaker"?

**Senator Grosart:** "La belle Speaker"—an excellent suggestion from Senator Walker, who speaks much better French than I do. It may not be generally known that she is now the holder of a very distinguished diploma in music, and I would hope we might find a more euphonious address than "Ms. Speaker," because, speaking for myself only, I cannot picture her on the barricades of the Women's Lib movement shouting defiance at the very harmless male chauvinists whom she will have to govern here.

● (1410)

Your Honour, our compliments to you on your well-deserved, most popular and very rapid promotion from the back benches to the presidency of our Senate. You have our assurance of the fullest co-operation from this quarter and our very best wishes for the success that we are quite sure you will achieve.

I am told you accepted the high honour with some reluctance, having in mind the very great distinction which had been brought to the office by the previous Speaker, Senator Fergusson, and we can all sympathize with you in that. I am sure I can safely say, even in the presence of former distinguished Speakers of this place and the other place, that Senator Fergusson has made a unique and lasting contribution to the prestige and distinction of the office of Speaker of the Senate.

**Hon. Senators:** Hear, hear.

**Senator Grosart:** An even more rapid promotion from the back benches has come, again deservedly, to Senator Perrault, the new Leader of the Government. We are all aware of his wide experience in the legislature of British Columbia and in the House of Commons. We are glad to know, however, that he is still a young man. I can assure him that those of us who are, or are getting to be, oldtimers here are delighted with his appointment; first, because we have already had an indication that he is going to be an innovator, perhaps even a reformer of some of our procedures and practices here; and, second, because his appointment seems to indicate, to me at least, some confidence on the part of the Prime Minister and those who advise him in these matters that he is looking to this Senate for a renewal of its vitality in response to the challenges of change that are around us. I can assure Senator Perrault that his colleagues here, old and new, young and old, will respond to that kind of leadership.

Senator Perrault assumes his duties at a most appropriate time in the history of the Senate. I think we would all agree that the stage has been well set by some of his predecessors in that office, if I may mention only two who are still with us, Senator Connolly (Ottawa West) and Senator Martin, who in their years here as Leader of the Government, set the stage for a new and important role for the Senate—a role which I am sure we are about to assume.

We have been told that Senator Martin is to be called for further distinguished public service. The Prime Minister has said so. It is hard to see how he can add very much to the laurels he has already achieved in this Parliament, in Canada and certainly in countries around the world, as those of us know who have had the opportunity to visit other countries where we are continually asked, "How is the great Senator Martin?" We in the Senate know that he has served us well in five crucial years of our history—more crucial, perhaps, than some of us realized who were not fully aware of the challenges he had to meet from certain quarters in respect to the Senate, its leadership and its continuation as an essential part of the Parliament of Canada.

Senator Martin, we are proud of our association with you and of your association with us, and we hope to share some of the pride in your ongoing accomplishments in whatever great role you are called upon to fulfil in the years ahead.

**Hon. Senators:** Hear, hear.

**Senator Grosart:** We in this group extend a most warm welcome to the two new senators from Nova Scotia, Senator Cottreau and Senator Barrow.

Senator Cottreau, a distinguished representative of the glorious Acadian tradition in Canadian history—a current as well as historical glory to our country—has, as seconder of the motion for an Address in reply to the Speech from the Throne, already given notice of the high standard we may expect from him in contributions to the debates of

this house. I notice that he has a very distinguished record as a teacher of science, and I have no doubt that Senator Lamontagne will be after his talents very shortly to serve on the Special Committee on Science Policy. Senator Barrow will also bring vast experience—useful experience—to our deliberations, from his background on the Atlantic Provinces Economic Council, the Bank of Canada, the Industrial Development Bank, Dalhousie University, regional development activities and many other public service roles.

It is my very pleasant duty now to congratulate Senator Neiman, the mover of the motion for an Address in reply. I found her speech most unusual, most refreshing and most useful. I am sure she has already received congratulations from both sides of the house, which she most certainly deserves, on this exhilarating speech introducing the motion. I thought it unusual because Senator Neiman apparently found it quite unnecessary, and probably unrealistic, to indulge in the usual paeans of praise for the measures indicated in the government's long list of generally vague proposals to deal with the economic and social problems confronting the country.

I found her speech refreshing because of the candour with which Senator Neiman dealt with what she called—and I think I am quoting her correctly—"significant omissions from the Speech," on matters such as blind and disabled pensions, the egg marketing fiasco and the slow implementation of the report on the status of women. She said in regard to the latter that only one-third of 167 recommendations had been implemented over all these years. I also found refreshing her reference to what she called—and again I think I am quoting her correctly—"the patchwork of panaceas" in regard to the rights of our native people, and so on.

Of course, I found her speech most useful, because it makes my own task this afternoon so much easier. Honourable senators, I found myself reading and re-reading the Speech from the Throne to see if I could not possibly find something good to say about it, just to balance the apparent lack of enthusiasm of both the mover and the seconder for the material that had been put by others into His Excellency's Address. Unfortunately I find myself in general agreement with Senator Neiman's statement that there was nothing startlingly new in it, and, again, that it will be performance not just promises that Canadians will be looking for from this government this year, and the next, and the year after, if by accident they are still in office.

I congratulate Senator Neiman on what is certainly the most objective and realistic speech that I have yet heard on such an occasion.

I accept her warning, and it was a sound warning, that we must not talk ourselves into a recession; but I cannot escape the conclusion that the Speech from the Throne indicates that the government seems to believe it can talk us and itself out of the recession, which is obviously a fallacy.

The situation today is serious. It demands tough, courageous and prolonged action—far more than the measures indicated in the government's proposals in the Speech from the Throne. On the other hand, I find in the Speech indications of some measures which may have the very opposite effect to the government's intentions. They may have the effect, it seems to me, and according to some very well-informed observers, of actually aggravating the situation.

It is fair to say that the government has at long last officially recognized that inflation is our most serious problem, in spite of a long series of attempts to minimize the problem—a minimization which has caught up with us, as it has with other countries, and some of the blame for which we must lay at the door of the government, which at one time, when inflation started to roll, told us that they had the problem "licked." The Speech from the Throne stressed that the government now finds it "necessary to deal with its causes and mitigate its effects;" but I think it is obvious, on even a casual reading of the Speech, that the proposed measures and legislation deal far more with mitigating the effect than with dealing with the root causes. Of course it is fair to say that no government anywhere in the world has come up with the answers, except, perhaps, the Russian and Chinese dictatorships.

● (1420)

On the other hand, honourable senators, I was very much disappointed that the government failed to spell out the real seriousness of the situation. It seemed to run away from its duty to tell the people how vast the dimensions of this problem are. There is no doubt in my mind that Canadians generally are willing to face hard facts; they have done it before in critical times in our history. But we cannot expect them to face up to facts unless the government tells them what the problems are and what must be done to alleviate them. I find no indication whatsoever in the Speech from the Throne of the spelling out of the full dimensions of this very serious problem. To indicate just how grave the problem is, the Conference Board of Canada only last week published some very telling figures. The Conference Board is headed by Dr. Arthur Smith, former head of the Economic Council, and both organizations are amongst the handful of realistic assessors of the nation's economic and social state of health and are very widely respected as authoritative sources of information. For example, we are told:

> The Government does not intend deliberately to generate slack in the economy in order to combat inflation.

Whether that is a wise policy or not, and there is some doubt about it, it is certainly about as gratuitous a statement as could be heard from any government, in view of the conference's estimate that real gross national product will increase next year by only 1.2 per cent compared to 4.1 per cent for this year and 6.8 per cent for last year, while unemployment will increase from 5.5 per cent this year to 7 per cent in 1975.

Yet, honourable senators, we have a government which tells us that they are not going to deflate the economy entirely. To some extent, at least, they have done an excellent job of deflating it already.

We are further told in the Speech from the Throne that:

> The policy of the Government on inflation has been to pursue appropriate fiscal and monetary policies—

I am sure we are not expected to believe that the fiscal and monetary policies to date have been appropriate to the

circumstances. If they have been, why is the problem so much worse now than when they started to apply these policies? The evidence is abundant that in many instances the fiscal and monetary policies of the government have been singularly inappropriate. Again, honourable senators, it is fair to say that this situation applies to every government in the world with the possible exceptions of those I have mentioned earlier. Experts, in and out of government, in the western world at least, have been consistently off the mark, and there I am referring to experts in business, labour, universities and elsewhere.

But if there is one necessary measure to contain inflation—and here there is almost universal agreement—it is the drastic curtailment of government spending at all levels. We are told in the Speech from the Throne that the government "will exercise restraint in its own expenditures," and "will urge that provincial and municipal governments take similar steps." Now, this sounds very promising at first glance, but on second glance it is very clear that there is no promise whatsoever about *reduced* government expenditures this year. The words are "will exercise restraint." I presume that means that, like a man who is overweight, they will exercise some restraint in their appetite, but it takes more than restraint to reduce weight. I cannot find any economist who believes that there is the slightest hope that government expenditures at the federal level and at other levels, provincial and municipal, in 1975 will be lower than they are this year or were in any comparable year in our history.

Northcote Parkinson, the author of the famous Parkinson's Law, a highly respected economist, said recently:

> Inflation is caused mainly by government spending. No one else can influence it. The cause of inflation is simply too much money and this is caused solely by too much government spending.

Now, that may be an exaggeration, but certainly it is an exaggeration of a basic truth.

There is a claim of appropriateness in the inflation context for the monetary policy of the government. Again, the claim is doubtful. Far more confidence would be engendered, in my view, if the mistakes of the past had been admitted—and, perhaps, defended, because mistakes in particular contexts and time-binds can be justified for the time being. As long as the government insists, however, as it appears to do in the Speech from the Throne, that its monetary and fiscal policies have been appropriate, then there is not much hope that we will have a change to perhaps appropriate policies that will begin to solve the problem of inflation.

Mr. Arnold Hart, the Chief Executive Officer of the Bank of Montreal, who should and does know a great deal about money, has this to say about the effects of some of these policies:

> —inflation, interest rates and money supply have been going up together—

One obvious result is that:

> —more and more investment has been financed by the printing presses and less by the normal and non-inflationary process which involves saving.

It must be pretty alarming to honourable senators, as it was to me, to hear that the result of some of our monetary policies has been to get the printing presses rolling to create money, because it certainly has somewhat ominous echoes of a great world calamity that happened not so long ago that I cannot remember it.

Mr. Hart goes on to say:

> The chances of government spending restraint now seem remote. The monetary authorities will have to do most of the steering with one hand tied behind their backs.

So much for the appropriateness of the monetary policies we have had to date. That is certainly not a description of the effects of an appropriate monetary policy.

Now, I am not criticizing the government for not having the answers to all our problems, but it alarms me that the whole tenor of the Speech from the Throne seems to suggest that the government has the answers. We have this long list of measures to be taken, 68 of them according to my count, when the most elementary political arithmetic will indicate that there is not the slightest hope of those 68, or even half of the 68, being implemented by legislation or other measures within 12 months.

There is mention of a new housing policy, which is unquestionably necessary, but why so late in the game? Housing starts are actually down this year, when demand is at its highest, from 238,000 last year to 234,000 this year, and the industry estimate is for only 172,000 starts next year. That is how much confidence the housing industry seems to have in the proposed measures.

● (1430)

The government speaks of industrial unrest. "Unrest" is hardly the word for it, when I find in the very next sentence:

> Agreements reached through collective bargaining are being abrogated.

"Abrogated"—that is putting it mildly. In the last few months, at least four collective bargaining agreements have been violated by illegal strikes and physical violence on the picket line, and there is more to come, according to warnings we are being given by union leaders.

I am by no means anti-labour—far from it—but I cannot subscribe to any theory that if you do not like the law or if your solemn contract proves irksome you are entitled to break the law or tear up the contract.

The Prime Minister was very firm in an interview yesterday dealing with the native people who were on the Hill the other day. "They had better remember," he said, "that my government will never negotiate under the threat of violence." That was not in the Speech from the Throne. Perhaps it should have been, and with much wider relevance than to our poor protesting Indians.

Of course, there are the usual swipes at the business and industrial community. No doubt some of them are deserved, but I find great inconsistencies in the announced policy approaches to the essential role of business investment in the productivity of the economy.

As a matter of fact, honourable senators, the one bright spot in the whole prospect for the year ahead is the likely high level of business investment in our productivity. This is, of course, a function of the comparatively high earnings

of companies in the last two or three years, but that is where the money comes from, the money that we must have to build up the capital formation which, in the words of the C.D. Howe Institute—when I mention that distinguished name, I am sure honourable senators opposite will agree with my estimate of its validity—"now reduces the costs, including environmental costs, of attaining a desired standard of living in the future." I see some evidence in the Speech from the Throne that the government seems to have forgotten this essential fact. I emphasize those words, that capital formation *reduces* the cost of creating a high standard of living.

It goes on to say that:

> Canada's potential as a nation will be determined largely by its capacity to invest in capital formation and to allocate this capital wisely among a host of pressing demands.

Business investment is not, of course, the only input to capital formation. There is the private sector—that is, private savings—there is foreign investment, and, of course, government investment, which is a good thing in itself, so long as it is not merely an exercise in robbing Peter to pay Paul to such an extent that the private sector of the economy is unable to develop the necessary funding to create jobs and to improve the standard of living.

The fact of the matter is—this knowledge is not generally realized—that we have been running a fantastic backlog of investment capital formation for at least the last decade. The level of investment from savings is at about the level of 22 per cent of GNP. All the evidence is that it must rise to at least 24 per cent. It seems like a small percentage, but it represents a lot of money if we are to maintain our present productivity. But the prospects are not as bright as I am sure we would all like them to be.

We know that this lack of capital in the past has caused the shortages with which the government is so rightly concerned in the Speech from the Throne. Our hope of building up our capital formation quickly to reach these desirable ends is not very great.

Again, the Conference Board estimates that real per capita income will increase only 1.5 per cent next year compared with even the unsatisfactory level of 5 per cent this year and 6 per cent the year before, while corporate profits are estimated to decline next year to 4.4 per cent from 31 per cent this year and 35.7 per cent last year.

I see in today's newspaper that the Prime Minister says he is going to induce corporations to restrain or contain their profits. At the same time, the consumer price index is expected to increase to 12 per cent from 11.1 per cent this year and 7.6 per cent the year before. Where are the savings to come from to keep our economy rolling?

I hope Senator Neiman will not accuse me of doing the very thing I said I would not do, which is to suggest that I might be talking us into a recession; but it does seem to me that the government now has a mandate and a majority to face the facts, and to face them with confidence and in a climate of public understanding from which alone will come public cooperation in the fight against inflation.

Personally I am glad that the government has a majority in the House of Commons. Naturally I should like to have had the composition of that majority other than it is, but I do believe that it is in the best interests of Canada to have a government in office which has the muscle to govern wisely, and we hope well, and to accept the heavy responsibilities that go hand in hand with a mandate such as the government now has.

In conclusion, honourable senators, I may seem critical, but I know that honourable senators will understand that it is my proper duty, on an occasion such as this, to point out the inadequacies as I see them in the measures proposed for our collective Canadian future.

I recognize it is not the custom of the government to spell out in detail in the Speech from the Throne the precise contents of legislative and other measures that it intends to initiate in the days immediately ahead.

There are inevitable generalities, even platitudes—even what Senator Neiman so well called "waffle," after which she added, "If I may use that word." Senator Neiman, you may certainly use that word, and I am sure you will have occasion to use it often about the Speech from the Throne and the measures that will come before us to implement it.

I have to admit—it would be unfair not to do so—there are many good things in the Speech from the Throne. I welcome the reintroduction of the Registered Home Owners Savings Plan, the elimination of the earnings test on Old Age Pensions between ages 65 and 70, increases in war veterans allowances, and particularly the firm assurance in the Speech that there will now be consultation on the part of the government with the provinces and the people of Canada.

It has not been a distinctive feature of the policy of the present administration to consult the provinces regularly in the spirit of cooperation, or to consult the people in that same spirit; but we can now hope there will be a change of heart and we shall not have the kind of legislation proposed in the last budget speech to increase the federal take from resources, a measure which is patently unworkable. I am glad to congratulate the government on the announcement by the Prime Minister, that it will "backtrack"—that was the word used—from the position it took at that time. It is good to know that the government is prepared to admit mistakes and correct them.

There is also a promise of measures to improve technological innovation in Canada. Some of us who have had an opportunity of examining that particular situation over the years will have some reservations about it, because the first announcement of the major change in the government's attitude to the funding of research development in industry was made at least six or seven years ago. Three years later the government's funding in industry had dropped by a point, and then we had another announcement that it was going to be "contracting out" government research and development to industry, which simply has not happened to any appreciable extent. We now have the promise that it will start again, and perhaps it will. I have my doubts.

● (1440)

Then, of course, there is the large section on transportation. We are to have a new transportation policy. I do not know whether this is Mark III, IV or V for the government. The admission by the responsible minister some time ago that the transportation policy in Canada is a

"mess" was an honest admission, but one of no great credit to a government which had appointed a former distinguished cabinet minister to take over the responsibilities of the new commission, and appointed another distinguished cabinet minister to oversee it. That has just not worked. Perhaps we should call it Mark LXXIV—and hope that it will work better than the others.

We on this side, of course, as good parliamentarians, understand that there are political as well as social and economic constraints to government action. The recent election has, thankfully, removed one such constraint that existed for a while on the left of the government in the other place. The headline in my Ottawa paper of last night read, "Trudeau emphatic: Gov't. won't lurch to left." One might even hope that he might roam a little to the right.

In the months ahead we shall be receiving the legislation and other measures indicated in the Speech from the Throne. We in this group will welcome and support such when it appears to give practical realization to the evidence of good intent, which is the major theme of the Speech from the Throne. We do not doubt that good intent. We will be watchful, however, that it leads not in the traditional direction of most good intentions, but in the opposite direction for the benefit of all Canadians, of whatever estate and wherever they live.

**Hon. Raymond J. Perrault:** Honourable senators, may I, first of all, offer my warmest congratulations to the newly chosen Speaker of the Senate. Madam Speaker has established an enviable, indeed a great, record in the field of journalism and public service in this country, and she has consistently demonstrated qualities of courage, good judgment and balance which will serve us superbly well in this place. We welcome her appointment.

At the same time, I echo the sentiments expressed by those who have preceded me in this debate when I say that we were served superbly well by the retiring Speaker, Senator Fergusson. Senator Fergusson worked with a rare degree of diligence and dedication and, in the process, in the view of all of us, enhanced immeasurably the reputation and image of the Senate, and made us even prouder to be members of this place.

**Hon. Senators:** Hear, hear.

**Senator Perrault:** She has certainly set an example for all those who follow in her stead. Together with Senator Fergusson's countless number of friends and colleagues in this chamber, I wish her well.

As I assume my new duties as Leader of the Government in the Senate, I assure you that I do so deeply conscious of the great stature of those who have occupied this position in the past years. All of us are honoured to have with us here two of the former Leaders of the Government in the Senate. Between 1964 and 1968, Senator John Connolly, provided outstanding leadership on this side of the house.

**Hon. Senators:** Hear, hear.

**Senator Perrault:** His contributions to this nation, which continue, have been unfailingly distinguished, ranging from law and education to his effective efforts to represent our nation abroad, and they stand as a great example to all of us.

[Senator Grosart.]

My immediate predecessor, Senator Paul Martin—and I have had the privilege, as have many of you, to have known him for a great many years—has established one of the finest records of public service in the history of Canada.

**Hon. Senators:** Hear, hear.

**Senator Perrault:** As honourable senators are aware, Senator Martin was elected to the other place in 1935, serving there until April of 1968 when he was appointed Leader of the Government in the Senate. It would be impossible for me to chronicle his great contributions to this nation, not only as Minister of National Health and Welfare but as Secretary of State for External Affairs and in his several other posts, including that of Leader of the Government in the Senate.

I am deeply conscious of the qualities, the contributions and the abilities of those who have preceded me, and I am conscious, as well, of the superb contributions which have been provided in this place by Her Majesty's loyal Opposition and leaders of that group. As a neophyte, I can only hope to aspire to emulate the high standards which have been established down through the years on both sides of this chamber. In the process of attempting to be useful and effective in this post, I hope I can call upon the collective wisdom and abilities which I have found here in great abundance.

Many years ago when I was first elected to the legislature—and many of you have been elected to various governmental bodies—I learned, as my first lesson, that no one party in Canada, no one group of men and women, possesses a monopoly on virtue, good ideas, constructive concepts, nor does it monopolize the desire to do constructive things for the people of this country.

I know we all enjoyed listening to the mover of the motion for an Address in reply to the Speech from the Throne. Senator Neiman, in her address yesterday, further enhanced her reputation as a very clear and cogent thinker, one who can express herself clearly and eloquently on all the issues facing the people of Canada today. She gave further evidence of her value as a member of this chamber.

A maiden speech, whatever the assembly, is always a traumatic experience, one which all of us have gone through. For that reason Senator Cottreau deserves special commendation for a thoughtful and able dissertation in his seconding of the motion for an Address in reply to the Speech from the Throne. All of us listened to him with real interest, particularly to his delineation of some of the problems which afflict the province of Nova Scotia and, particularly, the southwestern part of Nova Scotia.

The activities of this chamber will be greatly enhanced by his presence and by the presence of his colleague, Senator Barrow, also from the great province of Nova Scotia. Both honourable senators have made a distinguished contribution in their home province, and we are delighted to have them with us.

● (1450)

I do not think any of us really expected that the Deputy Leader of the Opposition would shower the government with compliments and good wishes on the Speech from the Throne. I have heard many Throne Speech debates, and I have yet to hear anything but expressions of dismay from

the other side of the chamber when a Throne Speech has come under discussion. That is a feature of our parliamentary democracy, and a good feature. It that saves governments from becoming too complacent and from making the mistake of assuming that all is right and they have no challenge whatsoever.

Certainly the Speech from the Throne reflects some of the lessons drawn from the recent federal election. The Canadian people made known in a most emphatic way that they want majority government; they want government, at this particular traumatic time in the history of the world, which will act decisively, and will act with a sense of direction on a broad range of fronts. The Canadian people saw through much of the rhetoric of that election. The Canadian people know that there are no simplistic solutions to the problems affecting Canada or any part of the world, no instant magic; that if we are to make this a better country, if we are to overcome the problems that face all of us, it will take leadership on the part of the government, and leadership on the part of trade unions, business, agriculture and all the rest of us; that true progress is not an unearned increment.

I think the Speech from the Throne reflects very much the government's view that there must be a united national effort, drawing on the best of all Canadians to overcome our problems; that we cannot afford at this time selfishness in any one section of our economy. The people of Canada want their representatives to meet effectively the serious problems we face, and that the world faces. There is concern about world inflation, and no one can be complacent about a problem which, if left unheeded, could ultimately manifest itself in social anarchy. All parties were told in the recent election that the people of this nation recognize the problem and the acute danger of inflation. The Speech from the Throne indicates a positive and realistic response by government. The solutions it suggests do not constitute, of course, a total answer, because, as Senator Grosart correctly pointed out, a Speech from the Throne endeavours only to give the general direction of government policy and does not detail completely the full extent of a government's efforts to combat inflation or to implement any other program.

Because world shortages fire the flames of inflation, major efforts will be made to increase the supply of goods and services. A view accepted by the Canadian people during the election was that at a time when world shortages of money, oil and everything else are causing prices to skyrocket, merely the imposition of short term controls would achieve nothing in the final analysis.

The Speech from the Throne tells us that those least able to protect themselves are going to be given more assistance; they need help. As honourable senators are aware, one of the most perverse aspects of inflation is that the strong, the fleet, the able and the adept are often able to protect their economic position, and indeed may enhance their economic position, during a time of inflation, while the weak and the unprotected—those who have no bargaining representatives; no business or labour representatives, or any other kinds of representatives—those on fixed incomes, and, even more demoralizing, those thousands of good tax-paying citizens who have attempted to provide for themselves through prudence and sacrifice down through their lives, when a dollar was worth a dollar, are the most tragic victims of an inflation left unfettered and unhampered. So Canadians will welcome the proposals contained in the message of Monday that measures will be advanced to assist the unprotected and the weak, to soften the impact of soaring oil prices on Canadian consumers, and to cushion the economy against disruptive increases in the price of other commodities.

Despite the rhetoric of the recent campaign, the overwhelming majority of Canadians are aware that inflation and its evil effects are far from being a domestic problem alone. It is a domestic problem in part, but in essence it is not a domestic problem. Indeed, our people are aware that in comparison with the rest of the world Canadians can count themselves among the fortunates of the world. But none of us, regardless of party affiliation, is satisfied with merely maintaining the status quo and telling the rest of the world, "We are doing better than you are," because this may not be saying very much. All of us want to do better, and we, as parliamentarians of all persuasions, are determined, along with this government, that we will not rest content to compare smugly our inflation fight with that of other countries—not while there are those in our midst who day by day see their security eroded.

In his speech Senator Grosart made reference to the need to reduce government spending. The determination of the government to exercise restraint has been spelled out very carefully in this Speech from the Throne, because it states:

> For its part, the Government will exercise restraint in its own expenditures with particular emphasis on improving effectiveness and efficiency in its existing operations while controlling expansion of new activities which, although desirable, would contribute to inflationary pressures. The Federal Government will urge that provincial and municipal governments take similar steps.

Of course there has to be a restraint on government expenditures. I assure honourable senators that there is a firm intention on the part of the government to do this. However, honourable senators should also bear in mind that combined municipal and provincial expenditures greatly exceed expenditures at the federal level, and Senator Grosart's remarks should well be directed to provincial administrations of Conservative persuasion, Liberal persuasion and NDP persuasion. We can make effective this general proposal in the Speech from the Throne only if they cooperate with the efforts of the federal government to exercise restraint.

When we look at the total expenditures of the federal government in the 1975-76 fiscal year we are told that they:

> —are expected to incorporate the costs of certain major new measures, including payments to equalize prices of petroleum products in Canada.

In that very same paragraph we read:

> Federal expenditures on goods and services, as opposed to various transfer payments, have remained relatively constant as a proportion of Gross National Product for some years, and their proportion was lower in 1973 than it was in 1961.

In 1961 there was a government in this country under other political direction. A similar trend in provincial and municipal expenditures did not occur during the comparable period of time, 1961 to 1973.

So I return to the suggestion I made earlier, that if we are to overcome our problems in Canada it must be by a combined effort on the part of governments at all levels, of labour, of management, of cooperatives, of those in agriculture and so on. There are no simplistic solutions. Perhaps the members of the Opposition would, in the course of this debate, constructively suggest to the government those areas where major cut-backs can and should be made in order to reduce federal expenditures. Perhaps they will be helpful in that way.

● (1500)

Would they reduce payments to the senior citizens in our society? Or to the war veterans? Should there be a cut-back on provincial assistance under the Canada Assistance Act? Should we reduce benefits under the Canada Pension Plan? Should there be a cut-back in regional economic expansion programs? I think the government must be told in very clear terms by the official Opposition where the reductions in expenditure are to be made. This must be done in order to render valid the kind of criticism which we often hear from the other side of the house.

We are told that "labour disruption" is another critical problem, and I think that all members of this Senate are troubled by the degree of misunderstanding and difference which exists between labour and management in this country. But I would remind our friends in the Opposition that most labour-management relations in Canada are under provincial jurisdiction, and that the numbers of days lost in labour-management disputes are substantially greater in the provincial sector than in the federal sector. I would also remind them that this government has undertaken a series of important measures in the past five years to improve the relationships between labour and management. Indeed, ways are being examined to facilitate still further the settlement of labour-management disputes in the federal sector. I suggest to the members of the Opposition that the federal record has been a good one in the entire field of labour-management relations.

Honourable senators, there is a reference in the Speech from the Throne to procedural improvement in Parliament. In the words of the Administrator's message:

> The view is widely shared within and without Parliament that the rules and procedures of the House of Commons should be adapted to enable Members on all sides—supporting and opposing the Government—to discharge their growing responsibilities more effectively.

I suggest—and I know this view is shared widely in this chamber—that we should be no less dedicated to the idea of improving the procedures in this place in order to assure that the Senate will continue to be an even more vital and relevant part of Parliament.

I have served in a provincial legislature and I have served in the other place. Let me say that, in my view, the members of the Senate yield to no other body in Canada in the matter of ability, talent and their concern for the needs of the Canadian people. I think others who have served in other assemblies will agree with that judgment. Surely, our task must be to assure that the talents and abilities which exist in all parts of this house—the collective capacities and the collective wisdom which are to be found on both sides of the aisle—are employed as effectively as possible. This may well require a review of our procedures and our rules, and an assessment of our responsibilities; and in my view it includes an examination of the difficulties facing the Opposition in the Senate at the present time. I do not believe that any assembly under the parliamentary system can be effective unless there is a vigorous Opposition, and they must be assisted in their efforts to challenge the actions of the government and the measures which are brought before this house.

The other day the Throne Speech made reference to "conflict of interest." I know there is not a member of this house who would ask to be exempted from any conflict of interest standards which apply to another sector of Parliament and the Public Service. Disquieting and unhappy events in recent months involving elected officials and conflicts of interest, primarily in other courtries—certainly, in the nation to the south of us—have increased public demand, and I think with justification, for elected members at all levels to give clear evidence that they consider their responsibilities to be of paramount importance in order that their public trust not be prejudiced or violated in any way. Like Caesar's wife, all elected members must be beyond suspicion and must appear to be beyond suspicion.

Honourable senators have expressed to me their satisfaction that several government measures were given first reading in this house yesterday afternoon. This is but the beginning of a policy which will see a substantial number of government bills originate in this place in addition to those which are inspired by members of the Senate themselves. In past years the Senate has demonstrated an unfailing capacity to give careful, thoughtful and constructive attention to legislation—which, of course, is its first responsibility—and I have no doubt at all that we in this place will continue to contribute positively in that way. But, honourable senators, I know that you agree with me when I say that much more can be done in this place. It should be noted with satisfaction by all members of the Senate that the reports and inquiries initiated by the Senate have invariably been of great value and worth to Canada and have received widespread praise from the people.

Many reports have been prepared, the most recent being the report of the Standing Senate Committee on Legal and Constitutional Affairs, chaired by Senator Goldenberg, on Parole. That report is of tremendous credit to the Senate.

Without attempting to list them all, I might just mention the following reports: the report by the Special Committee of the Senate on Mass Media, chaired by Senator Davey; the report on Canada-Caribbean Relations by the Standing Senate Committee on Foreign Affairs, chaired by Senator Aird; the report on Information Canada by the Standing Senate Committee on National Finance, chaired by Senator Everett; the report on Tax Reform by the Standing Senate Committee on Banking, Trade and Commerce, chaired by Senator Hayden; the report of the Spe-

cial Joint Committee on Divorce, co-chaired by the late Senator Roebuck; and the report of the Special Committee of the Senate on Science Policy, chaired by Senator Lamontagne.

**Senator Benidickson:** And the report on Poverty in Canada!

**Senator Perrault:** Yes, of course; the report of the Special Committee of the Senate on Poverty in Canada, chaired by Senator Croll.

You see, honourable senators, there is always a danger in naming names and listing reports. One usually omits one of special importance, and I apologize to Senator Croll.

These reports give clear evidence that the Senate, in addition to its legislative activities, can make an enormous contribution through study and inquiry. When the Speech from the Throne talks about parliamentary reform, perhaps we should do some basic thinking about why the Senate came into existence in the first place and what kind of things we can do best. The Senate was formed to reinforce provincial and regional representation in Parliament. Indeed, without assurances to the provinces that they would be given strong regional representation in this chamber, Confederation would not have been brought about.

I express the hope that during the next few months it may be possible for the Senate to initiate a series of regional studies, the findings and recommendations of which can be made available to the Canadian people as an inspiration to legislative action. I am not unaware of the challenge of implementing this proposal—the problems of costs, logistics, staffing, and so on—but I cannot conceive of a more useful or valuable function of the Senate than to have certain honourable members, with the enormous talents which they possess, as a committee or a sub-committee, visit the areas of Canada, and find out what Canada is all about in the years 1974, 1975 and 1976. Let us go back to the regions of Canada which sent us here in the first place, to visit small towns as well as large cities, to hear views, to enter into dialogue, to examine problems, to accept briefs and, finally, to report to the people with recommendations.

● (1510)

I want to tell you, honourable senators, that I think we should all be encouraged by the Speech from the Throne when it says:

> The Federal Government believes that it has the responsibility of playing the leading role in bringing Canadians together to discuss their common problems and challenges and to develop proposals for their solution. The Government intends to fulfill this leadership role with vigour and determination. These meetings will form part of a major effort by the Federal Government to enter into a dialogue with all segments of the Canadian community.

I hope that members of the Senate of Canada can engage, in a very major way, in that dialogue with the Canadian people referred to in the Speech from the Throne.

It has been said that Canada is a political paradox, a paradox that defied the rules and norms of nationhood, but yet we came into being. Flight engineers and scientists have said, "You know, the bumble bee defies every standard of aerodynamics; he is not supposed to be able to fly, but he manages to do so." In 1867 Canada overcame all the rules and norms of economics and of political science and became a nation, and we have been flying pretty well for over one hundred years.

Of course, inevitably there are certain stresses and strains within Confederation—we feel them out West—but, you know, there is one great benefit that comes from being a member of Parliament, and that is the opportunity and rare privilege to visit all parts of our great country. I was born and raised in the province of British Columbia, but the greatest experiences of my life have been in seeing other provinces and territories like Newfoundland and the Maritimes, and la belle province de Québec.

Je suis né en Colombie-Britannique, la grande province bilingue de l'ouest, l'anglais et le chinois.

I shall attempt to improve my French as time goes by.

I realize that Ontario, which some presume to be the heartland of affluence in Canada, has its share of problems, too. It has its areas of deprivation. You talk to people in northern Ontario, you talk to the urban poor in Toronto, and you know that no part of Canada is without its difficulties.

And then there are the Prairie provinces. My grandfather homesteaded on the Prairies. Perhaps it is time to re-examine Sir John A. Macdonald's old concept of the Prairies as being the granary of Canada; with all the manufactured goods put together in eastern Canada, and the West being the suppliers. Perhaps we should take a new look at that policy.

Then there are the difficulties to be found in British Columbia, which is closer physically to the Soviet Union than it is to our nation's capital. That is a literal fact.

Therefore, we have to engage in some dialogue, and I hope to discuss with all of you how we can best talk with the Canadian people, and listen to them, in 1974, and find out what they think we should do about their problems. If we in this place can improve and enhance communications between Canada's regions and the central government, it seems to me that the Senate of Canada will have made yet another notable contribution to this country.

We need a greater understanding of the North. Perhaps we should start there. Senator Laing is one of the most eloquent proponents of this kind of action, and down through the years he has been a source of great political inspiration to me as a fellow British Columbian. We certainly need a greater understanding of the North, of its problems and its people, ranging from environmental problems to the problems of the cultural shock facing many of its indigenous peoples. We need a study ranging from transportation to the future political institutions of the North.

We need to have an understanding of the Maritimes, and their desire since 1867 to become full economic partners in Confederation. I have attended hearings and meetings in the Maritimes, and I think I understand better now some of their aspirations.

We need an understanding of Quebec, whose people share equally with every other part of Canada a desire for economic and cultural opportunity and advancement.

We need an understanding of Ontario, which, despite its statistical affluence, as I said, has its areas of deprivation and need.

We also need an understanding of the West. If I may return to the West again, I was born a westerner whose family had its cultural and ethnic roots in Conservative Ontario and Liberal Quebec—a product of Canada's two founding cultures. Although, as a westerner, I believe there are legitimate problems and grievances which should be considered by government, I reject absolutely the irresponsible and divisive chatter about western alienation and western separatism. The fact is that this government has made a major effort to understand the problems of the West—a contribution as great, in my view, as that of any government in history. I would, therefore, like to see a committee of this house visit the West to meet with its people, and discuss with them their problems as they perceive them.

Suggestions have come forward from honourable senators about other committee work they would like to see done. I know that honourable senators want this to become one of the most productive and, yes, perhaps one of the most innovative periods in the history of the Canadian Senate.

In conclusion, may I say that I look forward to working with all of you, whether you serve on the government side or in some other section of this house.

On motion of Senator Desruisseaux, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, October 3, 1974

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the National Farm Products Marketing Council, including a statement of expenses, for the fiscal year ended March 31, 1974, pursuant to section 16 of the Farm Products Marketing Agencies Act, Chapter 65, Statutes of Canada, 1970-71-72.

Report of Telesat Canada for the year ended December 31, 1973, 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 of the Canadian Radio-Television Commission for the fiscal year ended March 31, 1974, pursuant to section 31 of the Broadcasting Act, Chapter B-11, R.S.C., 1970.

Copies of three contracts between the Government of Canada and various municipalities in the Provinces of Alberta and 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 by the Tariff Board, dated July 18, 1974, relative to the investigation ordered by the Minister of Finance respecting Photographic Equipment, Reference No. 147 (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.

## BUSINESS OF THE SENATE

On the Notice of Motion for Adjournment:

**Senator 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 next, October 8, at 8 o'clock in the evening.

Before the question is put, I should like to make the customary short statement as to what is in store for us next week. Next week we will continue with the Throne Speech debate and will likely commence the debate on second reading of at least three of the five bills now on the Order Paper, and, quite possibly, on all five of them. We will probably proceed first with Bill S-2, an act to amend the Supreme Court Act and to make related amendments to the Federal Court Act, Bill S-3, an act to provide for a continuing revision and consolidation of the statutes and regulations of Canada, and Bill S-6, an act to amend the Canadian Wheat Board Act. We will not necessarily take them in that order, however.

We will then take Bill S-4, an act to amend the Customs Act, and, possibly after that, Bill S-5, an act to enable Canada to comply with a Convention on the International Recognition of Rights in Aircraft.

As I have already informed the Deputy Leader of the Opposition, I wish to make the commitment that before we go into the debate of any of these measures I shall first make an announcement to the house to inform the house as to what bill is going to be debated the following day.

**Senator Grosart:** Honourable senators, I thank the Deputy Leader of the Government for his statement and explanation. By the way, perhaps I should ask the Leader of the Government if I am correct in referring to the Honourable Senator Langlois as the Deputy Leader. I do not believe that such an announcement has been made. As a matter of fact, in the last session we waited a long time for clarification of the position.

**Senator Choquette:** There used to be three under the former administration.

**Senator Grosart:** As I say, we waited a long time for the clarification of the duties of the distinguished senator on the other side who from time to time informed us of the business in the house.

**Senator Perrault:** I can confirm that he is the Deputy Leader.

**Senator Grosart:** I am glad to hear that the Leader of the Government has confirmed that Senator Langlois is the Deputy Leader and I congratulate him.

**Hon. Senators:** Hear, hear!

**Senator Grosart:** On the statement Senator Langlois just made, can I take it that there will be consultation with the Leader of the Opposition before a decision is taken in any particular sitting to introduce a bill?

**Senator Langlois:** Definitely, yes.

**Senator Grosart:** Thank you. I believe I know the reason for this, and I can say in general that I see no objection from this side. However, I would have to reserve the right of the Leader of the Opposition, when he returns, if he sees some objection to this procedure. I say that personally I see no objection, but I am not the Leader of the Opposition.

Motion agreed to.

● (1410)

## SENATE REFORM

### NEWSPAPER ARTICLE—QUESTION

**Senator Grosart:** Honourable senators, I direct a question to the Leader of the Government, of which I have

given him notice, but I should say very short notice—only a few minutes before the second bell. The question arises out of a report which I find in the *Globe and Mail* of today's date, which reads as follows—

**Senator Greene:** Not a very reliable source.

**Senator Grosart:** I did not hear the interruption.

**Senator Greene:** I was doubting your sources.

**Senator Grosart:** Well, it is the *Globe and Mail* of October 3, 1974. I quote:

> Mr. Trudeau also proposed to limit the tenure of appointments to the Senate and suggested terms of seven years. Appointments would be renewed if the senator had served his country well, the Prime Minister suggested.

I leave out one paragraph, which is merely information. The next paragraph reads:

> The Prime Minister also proposed that the Senate should have a right only to delay legislation passed by the Commons rather than to veto it. This 'suspensive veto' already exists in the British Parliament, Mr. Trudeau said.
>
> These reforms of the Senate were put forward because they do not involve the provinces and so do not require their consent, Mr. Trudeau said. A more radical reform of the Senate awaits agreement on constitutional changes.

My questions to the Leader of the Government are as follows:

1. Has he been consulted on this announcement? I must say, of course, that I do not for one minute deny the right of the government to introduce such motions in the other place.

2. Does he agree in general with these so-called reforms of the Senate?

3. Does he agree particularly with the statement that these changes do not involve the provinces, and so do not require their consent? It seems to me to be a most extraordinary statement, and, if I know anything about the Constitution, is completely at variance with the Act as it stands.

4. Has the Leader of the Government given any undertaking in this matter on behalf of the Senate?

5. Finally, will the Leader of the Government give consideration to arranging an appropriate opportunity, as soon as possible, for the Senate as a whole to be given an opportunity to express its views on this statement, made in such an extraordinary manner, about the future of this chamber?

**Senator Perrault:** The deputy leader has posed a series of very important questions indeed. They are important to everyone in this chamber. Because of the importance of these questions I would think it appropriate to suggest that I take these questions as notice. I will provide a full reply at a later sitting.

**Senator Grosart:** Could I further ask the Leader of the Government if he could undertake to make his reply at the next sitting? I ask that because this is a matter where the reply should not be delayed too long.

[Senator Grosart.]

**Senator Perrault:** I agree with the deputy leader that there should be an early reply, and I shall endeavour to have that reply on Tuesday.

## SPEECH FROM THE THRONE

### MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Administrator's Speech at the opening of the session, and the motion of Senator Neiman, seconded by Senator Cottreau, for an Address in reply thereto.

**Hon. Paul Desruisseaux:** Honourable senators, Madam Speaker, we are most appreciative of the excellent choice made when you were chosen as our new Speaker. A better choice could hardly have been made. We feel assured of the continuity of the graceful and dignified representation of the Senate to which we have become accustomed. We wish you well in your new duties as our Speaker.

Senator Muriel McQueen Fergusson has well earned her rest. She has been very busy indeed in the last few sessions, and we are appreciative of the extent to which we have benefited from her masterful handling of her task as Speaker. We appreciate greatly her outstanding participation as our representative in many civic and diplomatic functions. She deserves to be well remembered by the people and by the Senate of Canada. Thank you, Senator Fergusson, we are indeed grateful for your worthy contribution.

May I express my personal gratitude to the former Leader of the Government in the Senate, the Honourable Paul Martin, for a job well done. As a loyal Leader of the Government in the Senate, Honourable Senator Martin achieved many worthwhile goals for us. His resignation as leader should not be taken as signifying his retirement, but simply as a necessary step to freeing himself completely to enable him to undertake other important duties on behalf of Canada. I am sure all honourable senators will agree with me in wishing this good friend success, good health and Godspeed.

The choice of the Honourable Ray Perrault as the new Leader of the Government in the Senate is an excellent one. Young, experienced in civic matters, a brilliant debater, a sterling speaker, as we witnessed yesterday, a good achiever, Honourable Senator Perrault offers us high promise of excellent management of the government's affairs in the Senate. He assumes his duties assured of our goodwill, our assistance and our cooperation.

Honourable senators, need I remark my pleasure in noting the renewal of the mandate of the Honourable Jacques Flynn as Leader of the Opposition in the Senate? During these last few years he has performed his duties very ably. He was brilliant in the use of tactics and all appreciated this cultured but astute debater, who, in spite of the small number of senators representing the Opposition, together with his colleagues kept our sittings lively and interesting and helped to keep the people of Canada well informed.

**Senator Grosart:** Hear, hear.

**Senator Desruisseaux:** We will miss the sparkling remarks and comments and, indeed, the criticism to which

we have become accustomed from Senator Choquette, as Deputy Leader of the Opposition.

**Senator Grosart:** I doubt if you will.

**Senator Desruisseaux:** Well, at any rate, that is how I feel about it. I know many others feel the same way. But I welcome very much Senator Grosart as the new Deputy Leader of the Opposition. It can truly be said that his reputation as an excellent debater has preceded him. I congratulate him on the assumption of his new duties.

The Senate is fortunate indeed in being able to count amongst its members two new distinguished colleagues, Senator Barrow and Senator Cottreau. I fully concur in the remarks made by those who have already spoken in this debate about their being summoned to the Senate. Their contributions here will be highly valuable. I congratulate them and I wish them both a long and fruitful career.

● (1420)

I am sorry I was not present when tributes were paid to a recently deceased colleague. I mourn the passing of this personal friend, a most distinguished, able and esteemed colleague, the Honourable Romuald Bourque. His lifelong contributions to his city, to his province and to his country are his best eulogy. His wise and timely advice, his counsel, his broadness of view, his love for peace and good understanding, will remain in our memories. We regret the passing of this friend and I join in expressing to his family our sorrow and our very deepest sympathies.

The proposer and seconder of the motion for an Address in reply to the Speech from the Throne, Senator Neiman and Senator Cottreau, made excellent presentations. They are to be commended for their clarity and their comprehensibility. They made valuable contributions indeed and their views were most refreshing. I congratulate them and hope they have a long life with us.

A Throne Speech announcing some 68 pieces of legislative projects, in addition to many projects which we have been advised will originate in the Senate, proposed without duress or pressures from any quarter, without fear of losing support that would cause harm and damage, presented in simple, concise language, was invigorating indeed. Policies can now be said to be the policies of the majority government. It can be backed up by the guarantee of a stable Parliament. It is, I think, the opportunity to streamline many of our legislative projects and many of our laws.

I want to congratulate the new Leader of the Government and the Deputy Leader of the Opposition for their remarkable speeches yesterday. It augurs well for us and for a most interesting session. The verdict of the people of Canada is clear. My interpretation is that we witnessed with the election the rejection of any policy of total socialism, of interference in everything, and of controls of wages and prices. In my opinion it was the unconditional approval of our free enterprise system.

[*Translation*]

Perhaps at the risk of overtaxing your patience, but owing to their importance and our concern under the circumstances, I will take the liberty of dealing desultorily with certain points of our economy.

First let us say that a recent review of assessments made by government and bank economists indicate that our economy can be favourably compared with that of other industrialized countries and has very little to envy them.

In short, the real net increase of the Gross National Product during the current year can reach approximately 4 to 5 per cent and that being so, we rank among the most prosperous countries. Even if for 1975 only a 1.2 per cent increase in the constant strength of the domestic demand is expected, it is anticipated however, in spite of weak spots, that it will nevertheless rise from 4½ to 5 per cent in 1975. The housing requirements which also, in spite of a small decline, will perhaps exceed in 1974 the record year of 1973 still provide for 1975 some appreciable results, thanks to the measures announced in the Speech from the Throne, since only 10 per cent slump is expected in comparison with the record year of 1974. In addition, larger investments for industrial equipment and facilities which have not been cancelled up to now will largely compensate for overly generous estimates of foreign demand for our products which at the present time is receding and should be watched but which should begin its upward trend in mid-1975.

The effects of the higher cost of imported oil will not be as severe in Canada as in most other importing countries as it will be compensated for to a large extent by the higher cost of our own exports. In the first six months of 1974, we exported about two billion dollars' worth of oil to the U.S.A.; that is twice as much as in 1973 in the corresponding period. Forecasts for 1975 and 1976 are even more promising. That is definitely not a contributing factor in the depression foreseen in pessimistic milieux.

Economic forecasts indicate a marked deceleration in the purchase of Canadian goods by importing countries affected economically. We will have to excel in our external relations for our exports to resume their rising course. We will see a softening in the export of our food products, because of decimated reserves, the result of some of our crops and the increasing value of the Canadian dollar on foreign markets.

Our economic statistics also indicate a new surge in our imports which doubtless should be watched closely. Keeping in mind those factors, our economists still foresee somewhat lower employment, though stable, in the next few months. However, 1975 does not offer that guarantee. The weakness of the American and international economy is a source of serious concern to us, and far from reassuring. We have witnessed in recent months the swift movement of the great purchasing powers of our industrialized countries.

It is an important historical exodus and it will have consequences in the foreseeable future of the economy of all industrialized nations. I cannot share the view expressed recently that our economy will expand by only 1.2 per cent in 1975, in real net terms, and that our unemployment rate will reach an average of 7.8 per cent. I think that on the whole, factors indicate rather that there will be a decline only during the first three months of 1975 and that after a brief period of stagnation, the economy will regain a strong momentum in the later part of 1975, to continue progressively in the next few years. For its initial recovery, the Canadian economy will rely on outlays

for the expansion of equipment and plants, on the productive expenditures of the government and on the sale of fuels to foreign countries. In this regard, it is impossible for me to view a world recession during our foreseeable economic period. Very recently, Royal Bank chairman Earle McLaughlin rightly remarked:

> The world's financial system is going through a healthy sobering up period after a decade of extravagant growth.

It is an outstanding description I could not improve on and I fully agree with it.

The stock market is already undervalued. It seems that it cannot fall any lower. It seems more likely that its readjustment during the next few months will bring about a gradual increase in the value of stocks, which will considerably affect the world economy, and consequently the Canadian economy, in the foreseeable future.

**Senator Bourget:** Let us hope so.

**Senator Desruisseaux:** Yes, it would be a good thing.

Several industrial countries in Europe have already made economic readjustments. They are getting ready to bring back their economy to normal.

In my opinion, what we should fear the most is the inconsistency of American economic policies and the lack of satisfactory economic and monetary agreements between nations, aimed at taking the concerted action without which we can expect the worst. For its part, the inconsistency of the United States could well lead to an unforeseen disintegration of the economy to which ours is directly related, since our southern neighbours now buy more than 60 per cent of all our exported products. Any economic disintegration or weakening would of course have direct and immediate effects on our national economy. We must therefore immediately measure these effects, foresee their results, and bravely make the necessary decisions to protect the Canadian economy as much as possible in a world where the economy is now somewhat shaky.

● (1430)

[*English*]

I want to say something on behalf of those who have been fundamentally responsible for our prosperity during the last decade, the corporations and the corporate executives who created abundant work for us. They have been, and still are, the real builders of Canada. They, with the cooperation of our governments at all levels and of our people, gave us the necessary economic and technical leadership. They gave us employment for millions. They built up our growing domestic and foreign trade and they helped to place Canada among the leading nations of the world.

Recently, Mr. Rowland Frazee, the Executive Vice President of the Royal Bank of Canada, remarked optimistically at a Canadian investment seminar that "Canada will continue to set the world pace for real economic growth next year, probably outperforming every industrial nation in the process." He qualified his optimistic forecast—which also anticipated only marginal declines in the present rate of inflation and the high nominal rates of interest that go with it—adding a word of caution, "But keep in mind, we do not live in isolation in Canada, and all the world's economies are in a delicate balance situation."



Let no government forget that the growth of corporations has been Canada's growth. It is the corporations that have been the achievers in our nation, and it is these Canadian achievers who have been called corporate bums and rip-off artists. May I say, I was very proud to be a Canadian when I witnessed, with you, the direct rebuff given by our Canadian electors.

Let me underline an important but regretfully little known facet of our economy. Funds allowed to stay in companies and funds allowed to work for corporate expansion have been basic contributors to our past strong economy because of their immediate productivity. Most business people have now come to realize our increasing dependence on high productivity, which gives us more assurance of domestic and foreign industrial trade success and facilitates our competitive biddings. There is a price to pay for high productivity. More than at any time in the past, the government must allow the companies to be provided with sufficient capital investment to get the facilities and the machinery that will assure more productivity. They must receive the capital to develop in the most efficient way, and in ample supply, our energy, our needed materials and our natural resources.

From 1962 to 1973 there was a capital investment in Canada, both from domestic and foreign sources, of some $274 billion. Finding this huge necessary capital contributed more than any other single factor, in my estimation, to create the general prosperity we enjoyed in that decade. Of course, an important part of the capital required had to come from outside Canada. To retain our place in the world, to assure an ever-improving Canadian standard of living, to help maintain an acceptable rate of assured employment, to meet the ever-increasing money requirements for our social and welfare services to which we now find ourselves, our children and our children's children committed, to realize the dream of the next generous welfare legislation, the guaranteed income for all Canadians, we have to create to a much higher degree for our corporations an accessibility to the fantastic sum of productive capital investment that will be needed to stir the economy, provide government revenues and give high employment. It does not presently exist in sufficiency in Canada and will no longer be easy to obtain from outside Canada. In the next 11 years Canada will be in need of a minimum of some $336 billion in today's dollars, not taking into account any inflation over the coming years.

● (1440)

Because of their galloping expansion due to galloping demands, companies are now going into debt at an even faster pace than they are able to retain earnings. At the Canadian bankers' seminar held in Montreal a few weeks ago, the assumption was that Canada's needs for capital investment in the next decade would be over $500 billion, which even then, I understand, leaves a wide gap with the amount of capital that will become available for investment. Similarly, the New York Stock Exchange reported that, for the same period, the United States will need about $4.7 trillion, which would also leave a deficiency there of about $646 billion, if we take into consideration the business and personal savings forecasts used to make up these capital investments. The question is, where will we find the amount of money necessary to fund the future

of Canada? Whom will we try to convince to accept the gigantic challenge involved? It would be a drastic mistake to adopt an indifferent attitude with respect to what must be considered an essential, namely, the capital required by corporations to assure continued economic and industrial development and the ability to meet continuing demands.

The main reason why corporations should not be drained of their profits is that these profits have been, and still are in great part, used for their capital expansion needs—and this despite present pressures on the government to plan rapid redistribution of any capital now available. The redistribution of wealth does not actually do as much for the promotion of a balanced, healthy economy—an economy on which the individual economy of people is directly dependent—as does productive capital investment. This has been demonstrated time and again in the world.

Investment for expansion originates first from net earnings after taxes and dividends. Anything more that is needed for capital expenditure must then be found outside. If, because of our taxation policies, corporate net earnings become smaller, if depletion allowances are cancelled or cut, making risk captial less accessible to resource developers, it will become increasingly difficult to raise this risk capital for expansion purposes.

Because corporation planning must be made years in advance, it is essential that government policy on the coming rules of the game on capital investment, be they foreign or domestic, and the government's attitude with respect to corporate taxation and depletion allowances should be known clearly now. We do know that the policy of curtailment of capital investment would tend to increase inflation, because it would help to create scarcity of supplies by making future expansion and production more difficult to realize.

[*Translation*]

Our most effective contribution to fight the worldwide inflation which is felt throughout Canada is to cut government spending and simultaneously reduce our national debt. Such an attitude is undoubtedly unpopular. But it is time that we see its positive effect and that we take the best possible steps to rectify the serious problems of today. From what the Minister of National Revenue and the Right Honourable Prime Minister said recently and from the indications contained in the Speech from the Throne, we are finally talking, for the first time in many years, but still timidly, of coming back to our senses and of not spending more than we can afford.

As has always been the case, those who benefit most from inflation are those who are the most indebted. The fact still remains that inflation is also detrimental to Canadians holding a purchasing power that is deteriorating and eroding before their very eyes. Indeed, it impoverishes nations, dampens their initiative and eventually generates increased unemployment. In the present context it is impossible for a nation to act alone. That was pointed out yesterday. Unilateral action to reduce inflation in a country can only bring trouble everywhere. A tight money program without consideration for what is happening elsewhere will inevitably lead to monetary difficulties everywhere. It is time for understanding and agreement. Government efforts should be further intensified in that respect. This has already started and the pleas made by Mr. Turner are sound, constructive and indicative of an immediate desire on the part of the government. Let it be said openly that there is an urgent need for a new "Bretton Wood" type of arrangement between developed nations, and any effort in that respect is constructive and productive and should be encouraged.

[*English*]

Honourable senators, despite the difficulty of the times, in the present circumstances the Canadian economy has become the envy of the industrialized countries of the Western World, for up to now we have not experienced the real shortages or major economic shocks which so many of the other industrialized nations have had to face. We enjoy, most fortunately, three big assets: oil, mineral resources of all types, and a quickly maturing manufacturing sector. We are the only western nation which actually exports natural gas and oil, and we are the only western nation which can become totally independent of oil importation. The sound and practical economic policies of the government, together with the shrewd foresight of certain corporations over the last few years, have played an important part in gaining these achievements.

During the great international energy crisis, Canada alone was able to avoid the drastic oil shortages which faced the western nations. We were able to achieve a near-perfect trade balance on oil, in part by following up on the generally spiralling oil export prices.

The picture of the future in Canada is indeed bright. According to the OECD, Canada has a growth rate unequalled among the industrialized nations. Truthfully, there is no major blow expected in Canada's balance of payments owing to any increase in oil prices. There are also other favourable factors which would justify continued general enthusiasm for the economic future of Canada and its people. Indeed, the readjustment period, which is often called stagnation or regression, which we have now entered into is not the kind of depression experienced in 1929. I believe it will be short-lived, a matter of at the most 24 months, including the downgrade slide of the economy, the recovery period and the resumption of the new economic uptrend. In reality, we are in a needed deep-breathing spell. We know we are presently in an excellent position to ride stormy weather, and that soon, when the fear of depression diminishes, we will resume quickly our uptrend economic development. There is no basic ground for economic fear in Canada.

● (1450)

Discounting the short-term considerations and looking at a longer trend, the government estimates on our mineral resources indicate that by 1980 the conservative output figures on copper will be up by 80 per cent from 1970; iron ore by 81 per cent; lead by 23 per cent; nickel by 30 per cent, and zinc by 55 per cent. Why, Canadian food items such as eggs, butter, apples, coffee and such items as refrigerators, automobiles and nylon stockings are still sold at less than one-half the price they are sold at in Russia. Canada's position as the extractor of large and varied natural resources is an exceptional one, both for trading and for pricing. The petrochemical industry has just finished planning fantastic development of plants and of products for exportation. They will now have to look

again at these expansion programs with a view to going faster because of other sensational developments in their fields. The future is still Canada's. We are the land of opportunity for the foreseeable future in our world, and it is the general consensus that we remain here the freest land in the world.

The attitude taken by the Canadian government on inflation was the right one, in my belief. I realize fully that these views are not shared by most of those in the Opposition, and that the government is presently being pressured to change its views. I hope it does not. To me, it remains a fact that controls on prices and wages, wherever tried, did not work but produced shortages. We know that no one country is really independent in economics and that no country can control its economy alone. The world, it seems, is not yet smart enough to establish a general, workable, anti-inflation policy that would be operative. We may be able, in due course, to do so, but it will take precious time that we are unable to spare in these difficult times.

High wage demands are not the prime cause of inflation. They are a consequence. Inflated prices are caused by inflating the monetary and credit volume far beyond the GNP and the availability of supplies. This should be remembered in our considerations and in our dealings.

According to an OECD report, for the 12 months terminating in July, the rate of inflation of its member countries shows that even though some six member nations had a smaller inflation rate than Canada, 15 other important member nations had an inflation rate ranging from 11.7 per cent to 43.8 per cent compared to Canada's 11.3 per cent. I am not an advocate of inflation, but being realistic we have to admit that there are a great many things worse than the steady inflation we have been having these last few decades. Last year we paid the largest and most generous social welfare contributions in our history. We created, I believe, the greatest building boom in our history. We helped more than ever before the depressed areas. We undertook large environment expenditures. Even so, we still had a remarkable trade balance, and we still ended the year with, I believe, the largest per capita disposable income in our history.

I want to point out an important contribution that Canadians can make by themselves in fighting inflation effectively. The importance of the saving rate as a percentage of the GNP is known to be one of the great stabilizers of a nation's economy; yet, it is not encouraged as it should be in Canada. It is regrettable that at this difficult time Canada has the lowest per capita saving rate as a percentage of the GNP, except possibly the United Kingdom. A marked increase in the Canadian saving rate on the Canadian capital formation rate would help to increase our standard of living, would help create capital for investment, and would help fight inflation in the right way.

Now let me cite to you a labour situation that needs our attention, and which is not dealt with in the Throne Speech. In my province the construction industry is operating under one of the most corrupt and brutal systems in North America. This is now a proven fact. As stated by witnesses before a special royal commission instituted by Quebec, the industry is a jungle where tradition has allowed construction to set up an exclusive parallel state, having its own customs, its own laws, its own army for enforcement and its goons for violent positive action, permitting the participants to do whatever they want, unmindful of the social, economic and psychological effects, and this is tolerated by both the federal and the provincial governments. It is absolute permissiveness. Almost everywhere there is actual evidence of extortions, kick-backs, violence, vandalism, Shylocking and deliberate work slow-downs. As though this were not enough, together with this we find that nowhere else do we have these seemingly unnecessary elements of inter-union squabbling, which leads to additional rounds of violence and extortion—an international union against a Canadian union. Nowhere else do we find foreign-controlled unions testing in Canada labour policies that they like to try out, using threats of violence to force Canadian workers to join their unions.

● (1500)

Investigators have found evidence that some employers are being forced to pay off union stewards for "guaranteed productivity," and persons seeking work have been forced to take loans at 35 per cent interest from union representatives, even when they did not need it. There have been instances where persons who wanted to work have been forced by threats to join unions against their will and without having any choice in the matter. This has made them, in a way, slaves—and we are allowing it.

People in industry have become fed up with the goings-on, but they are afraid for their families and for themselves if they talk. Much of this repeats itself in other sectors in Canada. It is not good; it is gross corruption; it is the biggest political scandal of our times, and has been tolerated for too long by the lawmakers.

We have cancerous labour problems in Canada. It is important that we find methods of settling them soon. In 1973, according to Statistics Canada, two million days of work were lost because of strikes, and in the first six months of 1974, 5,200,000 days have been lost because of strikes and lockouts, resulting in a loss to workers of $200 million to $400 million. Most of these strikes and lockouts were unnecessary and uncalled for. Little was gained by either the workers or the employers when final settlement was arrived at because there was very little difference between what one party was actually ready to accept and the other party was ready to concede. Nevertheless, the resulting loss of potential in production contributed greatly to the general cost of products. The Canadian public has become disgusted and irritated, as survey polls have shown, and more and more the public, together with the workers and employers, favour a drastic revamping of our labour policies and of our labour legislation in respect to the relationship of parties when discussing their differences in respect to the periodical labour reports that have to be submitted, in respect to the collection, the employment of, the transfer directly or indirectly to foreign union headquarters of any workers' dues, in respect to the authority needed to use these dues for other purposes, in respect to the methods of voting and the quorum requirements at union meetings, in respect to the question of the leaders' salaries and their vote of approval for and their

authorization of illegal or criminal tactics and methods to be used in strikes.

A new assessment of the function of labour tribunals, of the powers of enforcement and of the question of contempt of court is urgent. Legal strikes in essential and productive services, consideration of the losses suffered by and the hardships caused to workers together with the enforced loss of freedom to work suffered by large sectors of the general public should be restudied and reappraised. Cartel arrangements for the support of strikes should receive the same legal treatment as cartels in any other field. They have the same purpose in that they use concerted action and force to extract the maximum advantages, often unfairly, from the public which has to pay through the nose and put up with the consequences. The established procedures for the handling of strike or lockout settlements should be reviewed, modernized and rendered more efficient. A new look at the merit of including indexing in collective bargaining contracts should also be made at this time. Indexing is really among the root causes of many of these strikes and should not be overlooked.

Lockouts, illegal sitdown strikes, slowdowns, illegal study periods, violence, vandalism, threats, property destruction, arson, sabotage, terror, reprisals, bodily assaults, criminal action and illegal tactics should all be punishable, and there should be no possibility of the withdrawal of a prosecution simply because a strike settlement is reached.

Our labour code and labour legislation have become antiquated. There is no provision in them for the protection of the general public. Stoppages in essential and protective services, because of strikes, do not receive the primary consideration they deserve. There has been no real attempt at concerted action to study the question of remedies for labour problems. It is inconceivable, honourable senators, that we continue to remain indifferent to the losses to our workers, and to the losses to the public generally. It is quite unacceptable to see Canadian workers being forced against their will to commit, on order, illegal or criminal acts simply because they fear reprisals against themselves or their families, or because they are afraid of the revocation or suspension of their union membership which is, seemingly, their one and only right to work. It is quite unjust that workers who want to work should be forcibly prevented from doing so. We might as well face the fact that there is no longer any freedom of action left to the workers in many of these instances.

It is becoming the general belief that government, at all levels, is failing in its prime duty. Government can reform our labour laws and provide our people with the right guidelines, but they seem to have the feeling that labour issues should be avoided as much as possible simply because they are controversial, and because any action taken might be unpopular with either side, or, for that matter, with both sides, and because labour problems are difficult to adjust. At times it seems that the general attitude is one of "the public be damned."

At the present time public pressure is mounting and there is considerable anger. The public wants to see better guidelines for the settlement of labour disputes. The public wants an end to illegal strikes and, where damage results, provision for such damage to be paid for by those who are guilty. The public wants no strikes in essential services, and it also wants the criminals and illegal operators connected with labour unions and employers punished without reservation. At the present time government is being blamed for its avoidance of basic labour problems.

● (1510)

A Gallup Poll published in early September showed that an astonishing 68 per cent of the union members want the members of the executive committees of the unions who give illegal or criminal orders prosecuted. They want those who approve or recommend criminal actions or illegal strikes, give illegal or criminal orders, or commit illegal or criminal acts brought before the courts of justice. Only 17 per cent were against their prosecution.

Even so, and in spite of the good intentions behind inquiries that I heard yesterday, I suppose it will serve no useful purpose to suggest again here that this would be an appropriate area of investigation for a Senate committee. It would be very useful to all to have at this time fair and constructive recommendations in connection, at least, with federal legislation. One of these days, however, the whole scandalous mess of inadequate, poor and out-of-date labour legislation will have to be cleaned up properly. I will take the next opportunity to point again to this loathsome problem about which, through choice, we do so little.

I shall not speak today on the constitutionality of a law passed in my province, or on some of the important bills that will come before us. I shall await the appropriate occasions to do so. I am conscious of the time I have taken today, and I apologize. I promise to be briefer in my discussions in the future, and I can only thank you for your patience.

**Hon. Donald Cameron:** Honourable senators, my first responsibility will be to join with those who have preceded me in paying a tribute to the very distinguished but all too short career of our former Speaker, Senator Fergusson. During the time she occupied the Speaker's Chair in this chamber she made a tremendous impression on those of us who were privileged to sit here under her direction, and as she travelled about the world as an official representative of the people of Canada, she did so with a graciousness and dignity which brought credit to herself and to Canada.

**Hon. Senators:** Hear, hear.

**Senator Cameron:** To you, Madam Speaker, I offer our very best wishes, and express the conviction that you will carry out your duties with credit to yourself and the Senate.

At this time I extend a welcome to our new colleagues in the Senate and tell them that, in spite of some of the things they may have read before coming here, this place is not nearly as black as it is painted.

My best wishes also go to the new Leader of the Government in the Senate. Senator Perrault comes with a distinguished career behind him, and has more than enough youthful vigour to enable him to launch into a new career in the Senate. I am sure that he will be very successful.

I would be remiss if I did not take this opportunity of saying a word of appreciation to our friend and colleague, Senator Martin. He came to the Senate in 1968 with the express hope that he might make this a more viable, vital

place than it was previously. Those who have been associated with him here realize that he succeeded to a great extent in bringing that improvement about. He has had a very distinguished career in the Parliament of Canada, and I know that I speak for all honourable senators when I say that when he leaves us in the not too distant future we will miss him very much. We know, however, that he goes to another sphere of activity in which he will have the opportunity of representing Canada with distinction, and with credit to himself as well as the people who sent him there.

**Hon. Senators:** Hear, hear.

**Senator Cameron:** Honourable senators, coming now to the Speech from the Throne, I believe you will agree with me when I say that it was one of the longest speeches we have had—certainly since I came here 19 years ago. It presented a bill of fare which will keep us busy and active in this chamber for many months to come. However, it is a challenging bill of fare, to which I am sure all members of this chamber will respond, as they have so well in the past.

As I listened to Senator Grosart yesterday I was reminded of a favourite uncle escorting his recalcitrant nephew to the woodshed. He seemed to say, "This hurts me more than it hurts you", and proceeded to administer a milder spanking than he usually gives the government. I hope this is an example of the amelioration that comes with age, and increased wisdom and generosity.

I wish to make one or two comments as a preamble to my remarks regarding the Speech from the Throne. Reference was made to the need for developing comprehensive programs with respect to resource development. In my opinion, as one who comes from a province in which this is a matter of major concern, where the provincial government is expected to take in revenues of over $100 million a year for the next 10 years from the development of resources, this represents a tremendous challenge and an opportunity—a challenge to expend those funds wisely and not extravagantly. I am sure that our friend Premier Lougheed will bring good judgment and wisdom to his task in dealing with these tremendous resources.

But this is only the beginning. Last summer some of you were in the northern part of Canada, and visited the tar sands. You saw something of the tremendous wealth that lies buried in an area of 250 miles in length by 40 or 50 miles in width. The tar sands are anywhere from three to as many as 250 feet in depth, and are covered by an over-burden of two or three feet to as much as 200 feet. It would be a good thing if all members of this chamber and of the other house had the opportunity of seeing the tar sands, one of our many rich resources.

● (1520)

As a matter of fact, I do not think Canadian parliamentarians do enough visiting to various parts of the country to familiarize themselves with our resources and what is being done about them, in order to be able to make a contribution in Parliament based on informed opinion.

In participating in today's debate, I want to confine my remarks to one segment of the Speech, namely, transportation policy. I shall begin by reviewing briefly the history of transportation in Canada, and then turn to some of the problems which are particularly challenging today.



The Canadian Pacific Railway had its beginnings in 1871 when the then Prime Minister, Sir John A. Macdonald, promised the construction of a transcontinental railway to induce the remote colony of British Columbia to join Confederation.

I am sure that some people in central Canada are not sure whether British Columbia has even yet joined Confederation, but, as a near neighbour of that very rich and exciting province, I assure honourable senators that Alberta usually finds itself lined up side by side with British Columbia in the battles which take place on matters affecting central Canada.

For three years after Sir John A. Macdonald made his commitment to British Columbia the federal government negotiated with various syndicates to meet its pledge concerning construction of the CPR. Failing in this, the government undertook in 1874 to do the work itself. However, progress was so slow that negotiations with private groups continued, and in 1880 an agreement was reached with the Pacific Railway syndicate. It became apparent, as construction progressed, that the syndicate had taken on more than its financial resources could handle at that time.

Early estimates had placed the cost of construction and equipment at $100 million, although long before the road was half finished it became clear that the estimate was not sufficient. Salaries of construction crews had risen to the point where the syndicate's finances could not pay them. The company then turned to the federal government for aid, and a loan was provided on condition that the Pacific Railway syndicate put up some of its unsold and unpledged lands as security. In 1886 it had to give 6.8 million acres to Ottawa as partial payment for the loan. Nevertheless, this arrangement allowed the railway to be completed in 1885.

In addition to this loan, the CPR received very generous concessions from the government towards the construction of the railroad, and tremendous land grants. The original concessions consisted of $25 million in cash, 25 million acres of land, and freedom from taxation for some years on land holdings and corporate revenues. That is, lands granted to the CPR were to be free from taxation for 20 years or until sold, and properties used for railway purposes were to be free from taxation forever. It would be interesting to have a dollar value placed on this latter concession, but I have not been able to see even an estimate of what that value might be.

I propose to read from *The CPR: A Century of Corporate Welfare*, by Robert Chodos, as follows:

> Largely because of the almost limitless aid provided by the Government to get the railway started, the CPR was at least a moderate success from the beginning. The total value of that government aid is impossible to estimate. There was $25 million in cash. Large portions of the transcontinental line was built by the Government (i.e. between 1874-1880) and turned over to the company: those sections cost the public treasury $37.8 million. There were the lands: initially 25 million acres of land 'fairly fit for settlement'; then when the railway decided to extend its line to the western end of Burrard Inlet, fourteen miles beyond the original Pacific terminus at Port Moody, it demanded and got

an additional grant of 6,000 acres from the Government of British Columbia, land so fairly fit for settlement that it is now the central part of the City of Vancouver.

There were other concessions made to the CPR. Apart from the tax concessions already mentioned, there were concessions in the area of railroad equipment and competition. I quote further:

> All necessary equipment for building the railway would be admitted into Canada duty free. And the Government would for twenty years prohibit any competing road from being built south of the CPR's main line or within 15 miles of the American border, ensuring the company a virtual monopoly of western traffic (this monopoly clause was cancelled in 1888). This meant not only that the Dominion would not itself charter competing railways but that it would also use its constitutional power of disallowance if any province had the effrontery to do so—as, in the event, did Manitoba.

These then were the original grants and concessions given to the CPR for the construction of the railroad. They gave the company a substantial economic base from which to develop into the huge conglomerate we know today.

Before dealing further with the CPR grants, let us first look at the Hudson's Bay Company and its position during this same period. Along with the Grand Trunk, the most important spiritual forerunner of the CPR was the Hudson's Bay Company. I quote from *Canada: A Political and Social History*, by E. McInnis:

> Throughout the vast domain that stretched from the shores of the Hudson Bay to the islands fringing the Pacific Coast (nearly a million and a half square miles), the sole effective authority at mid-century (1850) was that of the Hudson's Bay Company. Its charter gave it full ownership of all lands drained by the rivers flowing into Hudson Bay—a grant that the company resolutely interpreted as including the valleys of the Red and Saskatchewan rivers; and beyond those extensive limits the company had enjoyed a monopoly of trade since 1821.

Those boys certainly knew how to interpret a concession to get the most value out of it.

By the end of the 1850s there was growing pressure by the government to have these Hudson's Bay Company lands made part of the Dominion. Negotiations between Canada, the company and the British government over this issue took place during the 1860s and a settlement was reached in 1869. Robert Chodos, in his book, writes:

> The great fur-trading company sold its lands to the Dominion government for 300,000 pounds in 1869 (retaining the areas around its trading posts and one-twentieth of the total for itself), and by 1885 millions of the most fertile acres of those lands had been handed over in turn to the Canadian Pacific as a grant for building the railway.

The amount of land retained by the company adjacent to its trading posts totalled 45,000 acres. In addition, under the terms of the agreement allowing it one-twentieth of the land, the company retained seven million acres. The company both sold and developed this land over the years through its land department based in Winnipeg.

By 1934 two million acres, of the seven million acres it retained under the 1869 agreement, scattered through Manitoba, Saskatchewan and Alberta, remained unsold. There are no accurate figures of the amount of money received from the sale of its land. However, considering the fact that portions of this land were located in urban centres, the company quite likely made a considerable profit on its sales. Today the majority of the remaining two million acres has now been sold, but no figures are available of the value received from those sales.

● (1530)

Let us now return to the CPR and its lands. The company received large sums of money from sales of most of the 25 million acres granted it by the government. According to Robert Chodos:

> The company's prairie lands were valued at $1.50 an acre when it gave back 6.8 million acres in 1886 as partial payment of an emergency government loan; by 1916, however, the company estimated its net proceeds from land sales at $68.25 million, and carried its unsold lands in its accounts at $119.25 million.

Today, through its subsidiary, Marathon Realty, Canadian Pacific still owns roughly a million acres of land, including some of the most valuable urban land in the country. Marathon Realty was created by the CPR in 1963 to bring expert management to the non-transportation real estate it owns. As one who knows some of the people who are in charge of Marathon Realty, I can assure you that they have been very astute and shrewd in their management responsibilities.

The philosophy behind the development of the company's lands underwent a transformation between the early 1900s and the establishment of Marathon Realty. In the early years, the company could afford to dispose of its lands at relatively liberal terms to encourage settlement, thereby creating traffic for the railway. With the virtual completion of western settlement in 1930 this policy changed. The company began to look at the long range value of its land holdings.

Robert Chodos further says:

> The million acres it retained in 1963, when Marathon Realty was incorporated, made it one of the largest landowners in the country. About half of this was rural land on the Prairies, which it rented out to farmers. The rest of it was urban land, much of it inherently very valuable and some of it made even more valuable over the years by tax advantages left over from the great days of railway handouts.

It is difficult to place a total value gained by the CPR on its land sales and rentals down through the years. We are, however, able to show the net income from real estate sales, rentals and related operations since 1964, the year after Marathon Realty was formed. The yearly net income is set forth in Table I. I would ask that these tables be included in *Hansard*.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

[*The table follows:*]

TABLE I

INCOME FROM REAL ESTATE AND RELATED OPERATIONS

1964–1973

(in thousands)

| | 1973 | 1972 | 1971 | 1970 | 1969 | 1968 | 1967 | 1966 | 1965 | 1964 |
|---|---|---|---|---|---|---|---|---|---|---|
| Gross Rentals and Other Income | 35,384 | 32,709 | 23,266 | 17,281 | 13,236 | 9,500 | 6,867 | 4,534 | 2,039 | N.A. |
| Expenses including Income Taxes | 30,672 | 29,344 | 21,810 | 15,686 | 11,165 | 8,198 | 5,686 | 3,903 | 1,507 | N.A. |
| Net Income | 4,712 | 3,365 | 1,456 | 1,595 | 2,071 | 1,302 | 1,181 | 631 | 532 | 531 |

Source: CPR Annual Reports. 1964-1973.

I will just summarize the returns for 1973 alone. Gross rentals and other income, $35.3 million; expenses, including income taxes, $30.6 million; net income, $4.7 million.

It is difficult to obtain an exact breakdown showing how much revenue is obtained from rentals and how much from land sales. As can be seen from the table, all revenue is lumped together under one heading. The table does, however, point out that Canadian Pacific is obtaining a healthy return on its overall real estate operations.

At one point, the CPR used much of its urban land for railway purposes, but by the 1960s most of it was far too valuable for that. Marathon Realty became more than just a land company; it entered the lucrative field of real estate development. This is dealt with also by Robert Chodos, who says:

> Marathon owns 21 shopping centres across the country (most of them in the West), five industrial parks, and a number of residential properties, but it is best known for its massive downtown complexes, among which Palliser Square is one of the less ambitious. Project 200, in which Marathon is the senior partner, was supposed to change the face of the Vancouver waterfront (the central part of which has been owned by Canadian Pacific since the original land grant in the 1880's) ... Canadian Pacific built Place du Canada, one of the endless series of multi-use complexes in downtown Montreal, and owns a six-block area immediately to the west which it plans to redevelop at an announced cost of $300 million. The development plan calls for demolishing Windsor Station and replacing it with a modern building to house Canadian Pacific's head office and a new, smaller passenger terminal. In Toronto, Marathon owns a 50-percent share of the most grandiose development project ever conceived in this country, Metro Centre.

We wish them well in this development. It is imaginative, and represents a tremendous potential for the future.

From this we can see the enormous magnitude of Marathon Realty's operations. The real estate company arm, created from federal government land granted to the company in the 1880s, now enjoys a considerable profit from its undertakings. It is highly likely that without the original land grants the real estate sudsidiary would not enjoy its present success.

[Senator Cameron.]

In addition to profits made from real estate sales and development, the CPR has also received substantial returns from minerals and resources. The lands left over from the original grant to the CPR contained valuable minerals and resources, and they wisely extracted the mineral rights of what land they sold to the poor persons who settled the western Prairies after 1904. In the 1940s some of that land attracted the great international oil companies, and the first oil strike in Canada was made on Canadian Pacific land at Leduc, Alberta, on February 7, 1947.

I remember that night very well. We had a group of railway real estate people in for a short course on the day that Leduc No. 1 came in. As you might expect, the boys were feeling pretty good. One of the officers at that time remarked that if Leduc No. 1 developed as encouragingly as it promised, the company would have fur-lined comfort stations throughout the length and breadth of Canada.

**Senator Benedickson:** Some of them are still pretty poor.

**Senator Cameron:** It received revenue on its oil lands in the form of royalties from the companies that had developed them. J. L. Mcdougall comments on this in his book, *Canadian Pacific: A Brief History*, saying:

> The modern period in the oil and gas business began in 1947 with the discovery of oil at Leduc. In the next decade the Company acted chiefly as an owner of mineral rights (i.e. on the lands left from the original land grant). It gave leases to oil companies and received in return rents, reservation fees, and production royalties. By 1957, net income came to $8 million. But was a policy which tended to leave the initiative to others the best long-run policy? The conclusion was that it was not. In 1958 the Company set up Canadian Pacific Oil and Gas Limited to hold its mineral rights and to pursue an active policy in exploration and production. This meant, of course, that it would have to commit funds for rights in the lands of others in order to assemble compact blocks for development.

In the fall of 1969, Canadian Pacific Oil and Gas merged with Central-Del Rio Oils to form Pan Canadian

Petroleum. The 1969 Annual Report of Canadian Pacific, at page 4, says:

> The integrating of the two companies created one of the largest independent oil companies in Canada and the joining of their capabilities opens up wider possibilities for exploration and development. Together the companies hold oil and gas rights in nearly 20 million net acres of land, mainly in Western and Northern Canada, but also in Lake Erie, offshore Nova Scotia and in the North Sea. Their combined net reserves are estimated at 190 million barrels of oil and natural gas liquids, 1,420 billion cubic feet of natural gas and 4.5 million long tons of sulphur.

Not a bad property to hold.

Table II shows the net income Canadian Pacific received from its oil and gas subsidiaries between 1965 and 1973. It should be noted that the figures for the years 1965 to 1970 include oil, gas and other mineral operations, where as the figures for 1971 to 1973 are just for the oil and gas operations. Canadian Pacific did not show its earnings from minerals separately until 1971.

● (1540)

[*The table follows:*]

Because the table is a fairly lengthy one I will say only that for the year 1973 the gross operating revenues from oil, gas and other minerals was $75.3 million. Their expenses, including income taxes, amounted to $54.1 million, and their net income was $21.2 million. So those of you who have shares in the company must be doing fairly well.

These figures point out the fact that Canadian Pacific has gained considerable revenue from its oil and gas operations over the years. Naturally, not all of this revenue was received from oil and gas finds on the original lands granted to the company, although it did receive royalties and rents from companies using this land. However, Canadian Pacific was able to use these original land grants as a base from which to expand its oil and gas empire.

I should like to quote again from Robert Chodos' book:

> In most of its activities, Canadian Pacific has used its initial holdings, usually obtained through government favours (e.g. the original land grant) of one sort or another, as a base for further expansion. Pan Canadian Petroleum, for instance, has now expanded far beyond the original Alberta oil lands. Although Pan Canadian's production is still largely confined to Alberta (with some in Manitoba, Saskatchewan and the United States), exploration extends to the Gulf of St. Lawrence, the east coast of Nova Scotia, the Grand Banks of Newfoundland, the North Sea, offshore Tunisia, offshore Italy, Sicily and the Italian mainland. Pan Canadian is still fairly small; however, it is one of the more lucrative stars on the Canadian Pacific horizon, with a 1972 net profit of $15.2 million on a gross income of $47.2 million.

TABLE II

INCOME FROM OIL, GAS AND OTHER MINERALS

1965–1973

| | (in thousands) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1973 | 1972 | 1971 | 1970 | 1969 | 1968 | 1967 | 1966 | 1956 |
| Gross—Operating Revenue | 75,374 | 47,271 | 40,005 | 35,550 | 28,101 | 25,335 | 21,415 | 18,222 | 15,345 |
| Expenses including Income Taxes | 54,112 | 33,910 | 27,145 | 24,647 | 16,870 | 13,485 | 10,807 | 9,409 | 7,613 |
| Net Income | 21,262 | 13,361 | 12,860 | 10,903 | 11,231 | 11,850 | 10,608 | 8,813 | 7,732 |

SOURCE: CPR Annual Reports. 1965–1973.

The CPR has been able to parlay the original land grant into a sizeable oil and gas company with worldwide operations.

The company's early involvement in mineral development came about largely because of the Crow's Nest Pass Agreement of 1897. Under the terms of the agreement, the CPR agreed to build a railway line from Lethbridge to Nelson, B.C., crossing the Rockies through the Crow's Nest Pass; the government agreed to subsidize the line to the extent of $11,000 a mile, which worked out to a total of $3,404,720. The CPR agreed to reduce freight rates on certain specified commodities between eastern and western Canada, most notably grain and flour. This was the so-called Crow's Nest Pass Agreement.

The real advantage of the deal for the CPR, however, was that they would be able to tap the rich mineral lands of southeastern British Columbia with this railroad. The federal grant to the CPR allowed it the necessary funds to construct the Crow's Nest Pass line in an area for which other companies had been hard pressed to arrange financing. The most notable of those companies was the British Columbia Southern Railway which had been chartered by the province in 1888 to build a Crow's Nest line. This charter contained a land grant to the railway of 3,755,733 acres plus an additional land grant which covered most of the potential coal lands in the Pass area. The CPR bought the charter of the British Columbia Southern Railway, and with it acquired the railway's land grant of 3.75 million acres. It eventually sold most of this land for a net

profit of $1.8 million, while keeping the valuable coal lands.

The CPR realized that to make the Crow's Nest line profitable it must encourage enough traffic for it. To this end, in 1897 it worked out a deal with the Crow's Nest Pass Coal Company, which also had rights to coal lands in the region, whereby it agreed not to mine its coal lands for ten years in return for the promise that the coal company would ship considerable amounts of coal and coke over the Crow's Nest Pass rail line. By 1901, the line was carrying 112,000 tons of coal and 199,000 tons of coke a year.

Even more important than this was the CPR's acquisition of a copper smelter in Trail. In 1898 the CPR purchased, from entrepreneur F. Augustus Heinze, this smelter and a narrow gauge railway from Trail to the Mines at Rossland, and a standard gauge railway from Trail to Robson. In addition, the CPR acquired 270,000 acres of land in the vicinity of the smelter and the railroads. This agreement formed the core of Cominco, the CPR's highly successful worldwide mining operation with operations in Spain, Greenland and Australia as well as in Canada. Canadian Pacific added a lead furnace to the smelter, one of many expansions to take place over the years. It also began buying up mines in the area to supply the smelter with ore. The final result of this was that the CPR was eventually able to secure total economic dominance of southeastern British Columbia. Not only was the CPR the chief carrier of the mineral output of the Kootenay region, but it was also one of the major producers of that output. Again I quote from Robert Chodos:

> When Canadian Pacific estimated for the MacPherson Commission (in 1961) the revenue it had received from Cominco since the latter was formed as a company in 1906, the total came to almost $250 million; since then, it has gone up to well over $300 million.

We can see from this that the CPR was able to "cash in" on the building of the Crow's Nest Pass line by exploiting its early advantage in the area to build a highly profitable mineral operation. The Crow's Nest Pass Agreement of 1897 allowed the CPR entry into the mineral-rich section of southeastern British Columbia.

Just to summarize this part of the history of the line, I should point out that today the CPR is not merely a railroad company; it is a conglomerate controlling a number of enterprises. I will not expand on that point now, however. Needless to say, the CPR would have entered some of these activities without land grants or concessions to build railroad lines. However, these grants and concessions cannot be discounted as playing a vital role in the growth and prosperity of the CPR. They no doubt made it much easier for the company to prosper and grow.

As we have seen, the land grants played a direct part in the growth of Canadian Pacific's real estate and development operations. In addition, these lands provided the base from which its oil and gas operations could provide excellent profits in the form of royalties, lease fees and, later, formation of its own oil and gas subsidiary. Also, the Crow's Nest Pass Agreement allowed the CPR to gain a foothold in the mineral rich region of southeastern British Columbia, from which it was able to buy up mines and railroad lines, and expand its mineral operations.



While these are some of the more direct examples of how the early grants and concessions aided the growth of the CPR, there is another, more indirect aspect that should be considered. This is the fact that the initial grants helped place the CPR in a position from which it could expand and consolidate its position in a number of areas. The grants gave Canadian Pacific an economic stability that other railways did not have. This enabled it to buy up other rail lines and, in many cases, to acquire the land charters that went with them. An example of this occurred in 1905 when it bought the Esquimalt and Nanaimo Railway on Vancouver Island. As well as buying a 77-mile rail line it also received 1.9 million acres of timber and coal-rich land that was part of E & N's original land grant. Canadian Pacific was later to sell some of these lands and purchase shares in the British Columbia forest company, MacMillan Bloedel. It retained enough of the lands to establish Pacific Logging, a subsidiary for lumbering. This has been a recurring pattern with Canadian Pacific.

What is left of this original legacy to the CPR? As mentioned previously, there are approximately one million acres of land, some of it the most expensive urban real estate in Canada. The value of this land would be difficult to estimate. However, one needs only to survey the price of real estate to realize that such lands are extremely valuable today. As far as the return from minerals is concerned, this is also difficult to assess. But the land grants enabled the company to gain significant returns. It also provided a good base from which to expand its mineral holdings into a world-wide operation.

● (1550)

The real effect of the original grants has been that the CPR was given a solid basis from which to conduct and expand its operations far beyond that of just a railway company. Without such concessions the company would undoubtedly have had a much tougher time of it.

During the past few years there have been many criticisms of, and calls for changes in, Canada's transportation policy. This is especially true in the area of railway transport. This was brought to the fore in March of this year when the Minister of Transport criticized the existing policy and suggested that changes were needed. In this part of my speech I will examine the proposed new transportation policy, and some criticisms of it.

The proposal can be broken down into two parts—freight and passenger services. Let us first look at the freight aspects.

In 1967 the Government of Canada passed the National Transportation Act—sometimes referred to as the NTA—which laid down the principles of free competition among the various transportation networks. The act proposed that free competition among railroads, trucking and shipping companies would be enough of a regulator to ensure that fair rates were being charged for the shipment of goods. The Minister of Transport now has largely discarded this concept as a suitable policy for the shipment of freight, and I quote from the May 1974 issue of the magazine *Canadian Transportation and Distribution*:

> In 1967, at the time of the NTA's creation, Marchand supported the Act. Now, after almost two years as Transport Minister, and based on his experience, he insists that the Act's concept of regulation through

competition is wrong for Canada: "not entirely wrong, but partially wrong—"

He maintains that it is wrong for the following reason: in a country as large as Canada, with its population mainly grouped in sectors, the concept of competition works in highly-populated areas (Central Canada) where there is competition to control rates and service, but it does not work in sparsely-populated areas (the Prairies) where there is hardly any or no competition and government is powerless to make it work.

The Minister has said:

We thought that this experiment (the NTA) would bring results in all regions, this has not happened. I am sure the CNR does not have competition in certain regions. The same applies to the CPR. Sometimes they agree not to have competition (between themselves).

As will be seen, the government's proposed freight policy rejects this principle of free competition. The main aspects of this policy, as set out in the *Globe and Mail* of June 13, 1974, are:

Freight rates based on transportation costs rather than on competition is the centerpiece of the new policy. It would establish freight rates based on the real cost of the service, and abolish rates that vary according to the value of what is shipped. The present system, in which it is cheaper to ship some goods such as steel from Hamilton to Vancouver than from Hamilton to Calgary would also be abolished. This move to standard railroad freight rates would be implemented gradually and would not affect the historic Crow's Nest Pass Agreement or the Maritime Freight Rate Assistance Act.

The passage of a Transportation Information Act requiring railway companies to disclose to the Government all the railway cost information it needs to formulate freight rate policies, to prevent inequities and to monitor the industry.

A proposal to create a crown corporation that would buy freight cars to be kept in reserve for leasing to the railways when exceptional need arises.

The upgrading and strengthening of rail road beds, particularly in Western Canada, some double tracking and eventual electrification of rail lines. It would also involve new roads, tracking and overpasses, and a more efficient traffic routing system in port areas.

The exact method and costs of implementing this policy have not yet been fully disclosed. A more detailed proposal is expected this fall after a current study of the freight situation, undertaken for the Ministry of Transport, is completed. This would help us to make a more in-depth evaluation of the new freight policy.

Let us now turn to the new railroad passenger policy proposed by the government. The main element of this policy calls for the establishment of a Canadian passenger transport corporation, a crown corporation, responsible for the operation of all inter-city passenger train service in Canada. This would take passenger service out of the hands of the publicly owned CNR and the privately owned CPR. The Canadian passenger transport corporation would acquire the railways' passenger train stock—approximately 1,900 cars in the two systems—and operate an integrated passenger train service. The new passenger policy, as is set out in the *Globe and Mail* report, would also:

Set up through the CPTC "high quality passenger bus service in areas not now well served by either trains or buses."

Bring into service high speed passenger trains in the corridor linking Quebec City, Montreal, Ottawa, Toronto and Windsor. High-speed rail service would also be extended to the Atlantic Provinces and between paired cities such as Edmonton and Calgary.

Luxury transcontinental excursion trains would be established to supplement existing faster services.

Develop, buy or lease the most advanced railway technology to build in Canada high-quality, high-speed passenger vehicles, systems, equipment and machinery.

Greater emphasis to be placed on passenger-auto "piggyback" services. That is, more trains made available to carry passengers and their autos on trips.

At the time this policy package was announced, it was stated that it would likely be implemented in three phases. In Phase I, legislation would be passed and existing services would be improved—for example, by increasing the number of train services. In Phase II, a number of high speed trains would be put into operation. These would include an advanced model of a high speed train developed by a consortium of MLW-Worthington, Dofasco and Alcan. These new trains would take about two years to be put into service. In Phase III, which will come on stream in seven to ten years from now, new concepts of train travel will be put into effect. They will require, for example, a track that has no level crossings at any point and capable of taking trains moving at 150 miles an hour.

The costs of such a program are sizeable. It has been estimated that it will cost in the neighbourhood of $600 million in federal funds for Phase I and II over a five-year period, according to the *Financial Post* of July 6 last. No estimate was made of what Phase III will cost.

Before upgrading present services and operating high-speed trains, however, the new crown corporation would first have to barter for the more than 1,900 cars and locomotives now used in passenger service. To date there have been no negotiations with CN or CP over the price of this equipment. However, estimates of the price suggest that the cost will be high. The *Financial Post* article says:

CN and CP officials are talking in terms of $300,000 each for the more than 1,900 cars in their combined systems. If paid, this in itself would use most of the $600 million estimated for the entire (i.e. Phases I and II) program.

It should be noted that in the case of Canadian National the purchase of equipment would only involve a "book-keeping transaction," a transfer, as this railway is nationally owned. It is a crown corporation owned by the Government of Canada and answerable to Parliament.

Also awaiting discussion is the arrangement under which schedules and equipment owned by the crown corporation would be run on CN and CP tracks. In other

words, how much will it cost? Will the corporation buy the railways' existing trackage outright, or will it lease running rights for a fee? In either case no mention has been made of what these costs will amount to. Also, the cost of the upkeep of passenger stations has yet to be determined. These factors will likely be the subject of hard bargaining between the corporation and the railways in the months ahead.

Criticisms have been levelled at the cost of this new policy. The estimates suggested here may prove to be much lower than the final figure. This is because today's estimates are based on today's prices, while many of the proposals have a lag time of at least two years. Also, studies on which these estimates are based are not all finished. It is too early to tell what the exact cost will be.

Apart from the cost, there have been other criticisms of this policy. The first of these centres on the fact that it would merely be playing into the hands of the railways to nationalize passenger service. The passenger services of both railroads have been a money-losing proposition for a number of years. The federal government has been underwriting uneconomic passenger services with subsidies. Under the National Transportation Act of 1967, Ottawa underwrites 80 per cent of all losses. By taking over this service, it is argued, Ottawa is merely helping the railways rid themselves of a money-losing segment of their operations. The critics feel that Ottawa should not nationalize only the passenger segment of the railroads, but also their profitable segments—the freight and real estate operations—as well. Other critics feel that Ottawa should force the railways to use their own profits from lucrative freight and land development divisions to maintain and expand "adequate passenger services." The net rail income of the CPR totalled $32 million in 1973, according to the annual report.

● (1600)

The *Globe and Mail* of June 20 last says:

> The Canadian Pacific was established to unite Canada. Because it was recognized that the rail service would be a losing proposition, it was given vast tracts of valuable land on which it has developed profitable commercial, industrial and resource complexes. All these profitable endeavors it has split off from the railway services themselves, and been allowed to do so by a succession of governments. The subsidies they were supposed to provide to the rail services go into shareholders' pockets while CP asks and gets new subsidies. As for CN, it is a nationally owned railway system.
>
> Mr. Trudeau is not talking about transportation policy. He is talking about bailing the railway companies out of a service they no longer wish to give.

Another factor that has worried critics is the form the new integrated passenger transportation service will take. That is to say, what routes will be maintained, what new ones will be opened up, and what routes will be abandoned? To date no specifics have been mentioned as to what new routes will be opened up. Until this is done, of course, no analysis of their location can be made.

The question of rail lines has been the object of a great deal of concern over the last few years, especially in the west. While no announcements have been made as to what, if any, rail lines might be abandoned, this could conceivably come about with the integration of train services. This being the case, it would do well for us to look at some of the possible implications of rail line abandonment on communities in the west.

One probable effect would be the weakening of the economic base of the community involved. This relates to those members of the local labour force who depend upon the railway for their employment. If railroad employment is cut out of a town, and employees are forced to leave the area to seek alternative employment, the economic base of the town could be severely damaged. To take the example of towns like Jasper and Edson, such a move would be a terrific blow to the economic base of those towns. The removal of this group of people would likely have an appreciable effect upon the regional demand for retail sales and services. Also, if the employees affected by rail closure were forced to move and offer their homes for sale, and there were no buyers, the local tax revenues would decline.

Another area which would show a decline if the railways were to abandon lines is that of municipal property tax assessment. In many of the towns on the rail lines, local tax revenues depend heavily on the assessment of railway right-of-way properties and buildings. For example, the town of Banff depends for 45 per cent of its tax revenue on income from the CPR. In some instances communities depend 100 per cent on the assessment of railway property and buildings for municipal assessment revenue. This is especially true of the smaller communities, which depend more on railway rights-of-way for their municipal assessment revenues than do the larger centres.

The end result of this weakened economic base is that there would likely be an increase in the rural-to-urban shift in population that has been taking place in much of western Canada. Some towns could literally die due to the removal of funds now derived from the railways.

Another impact of abandonment concerns those people who use railroad facilities. Abandonment would mean that the present users of rail lines would have to look elsewhere and to other modes for transportation services. Passengers would have to rely on private automobiles or buses more heavily than they now do. Also, it would mean travelling further distances to centres which have rail lines in order to use the passenger railway. Although the new policy stresses the implementation of bus services for areas with poor rail service, abandonment would make this mandatory if small centres are to have adequate passenger transportation. This, in effect, has the same result as the previous one, namely, that of shifting the population of smaller centres to larger growth nodes.

These, then, are some of the implications of rail line abandonment on small communities. There has been no indication to date that abandonments will take place, or how the transcontinental services will be integrated. But it would be well to consider carefully the effects that such moves would have when or if the time comes for implementation. Without a careful study of the implications of abandonment, many communities could be left without adequate transportation facilities and revenue in the future.

Honourable senators, to summarize, we have seen here the government's proposed new policy for freight and passenger rail transportation in Canada. The new freight policy centres on basing freight rates on transport costs rather than the old policy of free competition. It also calls for the upgrading of the freight handling system. The new passenger policy calls for the establishment of a crown corporation to operate and integrate all inter-city train transportation in Canada. This, in effect, would result in a partial nationalization of the railway systems. In the case of the CNR, which is already publicly-owned, it would involve the shifting of the passenger service from the existing crown corporation—that is, the CNR—to the new one, the Canadian passenger transport corporation. In the case of the CPR the shift would be more dramatic. It would involve the nationalizing of the passenger services of a privately-owned company. The other railroad operations would be left with the company. In addition to this passenger service takeover, the policy also calls for a general upgrading over the years of the entire passenger train system.

What I have endeavoured to present here is really the bare bones of a proposed new transportation policy. The specifics have not yet been set down by the government in enough detail to allow for a thorough analysis of it. There are some questions that need answering before such an analysis can take place, and these include:

What are the real costs of this new policy likely to be (i.e. for both freight and passenger)?

What formula will be used in the new policy of basing freight rates on transport costs ratehcosts rather than free competition?

What new routes are proposed for the extended passenger service?

Will integration of passenger services mean abandonment of certain rail lines?

What type of fare structures will be charged for the newer, high-speed train services?

Without answers to such questions the policy will continue to be vague. More detailed proposals are expected to be released by the government this fall. These may provide us with a better basis for a policy evaluation.

There is also some question about the rationale of taking over only one aspect of the railways' services. It would seem more feasible to nationalize the whole system in order to attain overall control of the railways. More thought and study should be given to this before a definite policy is established.

These, honourable senators, are some of the issues we will be concerned with in looking at transportation policy in the days to come. I thought that this would be an appropriate time and place to make some of these suggestions, and I hope that in the days to come you may have an opportunity to study them, criticize them, and amend and enrich them.

On motion of Senator Macdonald, for Senator O'Leary, debate adjourned.

The Senate adjourned until Tuesday, October 8, 1974, at 8 p.m.

# THE SENATE

**Tuesday, October 8, 1974**

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

Prayers.

## SENATE CHAMBER

AUTHORITY TO PHOTOGRAPH PAINTING

**The Hon. the Speaker:** Honourable senators, a request has been received by the Speaker of the Senate on behalf of Heritage Publishing Company of Geneva, Switzerland, who are in the process of publishing books on the various Scottish clans. They would like to include in these books a reproduction of the painting of the Royal Canadian Engineers landing in Europe, which is the painting to my left at the far end of the chamber. I understand that no colour transparencies or photographs of this painting are presently available.

Accordingly, permission is requested for a photographer to take a photograph of the painting at a time convenient to the Senate, and for publication of the photograph in the books produced by the Heritage Publishing Company. Does the Senate grant the requested permission?

**Hon. Senators:** Agreed.

**Senator Grosart:** Honourable senators, perhaps it should be pointed out that the crown copyright in these paintings is held by the National Gallery, and permission would be required from the National Gallery for reproduction.

## THE SENATE

APPOINTMENT OF DEPUTY GOVERNMENT LEADER AND GOVERNMENT WHIP

**Senator Perrault:** Honourable senators, it is a pleasure for me to announce formally to the house the reappointment of Senator Langlois as the Deputy Leader of the Government in this chamber, and the appointment of Senator Petten as Government Whip in this place.

**Hon. Senators:** Hear, hear!

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Science Council of Canada for the fiscal year ended March 31, 1974, pursuant to section 19 of the *Science Council of Canada Act*, Chapter S-5, R.S.C., 1970.

Report of the Board of Trustees of the Queen Elizabeth II Canadian Fund to Aid in Research on the Diseases of Children, including the Auditor General's Report on the financial statements of the Board, for the fiscal year ended March 31, 1974, pursuant to section 15 of the *Queen Elizabeth II Canadian Research Fund Act*, Chapter Q-1, R.S.C., 1970.

Public Accounts of Canada, Volume III, for the fiscal year ended March 31, 1974, pursuant to section 55(1) of the *Financial Administration Act*, Chapter F-10, R.S.C., 1970.

Capital Budgets of Eldorado Nuclear Limited and Eldorado Aviation Limited for the year ending December 31, 1974, pursuant to section 70(2) of the *Financial Administration Act*, Chapter F-10, R.S.C., 1970, together with copies of Order in Council P.C. 1974-1337, dated June 6, 1974, approving same.

Report on the administration of the *Canadian Forces Superannuation Act* for the fiscal year ended March 31, 1974, 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, for the fiscal year ended March 31, 1974, pursuant to section 41 of the said Act, Chapter C-9, R.S.C., 1970.

Report of Defence Construction (1951) Limited, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to sections 75(3) and 77(3) of the *Financial Administration Act*, Chapter F-10, 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, 1974, pursuant to section 11(4) of the *National Defence Act*, Chapter N-4, R.S.C., 1970.

Report of the Minister of Labour concerning action taken pursuant to section 181 of the *Canada Labour Code*, Part V (Industrial Relations), in the industrial dispute involving west coast terminal grain elevator companies and the Grain workers Union, Local 333 (CLC), pursuant to section 181(2) of the said Code, Chapter L-1, R.S.C., 1970, as amended by Chapter 18, Statutes of Canada, 1972.

Amending Order No. 6, amending the Federal Court Rules, made by the Judges of the Federal Court of Canada on August 1, 1974, together with copy of Order in Council P.C. 1974-2140, dated September 24, 1974, approving same, pursuant to section 46(5) of the *Federal Court Act*, Chapter 10 (2nd Supplement), R.S.C., 1970.

Report of the National Librarian for the fiscal year ended March 31, 1974, pursuant to section 13 of the *National Library Act*, Chapter N-11, R.S.C., 1970.

Supplementary Estimates (A) for the fiscal year ending March 31, 1975.

Report of the National Film Board of Canada, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to section 20(2) of the *National Film Act*, Chapter N-7, R.S.C., 1970.

Report of the Canada Council, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to section 23 of the *Canada Council Act*, Chapter C-2, 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 1972, pursuant to section 18(1) of the said Act, Chapter C-31, R.S.C., 1970.

Report of the Standards Council of Canada for the fiscal year ended March 31, 1974, 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.

Estimates for the fiscal year ending March 31, 1975, together with text of a Statement by the President of the Treasury Board relating thereto.

Report of the Department of National Revenue containing Tables and Statements relative to Customs, Excise and Taxation for the fiscal year ended March 31, 1974, pursuant to section 5 of the *Department of National Revenue Act*, Chapter N-15, R.S.C., 1970.

Capital Budget of Canadian Arsenals Limited for the fiscal year ending March 31, 1975, 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. 1974-1777, dated August 1, 1974, approving same.

## FEDERAL TRUST COMPANIES AND LOAN COMPANIES BILL

FIRST READING

**Senator Perrault** presented Bill S-7, to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday, October 15.

Motion agreed to.

## MOTOR VEHICLE TIRE SAFETY BILL

FIRST READING

**Senator Perrault** presented Bill S-8, respecting the use of national safety marks in relation to motor vehicle tires and to provide for safety standards for certain motor vehicle tires imported into or exported from Canada or sent or conveyed from one province to another.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday, October 15.

Motion agreed to.

## PROPRIETARY OR PATENT MEDICINE ACT TRADE MARKS ACT

BILL TO REPEAL AND TO AMEND—FIRST READING

**Senator Perrault** presented Bill S-9, to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday, October 15.

Motion agreed to.

## FEEDS ACT

BILL TO AMEND—FIRST READING

**Senator Perrault** presented Bill S-10, to amend the Feeds Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read a second time?

**Senator Perrault:** I move, seconded by Senator Langlois, that this bill be read a second time on Tuesday next, October 15, 1974.

**Senator Choquette:** Tuesday next is going to be a busy evening.

Motion agreed to.

## SENATE REFORM

NEWSPAPER ARTICLE—QUESTION ANSWERED

**Senator Perrault:** Honourable senators, on Thursday last Senator Grosart asked a series of questions on the subject of reform of this chamber. I know that all members of this house have considered on many occasions ways in which the Senate can be made an even more effective assembly. No formal discussions have been held between the Prime Minister and myself on the subject of Senate reform, although we have had, quite understandably, informal and speculative discussions about the role of the Senate and the work of those who serve here. Consequently I am unable to comment further until and unless government policy with respect to this particular subject is developed and announced. Of course, I assure honourable members that along the way the views of all members will be earnestly solicited.

● (2010)

## SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, October 3, consideration of His Excellency the Administrator's Speech at

the opening of the session, and the motion of Senator Neiman, seconded by Senator Cottreau, for an Address in reply thereto.

**Hon. M. Grattan O'Leary:** Honourable senators, I think you are very well aware that I have never much liked those cosy comfortable pleasantries of mutual praise which take up so much time in the debates in this house. We complain often here that the press pays little attention to our deliberations. I think I can say to you that if we had less in this house of this stifling decorum, and engaged more in the cut and thrust of debate, the press would be beating a path to our galleries.

As you know, in Britain the best debates take place in the House of Lords, and there they actually have less power than we have here. Nevertheless, if you read the *Times* regularly you will see that the House of Lords gets space equal to, if not more than, that of the Commons, and that is simply because the debates are good. They do not waste their time in those comfortable phrases of mutual praise. They go on to the cut and thrust of debate in dealing with the question before the house.

Having said that, honourable senators, I must—

**Senator Walker:** Cut and thrust.

**Senator O'Leary:** —I must admit I have to sin against my own convictions by saying a word about the new Speaker of the house, Madame le Président.

I have known our new Speaker, and her reputation in my craft, for many years. But although ours is a cannibalistic profession, I did take a liking to her as soon as she came to this house. In fact, I listened to her speeches only to wonder how the good Lord, who knew how to create a creature of such grace and talent, could then have permitted her to betray herself into such a hideous political philosophy. However, that is all gone and past now, and I think I can say, having watched her since she took the Chair, that we in this house will find that the wisdom, grace, charm and good-natured impartiality of her beloved predecessor is not going to be lost to us.

And now, Mr. Leader of the Government, will you permit me to address a word to you, and about you? You have come to us not as a political novice. The great John Bright, when he wrote letters to his adversaries—or at least to some of them—always ended by saying, "Yours, with whatever respect is due to you, John Bright." I think this is the proper attitude to take towards the new leader of this house. Or course, we will give him the respect due to his position and to himself, but nevertheless I am sure he is prepared to be on trial. So far as I am concerned, I will always want to hear him and listen to him, but he is out on suspended sentence.

I suppose somebody will soon ask, "Why don't you come to the Speech from the Throne?" Before I do that—and here I am again sinning against my convictions—I do want to say a word about our former leader, Senator Paul Martin.

Senator Martin and I have been political foes and warm personal friends for more than 40 years. I remember in the old days, when things in Canada were a little better than they are now, I used to be called upon in elections to go up to Pembroke, which is Senator Martin's home town, and tell the good people, as I always did, how much better off Canada would be if we turned the Grit rascals out and put in my party instead. I always spoke in the old armouries in Pembroke on a Saturday night. I remember on two occasions, when Mr. Mackenzie King was going up to speak at noon and I was going up to speak the same evening, that I went up in his private car with him, with dear old Andy Thompson, who was a warhorse of the Liberal Party. But what I did find in Pembroke was that Senator Martin was a prophet in his own community, and that is a good sign.

Because I keep my pipelines, even with a Grit government, good, I happen to know where he is going, but wherever he is going, even if I am wrong, I feel certain that he will represent Canada with credit and distinction, and will certainly never let Canada down.

**Hon. Senators:** Hear, hear.

**Senator O'Leary:** Now I have to come to the Speech from the Throne. There is not much that can be said about it. Senator Grosart the other day, I thought, was a bit too kindly but, as usual, he said all that can be said about this Speech. He was ably backed up by Senator Neiman, who made one of the most extraordinary speeches I have ever heard from a mover of the motion for an Address.

Speaking again of the Speech from the Throne, they used to say of William Jennings Bryan that his speeches were somewhat like the River Platte, long and winding but never deep, and often not even meaningful. This is true of this Speech from the Throne. If you do not wish to take the word of Senator Grosart and some other Conservatives, I ask you to read what was written the other day in the Montreal *Star* by a highly respected Liberal journalist, Mr. W. A. Wilson, the Ottawa editor of the Montreal *Star*. Mr. Wilson said the Speech could be summed up as double talk and double think, there was nothing in it, that you could search it in vain for any evidence of the government's being prepared to grapple with the one vital issue before the country. This, I think, is true.

My own opinion of the Speech—and I have read it and re-read it—is that actually it is a hodge-podge of inconsequential things. They have placed in there a lot of tidbits, a lot of small things which I am sure are merely to distract public attention from the fact that the real vital issues of the country have been played down.

I searched in vain, for example, to find one word in it about the just society. What has happened to that? There is not a word about it in the Speech from the Throne and, incidentally, hardly a word about it in all the speeches of Liberal candidates during the last unfortunate election. More than that, not a word about "the land is strong." When I find that this Speech is more remarkable for what it does not say than for what it does, and when I find all the war cries, slogans and shibboleths of the Liberal Party cast into discard, I think of a verse they used to sing in England a few years ago about a wayward lass who found out too late that men betray.

● (2020)

Oh no, we never mention her,
Her name is never heard,
Our lips are now forbid to speak,
That once familiar word.

No "just society," no "the land is great," no "free trade." Nothing but a procession of words and phrases, meaningless and inconsequential.

I am interested in foreign affairs. I would like to know what the government's policy is on foreign affairs. One had the spectacle the other day of Mr. Ivan Head, who seems to imagine himself as a mini-Kissinger, coming out to tell the country that the foreign policy of Canada was going to be changed. He said it is going to be an activist policy, an activist policy going leftward. What happened? The Prime Minister came out and said, "This man is not my Charlie McCarthy. He doesn't know what he is talking about."

This is what goes on in this government all the time. You never know what is happening because you never get them all saying the same thing at the same time.

I am sure all honourable senators remember the story of Lord Melbourne. Melbourne was leaving the Cabinet before they had finished discussing a certain measure. He said, "Gentlemen, what is it? I don't care what it is, but we must all say the same thing."

But they don't all say the same thing in this ministry. There is now the case of Mr. Whelan and Mr. Ouellet. Mr. Whelan came out one day and told Mrs. Plumptre that she was talking too much and didn't know what she was talking about, whereupon Mr. Ouellet, with a Gallic gallantry, let us say, stood up and told Mr. Whelan that he was talking too much and to leave this good lady alone.

It is true that Mrs. Plumptre had dropped quite a few handkerchiefs for Mr. Ouellet, but nevertheless this is the state of the Cabinet. You never know what they are saying, who is saying it, or who has authority to say it—and this is not good enough in a democratic country.

I want to say, before going any further, that the leader mentioned something about Senate reform and said he had not consulted the Prime Minister. The Prime Minister, however, did speak about Senate reform in the House of Commons. He said he was going to see to it in the future that when a Tory senator died he would replace him by a Tory. So Mr. Trudeau apparently does not believe in freezing prices and incomes, but he does believe in freezing the Tory minority in the Senate. If I die—and I will probably be one of the first—he will replace me with another Tory. So on that scale we are never going to get above the 17 members we have here now unless we have another election soon. That is a dangerous proposition. It is turning this chamber into a one-party chamber.

But there is something worse than that. The Prime Minister said that he had in mind a bill, a measure of some kind, whereby the Senate would be deprived of its right to kill bills. He would give us only suspensive power. What does that mean? Surely it means that at any time Mr. Trudeau could use his majority in the House of Commons to pass a bill abolishing the Senate, send it here, and the Senate would have to accept it. What else could it mean? If it doesn't mean that, it means nothing at all—unless his bill provided, as a special case, that the question of the Senate would not be included. But if he means what he seems to mean, he can within the next year, or the next two years, have his majority in the House of Commons pass a bill abolishing this house, send that bill over here, and this house could not reject it.

**Senator Beaubien:** What do you mean?

**Senator O'Leary:** Well, this is as clear as crystal, surely. If anyone doesn't know what it means, he must be pretty stupid. This is what it means. It can't mean anything else. We will only have, he says, suspensive power—the same as the House of Lords. So if we can only suspend legislation, we could not kill or reject a bill which might be sent over here, passed by his majority, to end the Senate forever. I do not know what else he could have meant. If the Leader of the Government in the Senate tells me he did not mean that, well and good, but he says he has not discussed the matter with the Prime Minister at all.

Honourable senators, I listened the other day with great care to the Leader of the Government when he introduced a number of bills in this house. I disagree with this. This house was never created to introduce and pass bills to help the other house. This house was created as a review body, a chamber of sober second thought, as they called it. It is not our business to be introducing bills, and I object to it. I also object to this chamber being turned into an investigative body. We are not going to be turned into a series of royal commissions. It was never intended that this would happen, and it should not happen.

The Leader of the Government spoke of our going out to the provinces and talking to them about provincial rights. Honourable senators, can you imagine a number of senators turning themselves into sort of nomads and going all over the country telling the provinces what should happen to them? What would have happened had such a delegation of senators gone out to tell that sort of thing to Mr. Bennett when he was Premier of British Columbia? What would happen if we went out and talked with Mr. Barrett, or even with Mr. Lougheed in Alberta, or with any of the provincial premiers? Do you think a delegation of senators would have gotten anywhere with Mr. Lesage when he raised his cry of "maître chez-nous?" Do you think a delegation of senators should go to Quebec and tell Mr. Bourassa what he should be doing about Bill 22? That is not a practical thing; it is not a sensible thing. It is not the function of the Senate at all.

We had the Honourable Lazarus Phillips as a member of this house a few years ago. I think he was the greatest senator I have known since I came here. When Senator Phillips was leaving this house he made a charming farewell speech. I would ask the Leader of the Government to read that speech, to read what Senator Phillips said as to what he found out about the Senate and what he thought was its true function. He did not say that the Senate should become a series of royal commissions; he did not say we should set up investigative bodies on this, that and the other thing. He said the real function of the Senate is to see that the rights and the liberties of the individual are protected.

Sir Clifford Sifton, who was a giant with the Liberal Party in days gone by, said that the real function of the Senate, the true function of the Senate, was to protect the Executive against the growing power of the bureaucracy, and that is true.

We say we review legislation here. But do we? How much review, how much examination do we give orders in council—and orders in council are the real administration, the real government of this country? Thousands of these orders in council are passed all the time. Do we look them over to see that they are in the interests of Canada? We do not. Do we look to see what delegation of power they contain—and we all know that powers are delegated to bureaus, commissions, and so on, and so on? This is really what we should be doing.

It is true that the Senate is here to protect, as far as possible, the rights of the provinces, but it is here mainly to protect the rights of the individual. That is our task, above all—that, and to see to it that powers being delegated to the bureaucrats by orders in council are not abused. We know that such cases have occurred. We have found out about them, especially in the Immigration Department, where delegated authority was abused, where those people took on powers they were never given at all. These are the things we should be looking into.

I am, of course, in favour of standing committees. But I do not believe that this body should be changed from what it was intended to be, namely, a review body, into an investigative house sending people all over Canada trying to discover things and reporting things. I think it was Mr. Disraeli who once said that royal commissions discovered what everybody already knew.

● (2030)

The other day the Leader of the Government told us of the great good that had accrued from investigations the Senate had carried out. I ask Senator Croll now whether all, or even most, of the recommendations of the Special Senate Committee on Poverty were accepted? There have been a few cases, of course, when we did influence legislation, but if anyone tells me that in the twelve years I have been in this house investigations carried out by this house, or by any special committee of this house, have really influenced in a meaningful way the legislation of the government, I will tell him that he has not read the story aright.

I would like to see this house with standing committees that would ensure that our bureaucrats—who, as we all know, are the real governors of this country—are brought before the Senate and made to explain why and how they get their ministers to present certain legislation. I know this is a fact in Ottawa. I have been here 60 years and I know something of how the civil service works. I know that when there is a change of government in this country and a new minister goes into his portfolio, certain gentlemen in the department, who may not like him or agree with him, keep back from him facts that he should have, and determine the character of the legislation in consequence. This is the sort of thing we should be examining, not running all over Canada trying to find out this, that and the other thing. To begin with, we are not equipped to do it, and we have no guarantee at all that our findings will be accepted.

I happen myself to have been chairman of a royal commission. Were my recommendations accepted? They are talking about accepting them now. My recommendations were not then accepted for the simple reason that Mr. Luce had great power with the Congress and the State Department, and there is scarcely any doubt that word came to us in Canada if we touched *Time* and *Reader's Digest* something unpleasant would happen to us in Washington. My honourable friend Senator Hayden knows something about this. I think he even introduced and defended it, and he always defends even a bad cause well. The fact of the matter is that *Time* and *Reader's Digest* made Mr. Luce an honorary citizen of Canada so that his papers would get the same treatment that Canadian papers received. Those two publications are not Canadian papers. Everybody knows this. They are getting those special privileges simply because they had power at Washington, and Washington had influence with us.

These are the sorts of things the Senate should be looking into. Why bother about carrying on these lengthy, interminable and costly experiments, with visits here, there and everywhere, giving people trips? I do not believe in that sort of thing. Let us have our standing committees. Let the standing committees carry out the work this Senate was created to carry out, the work of seeing to it that legislation does not injure the individual—or a province, for that matter. But let us not get this silly notion that we can send ten or fifteen people to British Columbia, Manitoba, Alberta, Quebec, or what have you, and tell them what we are going to do for the provinces. We have no power to do anything for the provinces. There are bound to be negotiations between the governments concerned, and to say that this Senate is to exercise its true function by going into the country and telling the provinces what we may do for them, and what we should do for them, is utter nonsense.

Honourable senators, I do not wish to go on for very long on the Speech from the Throne. However, I take this question seriously. I think this Senate is a great body. There is no question about it in my mind. I want to add quite frankly that not all the appointments made here by Mr. Trudeau have been bad appointments. He has made some excellent appointments. I am looking at three or four of them now who are very good. He did make some that are very bad. However, he is changing this house into a one-party chamber. If he goes on with his supposed or alleged intention of replacing a Tory burial with a Tory appointment, then for as long as he remains in power we will have only seventeen members in a chamber of 102. What sort of a democracy is that?

Rightly or wrongly, this house was set up as a two-party chamber. This may have been a mistake, but this was the structure. All along there were men who saw the weakness of that and tried to get rid of it. I have heard some unsophisticated journalists express surprise that Mr. Trudeau appointed a good senator like Senator Lawson, for example; they remarked what a change this was. My friends, Sir John A. Macdonald appointed Liberals to the Senate. He appointed people to the Senate who disagreed with him violently, such as Peter Mitchell. Sir Robert Borden appointed M. J. O'Brien, a powerful Liberal industrialist, to the Senate. Mr. R. B. Bennett, when he was Prime Minister, appointed Patrick Burns of Calgary to this house. Mr. St. Laurent appointed John Hackett, one of the most distinguished Liberals in the country.

**Some Hon. Senators:** Oh!

**Senator O'Leary:** One of the most distinguished Conservatives in the country. I think I should have said "liberal," because most Conservatives are more liberal-minded than people you find on the other side of the house. When I go—which will not be too long, my doctor tells me—I hope the Prime Minister will appoint a good liberal-Conservative in my place, not somebody who can play the fiddle, and not some professional person who knows nothing about the democratic process. I want a good partisan to take my place, and if they appoint a good Conservative he will probably be the best liberal in the chamber.

I am not going to keep you any longer, honourable senators. I have perhaps said too much. I think I will go home, go to bed and read a bit of poetry. Thank you very much.

[*Translation*]

**Hon. Eugene A. Forsey:** Honourable senators, first I would like to add my little contribution to the congratulations already extended in such masterly manner by several speakers who preceded me to our distinguished Speaker.

We just lost a first-class Speaker of quite extraordinary capacity, competence and charm, and it is already obvious that we have in her successor a Speaker who possesses exactly the same assets and to the same degree—a very worthy successor to our distinguished former Speaker, Senator Fergusson.

I join all the other senators who congratulated not only Her Honour our present Speaker but also our former Speaker, Senator Fergusson.

[*English*]

In the second place, I should also like to offer my congratulations to the new Leader of the Government, for whom I have a rather special affection, shall I say. I took some minor part in the 1972 election and appeared in his constituency. During that election I appeared in thirteen constituencies, of which we lost ten. I am sorry to say that one of the constituencies in which I appeared and which we lost was that of the present Leader of the Government, but there we came nearer not losing than in most of the others. So I have that rather special affection for him, because I do not think I did him as much harm as I did the others. I believe that he has already shown that he is going to be a very distinguished leader of this house.

[*Translation*]

I feel that, through his eloquence, he has already proved his French origin. Though he does not speak French, his eloquence is that of a French Canadian: who could say more?

[*English*]

● (2040)

I want also to pay my small tribute to what I suppose is my oldest friend in this chamber, our former Leader Senator Martin. I cannot really add anything to the words that have already been said about him, except to say that I perhaps feel a rather special regret that I understand he will shortly not be among us any more. Because I have known him so long and I have admired him so much, though I have criticized him on many occasions in the past very strongly—and, I might add, I don't take back a word of it; I think he was quite wrong in those days—I have a very special feeling of respect, regard and admiration for him.

Unlike Senator O'Leary I have no pipeline to the inner circles of the present government and I don't know where Senator Martin is going next. But like Senator O'Leary I am perfectly confident that wherever he goes he will do honour to himself, honour to the government, honour to this chamber and honour to the country.

**Hon. Senators:** Hear, hear!

**Senator Forsey:** I should like to express also my regret that Senator Choquette has laid aside the burden of the deputy leadership of his party, which he carried with such distinction. I remember in particular an occasion when he delivered a really masterly speech in criticism of the report of the Joint Committee on the Constitution. I was delighted to see the other day that when somebody said, "Well, we shall not hear so much from you now as formerly," or words to that effect, he said, "Don't be too sure. Just wait." I am glad to think that we will continue to have from Senator Choquette the same distinguished contributions as we have had in the past to the debates in this house. His successor, Senator Grosart, is, of course, a host in himself.

Senator O'Leary lamented the small number of Conservative senators in this house. I also lament it. I have again and again supported the Leader of the Opposition and other Conservative senators who have urged that the present government should appoint more Conservative senators, for reasons which they set forth with great cogency and distinction.

**Senator Walker:** They did that when they appointed you. You were a Conservative at that time. You have never been since.

**Senator Forsey:** I thank the Honourable Senator Walker for that, but I am afraid that my political complexion is a somewhat dubious one. I suspect that the Conservatives think I am an arrant traitor; the NDP likewise; and the Liberals suspect that I am either a hidden Conservative or a hidden NDP'er, and they are not quite sure of me at all.

**Senator Walker:** They may all be right.

**Senator Forsey:** They may all be right? Perhaps so. I remember once meeting a certain provincial judge in Quebec who said to me, by way of introduction:

[*Translation*]

> I am a judge for one reason only, because I am a personal friend of Maurice Duplessis.

[*English*]

I remember a remark I made to the present Prime Minister, that somebody might say after my appointment:

[*Translation*]

"There is only one reason why he is a senator and it is because he is a personal friend of Pierre Trudeau."

[*English*]

I am glad to say the Prime Minister shook his head and said, "Je crois que non."

I simply want to say how delighted I am that Senator Grosart will be making his splendid contributions to the work of this house in this new position in which he will

carry an extra responsibility and in which perhaps his words will acquire even greater weight than they have had in the past from their intrinsic merit.

That really concludes my list of congratulations and kind words, of which in general Senator O'Leary spoke with such scorn, though he hastened, of course, to admit that he was transgressing his own rule.

I should like, however, to say also how much I look forward to the contribution that will be made by our two new senators from Nova Scotia. We have already had from Senator Cottreau an excellent speech seconding the Address in reply to the Speech from the Throne, a speech in which he has displayed—

[*Translation*]

. . . the distinctive qualities of the Acadian people in Nova Scotia.

[*English*]

I also enjoyed very much the distinguished speech—perhaps I have used that word too often tonight; shall I say, with Senator O'Leary, the extraordinary speech?—of Senator Neiman, moving the Address in reply to the Speech from the Throne. It was a most refreshing change from the unending series of congratulations to a government which we usually get by the mover of the Address in reply to the Speech from the Throne. It was a critical speech. It was a critical speech in the proper sense of the term. It was a speech which showed the kind of independence of mind which should characterize members of this house on whichever side of the aisle they sit. It was not an attack upon the government, but it was, on the other hand, not simply one of those sugary, syrupy, saccharine hymns of praise of everything that the government says and does, which sometimes, I am afraid, one is apt to get, perhaps simply out of a sense of courtesy, from movers of Addresses in reply to the Speech from the Throne.

Senator O'Leary trailed his coat in all directions. I was greatly tempted to follow him in some of these directions. I was greatly tempted to take up his challenge to make this house more one of the cut and thrust of debate. However, time is getting on. I am notoriously loquacious. I remember when I first came in here that at a very early stage my friend Senator Croll, perhaps regretting that he was one of those who introduced me formally, said to me, "You are too verbose. You're too wordy." I have tried to bear his words in mind since and to restrain my natural loquacity, but I have to be very careful or my tongue will run away with me.

There are just two points on which I should like to follow up what Senator O'Leary said. One is his surprising objection to the introduction of bills in this house. The British North America Act clearly envisages the possibility of bills being introduced in this house, because it specifically says that money bills cannot be introduced in this house. By implication, therefore, it surely assumes that other bills can be and will be introduced in this house. I was the more surprised by Senator O'Leary saying this, because I distinctly remember—my memory for past political events is not as all-encompassing as Senator O'Leary's, nor as faithful, nor as accurate, but even within my limited memory I can distinctly recall—that in the days when Mr. Bennett was Prime Minister of Canada a very considerable number of very important bills were introduced first in this house. My recollection is that an enormous, vast, voluminous and extraordinarily complicated, important bill revising the Canada Shipping Act was introduced in this house and received most of its consideration in this house and a relatively small amount in the other house. I am not absolutely sure of that last, but I know it was introduced here and discussed here at great length, and went through most of the serious process of consideration here rather than in the other house and before the other house ever saw it at all.

I don't think there is anything demeaning to this house in initiating legislation. I don't think there is anything demeaning in our saving the time of the other house by considering here bills which are not controversial in a partisan sense but are perhaps rather technical. They may be controversial as between experts in a particular field. Here we have such a vast reservoir of experience and of particular expertise that it seems to me some of these bills can be most profitably, most valuably considered here, and the time of the House of Commons can be available for bills which are rather matters of acrid public controversy and partisan controversy. That is the kind of thing which the House of Commons more particularly exists for, and if we can do up here much of what you might call the technical work on more or less technical bills, often of enormous importance, then so much the better. I can't see anything wrong with that at all. I suppose you can say that in that case it is the sober first thought rather than the sober second thought; but I doubt very much whether Sir John A. Macdonald would have been prepared to go to the stake for the single adjective "second." I think he would have taken perfectly cheerfully the fact of the Senate dealing first with legislation, more particularly legislation of the kind I have indicated. I really must go and look up the precedents and see just how much Sir John A. Macdonald's governments used to introduce here in the first place. I suspect there was a great deal of legislation introduced here in the first place then, if only because, in the first cabinet after Confederation, of the 13 members, five were in this house, and most of them held portfolios; and down to 1896 every single portfolio in the cabinet, with the single exception of finance, had been held by a senator, including the premiership, as we all know, on two occasions. So I doubt very much whether Senator O'Leary's political theory on this subject would stand the test of historical investigation, but I may be wrong. Anybody who ventures to question Senator O'Leary on a matter of history is putting his head into the lion's jaws.

● (2050)

The other thing that Senator O'Leary said that I want to deal with very briefly was this business of Senate scrutiny of subordinate legislation—orders in council, and that sort of thing. All I have to say about that is that this is to be one of the functions of the Standing Joint Committee on Regulations and other Statutory Instruments, and at this point I'm inclined to exclaim, *Hinc illae lacrimae*—"Hence these tears"—remembering all the trials and tribulations through which we passed as members of that committee last year. But I am happy to inform the house that once the committee is re-appointed, which I hope will be soon,

thanks to the Trojan labours of our regular staff, and the six senior students of law whom we took on during the summer, there is an immense amount of material collected—enough, so our counsel tells me, to keep the committee busy once a week as far ahead as we can see, and certainly all through this session. So I wish to warn anyone who expects to be on that committee—and I haven't the faintest idea whether I'll be on it myself—but I wish to warn anybody who expects to be on that committee there will be plenty of work to do, and that the committee will have before it a most thorough documentation on an enormous number of orders in council and other regulations which, in the opinion of our committee staff, deserve the scrutiny of the committee, and, if the committee sees fit, the scrutiny, later, of one house or the other, or both. I wish to add only that I expect that a great deal of the work of this committee will in fact be done by the Senate members, partly because the Senate membership will probably be more stable, partly because the Senate membership will perhaps, in many instances, be much more experienced and expert in scrutinizing these things, and partly because perhaps we have rather more time to spend on a matter of this sort—and I quite agree with Senator O'Leary that it is of the most enormous importance—than the members of the Commons ordinarily have.

[*Translation*]

There were some matters I had decided—this afternoon—to raise tonight, but I have changed my mind.

I shall therefore limit myself to three subjects: perhaps one of them is of little consequence, which is not the case for the other two.

[*English*]

First of all, I want to raise the question again of the missing portrait of a former leader of this house, a dear friend of many years' standing of both Senator O'Leary and myself, and doubtless of other senators here, and leader of the party in which I was brought up and to which I returned for the years 1962 to 1967.

**Senator Walker:** Which one was that?

**Senator Forsey:** The Right Honourable Arthur Meighen.

Some 15 months ago a lunatic—I'm glad my words are privileged here, because the man might sue me, otherwise; but, well, shall I say an eccentric—burst like a bomb into the House of Commons, scattering papers and shouting loudly, and in the process of getting in there he somehow or other managed to damage very badly the portrait of Mr. Meighen, which was on the wall just outside the House of Commons chamber, and the frame of the portrait.

Last March 26 I addressed to the then Leader of the Government in this house an inquiry, about what was happening to restore this portrait, which was still missing, and I was told that the craftsmen required to do this kind of work were in very short supply, that the few who existed were extraordinarily busy, that they had a huge backlog of work but that he hoped the matter would be dealt with in due course, or words to that effect. It was March 27 that I got that answer. I went down this afternoon to refresh my memory and make sure I was not going to say something that was without foundation, and I found the portrait was still missing—the portrait of this pre-eminent parliamentarian, probably the greatest parliamentarian this country has ever seen—

**Some Hon. Senators:** Hear, hear.

**Senator Forsey:** —and one of the very few to have distinguished himself equally in the other place and here. The portrait is still missing. I asked the people in the parliamentary library to find out for me when it was that this eccentric character burst into the House of Commons and did this damage. It was on or about June 21, 1973. Well, I don't know how few these craftsmen may be who are capable of repairing the damage. I don't know how large a backlog of work they have. But it seems to me very strange that a whole 15 months could elapse without this portrait being restored; and if the portrait had been so badly damaged that it cannot be restored, then I think the government of the country should approach the Meighen family and ask to be allowed to have a copy made of the portrait—the identical portrait—which, to the best of my recollection, is in the possession of the family in Toronto. I can't help—and here the old Tory Adam, I suppose, peeps out—I can't help suspecting, honourable senators, that if the portrait had been a portrait of Mr. Mackenzie King the repairs would have been performed with a great deal more celerity, and the portrait would months and months ago have been hanging in its accustomed place. This may be an unworthy suspicion, but I can't help feeling there may be some grounds for it, and I hope these rather bitter words will sink into the mind of the Leader of the Government, and the responsible people on the government side, and that this shocking gap on the wall over there by the other chamber will be filled, as it ought to be filled. I am really very gravely and deeply disturbed about this, and I cannot refrain from using rather—perhaps unduly—strong language about it.

I want to say something now, briefly, about this business of Senate reform.

We are to have shortly before us, I think—well, pretty soon, I suppose, anyway—a single bill on this subject; a modest bill, but a good bill; and on this I think I shall have the support of honourable gentlemen immediately to my right, because this particular bill simply embodies a proposal made by the Deputy Leader of the Opposition last session, and, I think, the session before, namely, a proposal to add two senators to this chamber representing the Yukon Territory and the Northwest Territories. So far so good. I don't think anybody is likely to object to that except possibly some people from the NDP, who think there ought not to be any senators at all, and who, when this matter came up once before, expressed themselves in most unsuitable and discourteous terms, saying—one of them—I think, that nobody in the Territories with any self-respect would accept a senatorship. I couldn't help wondering, again, in a cynical frame of mind, perhaps, whether it might not turn out that there were a number of people in the Northwest Territories who, by this test, would be lacking in self-respect and would be quite willing to accept a seat in this house. Anyway, here's this proposal. That's the only piece of legislation which so far has issued from the government on the subject of Senate reform. I think that is something all of us can accept without a tremor, and I think, indeed, with some pleasure. But the only other proposals were sketched out by the

Prime Minister the other day, and I am inclined to agree with Senator O'Leary that they leave something to be desired. I don't think that I should go quite as far as he did in the matter, but I am dubious about them. I don't think really that there is any reasonable ground for the Honourable Senator Grosart's suggestion that the provinces ought to have been consulted about these changes. There is certainly, to my mind, no question at all that legally, under the provisions of section 91, head (1), of the British North America Act the Parliament of Canada can do anything it likes to the Senate by an ordinary act of Parliament, just as easily as it can pass an amendment to the Criminal Code or a bill dealing with trademarks or whatever you like.

● (2100)

But I am uneasy about two features of this proposal. One is this business of the suspensive veto. I admit that when the Joint Committee on the Constitution made its recommendations on the subject of the Senate, I did not dissent from them and the suspensive veto is in there. But sometimes one reflects after the event and begins to wonder whether one's initial position was altogether well-founded, and I personally should like to see a very great deal of very careful thought given to this business of the suspensive veto and especially in the regard that Senator O'Leary noted. If we are to have this chamber abolished, it seems to me that it must be only after a very, very careful process and it must be perfectly evident that this is really the will of the country. Very rarely, indeed, in many years has a government in the other place enjoyed the support of half the electorate. I think the only two cases in which, since 1917, the government won more than half the popular vote were in 1940 and 1958. So that the mere fact that there may be a large majority over there carrying something through the house does not mean necessarily that the whole country wants it. It does seem to me quite possible that you might find the other place passing a measure for the abolition of the Senate and a frightful outcry against this measure in large parts of the country. Then I think we should be perfectly justified in saying, "We won't pass this thing until it has been made perfectly clear, perhaps by a general election, that this is the real desire of the country." This house took that position on the Borden Naval Aid Bill of 1913, and I think it was, in retrospect, amply justified in doing so. So I think that this business of the suspensive veto needs very careful consideration and I am not as ready to open my mouth, shut my eyes and swallow it as I was a year or so ago. There is something to be said for it, but there is also something to be said against it.

As for this proposal of a seven-year term, renewable, so to speak, on good behaviour, the difficulty is, who is to judge the good behaviour? The danger is that it would be the government of the day which would make the decision. I don't wish to be unduly cynical, but it seems to me that there would be a temptation for any government of either party to say, "Well, that man has been pretty obstreperous; he has been a nuisance, and we don't think he ought to be re-appointed." There might also be a tendency on the part of some honourable senators, especially those coming near the end of their seven-year term, to keep an eye cocked over their shoulder to see how what they said and did was going down with the powers that be in office at the time. Perhaps I should not be so suspicious, but I have been careful to say that I think that this might apply to governments of both parties and I think also to senators of both parties. I am afraid there is a certain human weakness in most of us, and it might be open to temptation, and therefore I am a little dubious about that particular proposal also.

I should have been much more happy about the suggestions for Senate reform if they had incorporated some of the other proposals which were in the report of the Joint Parliamentary Committee on the Constitution, which would have added materially to the strength of this house and would not have been open to the kind of objections that this particular proposal is.

I don't know where it came from, and I don't know how seriously it is intended—it may be merely a kite that is being flown to test the wind—but I for one am prepared to look with a very critical eye at any proposal of this sort that comes before us, and I hope that nobody will accuse me, as I have occasionally been accused before by people in the party to my right, of being too eager to display my loyalty to the government. This is a subject on which I think we should all be prepared to show a good deal of independence of mind.

Now, finally—and honourable senators will be relieved to know that I am coming towards the end, although they may feel that I am like some of the old-fashioned preachers who said, "To conclude," and then, "In conclusion," and then, "Finally," and, "Now, my dear brethren, to say a last word," or something of that nature—finally, I want to touch on a subject of some delicacy and I hope that nobody will, at some point during my discussion, jump to the conclusion that he has heard the whole thing and start denouncing me as an arrant partisan or bigot on one side or the other.

The subject I refer to is the recent Quebec legislation known as Bill 22. I approach this with some diffidence partly because I have a foot in both camps, so to speak. As some honourable senators have heard me say before, I am a member and an officer in several capacities—an active member—of a French language United Church in which, I might add, I recently preached my twelfth French sermon. Protestant ministers of the French language are rather scarce and so when our minister goes on holiday the laity has to pitch in. So I think I have some feeling for French Canadians and French-Canadian opinion. On the other hand I am of almost purely English extraction, and I think I have some feeling the other way too, and I find that when I am discussing things of this sort with French Canadian friends I find myself, over and over again, saying, "Oui, oui, d'accord, mais . . .", and when I am discussing it with some of my English Canadian friends I say, "Yes, yes, I know, I see your point but at the same time I think you should allow for such and such; you must recognize that this is so; you must realize that French Canadians can't see the thing in that way; you must remember that they have certain claims that may be strange to you." So, I find myself doing a tightrope act, and I fear that before I have finished my discussion of this subject, not necessarily tonight, I shall be left almost without friends; I shall find myself in the same position as

I once did after a speech I gave on a similar subject at Couchiching, when I received two extremely abusive anonymous letters, both in English, one of which said, "You have sold out to the French Canadians," and the other of which said, "You are inspired by hatred of Quebec." Well, I don't know, but I don't think either remark was justified.

Now, some may say that this subject, Bill 22, is purely provincial and should not be discussed here. I think not. I think it has national repercussions. The Government of Canada is trying to promote bilingualism across the country within the jurisdiction of this Parliament, and it is trying to encourage provincial governments within their jurisdiction to promote bilingualism as far as possible. And I think it has had some success in both respects—much more success, naturally, within its own jurisdiction than in the process of encouraging the provinces. New Brunswick, for example, has adopted an Official Languages Act based on our own and following the lines of our Official Languages Act very closely. Ontario has gone a considerable distance, and for those of us who remember Ontario as it was less than a generation ago, an extraordinary distance, towards providing French education for French-speaking children and towards providing government services in French for Franco-Ontarian citizens. Now, I know that much remains to be done, and I know there have been various difficulties about this in particular places, but at the same time I think considerable progress has been made, notably in these two provinces where the bulk of the French-speaking population outside Quebec lives. I am not always sure that French-speaking people in the province of Quebec always quite realize how much progress has been made, and how much has been done. I know that in New Brunswick certain very important parts of the Official Languages Act have not been proclaimed and that the Acadians have been protesting against this, and doubtless with reason. However, I discussed the matter not very long ago with the provincial ombudsman, whom I happened to meet, a man I have known for some considerable time, and he told me—and I have every reason from my knowledge of him to believe that he was telling me the truth—that these particular sections had not been proclaimed because the provincial government was reluctant to put them into effect in theory, to proclaim them, to declare they were in force when, in fact, the machinery for making them effective was not there; that it wanted to have the machinery ready to make them effective before it proclaimed them and that it was working as hard and as fast as it could to get this machinery ready. Now, of course, there will always be those who say, well, it is not going fast enough; there will be those who say it is going as slowly as if it were driving a snail ahead of it; and there will be those who say it should make greater efforts. But I think a considerable effort has been made and is being made.

● (2110)

To sum it up, I shall venture to say that in the predominantly English-speaking provinces and certainly within the jurisdiction of this Parliament, the movement has been toward bilingualism. In Quebec under Bill 22 the movement is away from bilingualism and I think Quebec's action is likely to slow down or even arrest progress in the other provinces, notably in New Brunswick. That is the main reason why I say that this legislation has national repercussions and, in my judgment, unfortunate repercussions.

Now, having said that, let me add at once that I have the liveliest sympathy with the essential object of the legislation. I can understand why French Canadians, especially French Canadians in Quebec, are disturbed by the decline in the proportion of Canada's population which is French-speaking. I can understand the feeling that the only sure defence is to fall back on fortress Quebec. I can understand the fear that immigrants to Quebec, particularly immigrants who are neither French- nor English-speaking, choosing to educate their children in English, may in time undermine the fortress. I doubt whether these fears are altogether justified. From this point of view, the worst population projections submitted to the Gendron Commission show that by 1991 Quebec would be slightly over 79 per cent French-speaking and the city and island of Montreal 62 per cent to 67 per cent French-speaking. Those were the worst projections, the most unfavourable to the French language. I am much more optimistic about the future of the French language in Quebec and in Canada than the people who drafted and passed Bill 22. Nonetheless, with the general object of the legislation and with many of its provisions I have no quarrel.

I think, also, it is worth noting that Bill 22 does not take away any of the language privileges guaranteed to the English-speaking population of Quebec by section 133 of the British North America Act. Let us look carefully at those. You sometimes hear it said that the British North America Act makes English and French official languages in Quebec. Well, it does not mention official languages; it does not use the term. It simply says as far as the English-speaking population in Quebec is concerned, this: first of all, any member that you elect to the legislature can take part in the debates in English. They may, or they may not; they are free to do it. (Incidentally, the Ontario legislature some years ago passed a formal resolution providing that any member of the Ontario legislature had the right to deliver his speeches in that legislature in French. It was passed unanimously though, as Professor Tom Symons points out, a few members apparently found it advisable to be absent when the vote was taken.) It says, first of all, that the English-speaking people in Quebec can speak English in the legislature. Second, it says that the records and journals of the legislature must be kept in both languages. Third, it says that the acts of the legislature must be published in both languages. Fourth, it says that in any pleading or process in or issuing from the courts of Quebec either language may be used. Now, Bill 22 does not touch any of those. There is the marginal question of whether, by saying that where the ordinary rules of construction do not yield a definitive result as to the meaning of a piece of legislation, the French version shall prevail in case of conflict between the two versions. As far as I can discover, however, from discussion with some very good constitutional lawyers of both language groups—I think I may even venture to mention one of them, the Dean of the Faculty of Law at the University of Ottawa, who has done two masterly articles on this subject in the local French-language paper, *Le Droit*,—I think I can say that this does

not really invade, or infringe upon, privileges or rights of the English-speaking people in Quebec as laid down in the British North America Act.

It is argued also by Professor Frank Scott and six of his colleagues in the McGill Faculty of Law that indirectly the legislation will take away rights guaranteed to the Protestant schools of Quebec by section 93 in the British North America Act. On the face of it this argument looks pretty thin, because as we all know, or ought to know, I suppose all of us do know, what section 93 deals with is the educational rights of the "Protestant and Roman Catholic minorities of the Queen's subjects." There is not a word about French or English. Perhaps there should have been; according to some people the Fathers of Confederation, not being very bright in these people's estimation, when they said Protestant and Roman Catholic meant English and French. I should be interested to be able to call the spirit of D'Arcy McGee from the vasty deep, and ask him whether when he said "Catholic" he meant "French". I have my strong doubts. Anyway, what is guaranteed on the face of it is denominational rights, the rights of the Protestant and Roman Catholic minorities of the Queen's subjects. If there were any doubt about this, any doubt that it did not deal with language, one has been inclined to think, most jurists, I think—and I am here simply parroting, as it were, the words of constitutional lawyers of my acquaintance; I am not attempting to offer my own opinions—but most jurists have concluded that it was definitively settled by the judgment of the judicial committee of the Privy Council in the MacKell case, which quite clearly laid it down as far as Ontario was concerned that linguistic rights were not guaranteed.

However, Professor Scott and his colleagues, some of whom made a very thorough study of this over a period of some years, are convinced that the MacKell decision does not really apply to Quebec. They claim that there were one or more pre-Confederation statutes of the old Province of Canada dealing with education in what was then Canada East, which gave the Protestant school commissions of the time the power to determine the language of instruction. They therefore claim that section 93, paragraph 1 of the British North America Act indirectly guarantees this protection for the language of instruction in Protestant schools of Quebec, because it says nothing in any provincial law on education "shall prejudicially affect any right or privilege with respect to denominational schools which any class of persons have by law in the province at the Union".

Now, I have been meaning to go and look up those statutes. I have not done so; I should have. I don't know that I should have been very much further ahead if I had done so, because had I arrived at a conclusion different from that of Professor Scott and his colleagues I hope I should have had enough humility not to proffer my contrary lay opinion against their distinguished professional opinion, though I must add, of course, that very often you find constitutional lawyers of equal distinction arguing on opposite sides and I don't think this case is an exception. However, that is one point they make about this Bill 22. They think it might be held by the courts to be invalid in its education clauses because of this particular feature. I don't know.



● (2120)

They also say that any Protestant child in Quebec has an indefeasible right to go to a Protestant school, and if he arrives—suppose he is un petit chinois, and hasn't any English or French, and he and his parents, through a Chinese interpreter, say he is a Protestant, he is a Presbyterian, he is a United Churchman, or whatever it might be—the claim of Professor Scott and his colleagues is that no government official can come along and say, "No, you can't go there because you can't speak English." They say a Protestant child has an indefeasible legal right, regardless of his linguistic abilities, or lack of them, to go to a Protestant school in Quebec.

I think they may be on stronger ground there. I proffer that lay opinion with, I hope, suitable humility.

These distinguished lawyers also argue that there are three or four provisions of Bill 22 that are beyond the powers of the province. For what my opinion is worth, I agree with them, that the legislation cannot validly be applied to public utilities falling within the jurisdiction of the Parliament of Canada. I don't think this makes very much difference, because if the railways, for example, are asked to print their tickets in French—I think they are probably doing it already—it would be a sensible thing to do. So I don't think any question will arise. But technically I think you could make an argument that if all interprovincial railways, or interprovincial airlines, under the jurisdiction of this Parliament said, "No, we are not going to obey this feature of the law. We are going to print our tickets only in English," they couldn't very well be got at. But, as I say, I think it is an academic question.

I am a little uneasy, because of some things which have been said in the last few days, about the position of public servants of the Dominion of Canada in the city of Hull. There has been some suggestion there that they would be obliged to conduct their business in French because of the provisions of Bill 22. I venture to doubt whether, in fact, the provisions of Bill 22 would apply to functionaries of the Government of Canada working in the province of Quebec. I should defer to legal opinion on the subject, certainly, but this would be my offhand lay opinion, that if anybody tried to say to somebody in one of the Dominion government offices in Hull, "You have got to conduct your business in French," he could answer, "No, I don't have to."

Now, on a lot of constitutional questions raised by these distinguished jurists I confess I have doubts. I am not by any means as thoroughly convinced of the invalidity of certain features of the legislation as they are.

I noticed the other day in another place a certain person said roundly that I had declared the whole bill was unconstitutional. I never said anything of the sort. I wouldn't have dared to say anything of the sort. I would not be so foolish.

**Senator Walker:** May I ask the honourable senator a question?

**Senator Forsey:** Yes.

**Senator Walker:** Is there anybody of any prominence in authority who does say that Bill 22 is unconstitutional?

**Senator Forsey:** Does anybody say that? I don't think anybody of any consequence has said that the whole thing

is unconstitutional. I think there are some distinguished constitutional lawyers, notably Professor Scott, who have said certain features of it are unconstitutional. On the whole I am rather doubtful about the opinions that have been expressed on some of these things. I have a good deal of sympathy with their views, but on the whole I am rather doubtful about them.

In my opinion, the question of the constitutional validity of this act or any part of it should be tested in the courts by the aggrieved minority, and any other remedy should be invoked only after that has been done. I don't think it would be a good idea for the government to take a reference case on the thing, because that would be merely an advisory opinion and the provincial government could say, "It's just an advisory opinion. If an actual piece of litigation, if that is the proper word, came before the court, it might be convinced by the facts and the evidence before it, and the argument, that the advisory opinion had been too hastily formed and was not its final opinion on the subject."

This is, of course, rather unlikely. It seems to me that the English-speaking minority in Quebec is perfectly capable, financially and otherwise, of testing any feature of this bill in the courts. There are poor English-speaking people in the province of Quebec, but there are an awful lot of English-speaking people in the province of Quebec who are by no means destitute or even moderately poor. A lot of them are very well off and could perfectly well afford to take a case on this matter to the courts if they see fit. It seems to me that if they are seriously aggrieved and feel they are seriously—I think the French legal term is lésés—this is the thing for them to do. They should not expect somebody else to do it for them.

The objection to that, saying "Leave the whole question of constitutionality to the courts, and don't do anything else until that has been done," is that this might take a very long time, and by the time the final decision came down it might be too late to invoke some of the other remedies which, theoretically at least, are available to the English-speaking minority.

I don't think that is a very serious matter in fact, because the only extraordinary remedy which would be theoretically available, available only for a very limited time, is the Dominion government's power of disallowance, and I think I may say with some confidence that it is highly unlikely, to say the least, that that particular power would be invoked in this particular case.

As far as the education provisions are concerned, if the aggrieved minority is not happy about those, even if the decision of the courts goes against it, it can always avail itself of paragraph 3 of section 93; which says:

> Where in any Province a System of separate or Dissentient Schools exists by Law at the Union or is thereafter established by the Legislature of the Province, an Appeal shall lie to the Governor General in Council from any Act or Decision of any Provincial Authority—

Any act or decision of any provincial authority.

> —affecting any Right or Privilege of the Protestant or Roman Catholic Minority of the Queen's Subjects in relation to Education.

There is no time limit upon that, and it applies, as honourable senators can see from what I have just quoted, not merely to the legislation itself but also to any regulations, directives, decisions, or whatnot, by any administrative authority under the legislation.

That brings me to one other consideration about this bill. One of the most objectionable features of it, I think by common consent of the Parti Québécois on the one hand and the English-speaking minority on the other, is the enormous scope left to administrative discretion.

I went through the bill in its final form and counted 17 different places—and they were on matters of substantial importance—where it says, "The minister shall make regulations," or "the Régie shall make regulations", or some administrative authority shall decide. Power is placed in the hands of public servants, officials, functionaries, and this was strongly objected to during the proceedings on the bill in the Legislative Assembly of Quebec both by the Parti Québécois and by the English-speaking people who came before the committee, and I think by the two English-speaking Liberals who broke party ranks on the thing.

Of course, some administrative discretion is inescapable, but I think both the Parti Québécois and the English-speaking opponents of the bill are right in arguing that the degree of administrative discretion, indeed the kind of administrative discretion, provided for in this act is dangerously wide.

I think that explains to some extent the very widespread alarm in the English-speaking community about the ultimate effects of this legislation.

Rightly or wrongly many people in that community believe that the real effect of this legislation will come from the decisions made by administrative bodies, administrative officials—not merely ministers but civil servants—and rightly or wrongly they suspect that a great many of those civil servants, and especially in the Department of Education, are in what I might perhaps be permitted to call imperfect sympathy with the point of view of the English-speaking community, imperfect sympathy with the rights of the English-speaking community, as the English-speaking community at least sees them.

● (2130)

I am coming very near the end of what I wanted to say. There are certain features of the act which appear to be merely vexatious and oppressive; for instance, the provisions which require that the public administration, which specifically includes universities—an extraordinary provision that, universities as part of the public administration—that the public administration shall have, as its language of internal communication, French. There is provision that in the case of English-speaking universities they could also have an English version, but it seems quite clear that McGill, for example, would have to have all its internal communications in French. Doubtless, there would be an English version, too, but there would have to be a French version, and in case of conflict between the two, the French version would prevail. I cannot see—and this is certainly the opinion of Professor Scott and his colleagues, and appears to be well founded—I cannot see that that can do the French Canadian or the French language any good at all. It seems to me it will merely be

an added expense and an infernal nuisance to McGill and, doubtless, to the other English-language universities in the province. I think it is a very unfortunate and foolish provision, and one that cannot really have any good effect at all.

Finally, let me deal with the contention that Bill 22 merely does to the English-speaking minority in Quebec what the other provinces have done to their French-speaking minorities or, in fact, rather less than the other provinces have done. That would be more accurate, because it doesn't take away, as I noted, any of the rights of the English-speaking minority under section 133 of the British North America Act. Manitoba, in 1890, took away all the rights supposedly guaranteed to the French population of that province by the original Constitution of Manitoba. Curiously, although the legislation expressly stated that this was to apply only in so far as the jurisdiction of the legislature extended—which was practically an open invitation to anybody to challenge its validity—curiously enough, nobody did challenge its validity until 1916 when a French Canadian argued in a certain case that he should be allowed to present his case in the French language on the ground that the act of 1890 was invalid. His challenge was turned down by the court of first instance, and he did not appeal. It seems to me a most extraordinary thing that this never came up before and that it was not carried through to a conclusion. But I suppose that in the 1890s the French Canadian people in Manitoba were so preoccupied with the school question, and when that was settled in the way it was, half-settled, settled by the fragile and inadequate Laurier-Greenway compromise, they rather despaired and decided it was hopeless to try to do anything. The courts had failed them, as they felt; the Dominion Cabinet had failed them. It had issued a remedial order which had been disobeyed: the Province of Manitoba refused to restore the separate school system pursuant to the remedial order. It had tried to put a remedial bill through the Parliament of Canada, but obstruction by the Liberal Opposition led by Wilfrid Laurier, supported by some bigoted Ontario Conservatives, succeeded in preventing that bill from getting through. So they said, "Well, what's the use? No use; throw in the towel." Anyhow, it wasn't challenged successfully; only once, halfheartedly.

But surely by 1974 we have got past the point where we say, in effect, "You kicked our people in the teeth in 1890; now we are going to kick your people in the teeth 84 years later." That doesn't seem to me to be a civilized kind of argument, and I am glad to see it has been used only by certain supporters of Bill 22. I do not think this is the way we make progress; I do not think it is the way we promote national unity; I do not think it is the way we defend the rights of the French Canadians or the French language.

I don't find it very convincing to say that Quebec, in Bill 22, is only following the example of other provinces. That statement is not altogether accurate, and to the extent that it is accurate, Quebec is following the bad, old example of the other provinces instead of the new, better example. It is moving in the opposite direction from the other provinces. To the extent that the statement is true, it simply means, I think, that Quebec is discouraging the other provinces from moving further in a new and better way, which some of us, at least, hoped they were following.

[Senator Forsey.]

To sum up, I am sorry that this bill was passed in its present form. I think it is, in many of its features, unjust and oppressive. I think the degree and kind of administrative discretion it provides for is dangerous to the liberties of the subject. I fear that the legislation will work to the economic disadvantage of Quebec. I hope the question of the legal validity of certain parts of the legislation will be tested in the courts. I also hope that on reflection, and after experience, the Legislature of Quebec may so amend the act that it will be shorn of its objectionable provisions and made more effective for its good and essential purpose of strengthening the position of the French language in Quebec without, at the same time, prejudicing its increasingly favourable position in the rest of the country.

I hope I have escaped the charge of being a fanatic or a bigot on this subject. I have tried to express myself with care and in a judicious, if not judicial, spirit. I really think this is something on which, shall I say, a former member of the English-speaking minority in Quebec has a right to be heard, and I should feel that I was not performing my duties in this Senate and my duties as a former member of the English-speaking minority in Quebec, and as a citizen of Canada with a foot in both camps, if I did not undertake some such discussion of this matter as I have engaged in tonight.

**Hon. John Morrow Godfrey:** Honourable senators, I do not think I can add anything of value to what has already been said about Madam Speaker; her predecessor, Senator Fergusson; the new Leader of the Government and his predecessor, Senator Martin; and our two new senators, Senator Barrow and Senator Cottreau. I will merely say that I agree with and heartily second all the nice things that have been said about them by those who have preceded me in this debate.

I feel that this is an appropriate occasion to make the following brief comments on one matter only. Like many millions of my fellow Canadians, I looked forward with keen anticipation to the recent renewal of the Russia-Canada hockey series. I had hoped and expected that our players had learned a lesson from the series two years ago, that they would remember they were representing their country, and that it was of vital importance that every one of them behave in a sportsmanlike fashion. In international sporting events, particularly when a team is representing their country, how you win, in my opinion—Vince Lombardi to the contrary—is just as important as winning.

I saw the game in Toronto and, along with nearly everyone else I have talked to who was present, I saw the Russian team score a goal which was disallowed—honestly, I believe, although mistakenly—by the Canadian referee. I would have been a very proud Canadian indeed if on that occasion someone in authority on Team Canada had immediately stepped forward like a man and a sportsman, and conceded the Russian team the goal that they obviously and actually scored.

My feelings of regret over this incident, however, were nothing compared to my feelings when I heard about the fight after the sixth game in Russia. As a Canadian, I was ashamed of the conduct of Rick Ley who brutally, and without provocation, attacked one of the stars of the Russian team after the game had ended in a defeat for the

Canadians. I have talked to many fellow Canadians from all walks of life and of all ages about this since, and they, without exception, felt exactly the same way I did about it. They felt that by his inexcusable conduct, Ley unjustifiably damaged, in the eyes of the world, the reputation of Canada, and in their opinion he was a disgrace to his country.

● (2140)

Here again, whoever had the authority had a chance to redeem the fair name of Canada. He should, without any prompting from anyone, least of all the Russians, have immediately sent Rick Ley packing back to Canada, where he belonged at that particular moment.

I feel that I should say this just in case anyone outside Canada, and particularly the Russians, think that Canadians as a whole approve of the childish, unsportsmanlike, outrageous and stupid conduct of a hooligan like Rick Ley.

I would also like to say that in my opinion Tom Brown, the Canadian referee, who did not allow the Russian goal in Toronto, completely redeemed himself in the seventh game. It was obvious to anyone who saw the replay on television of the disputed goal, which included a picture of the clock in the upper right hand corner, that the goal was scored an appreciable length of time after the clock registered zero and the game was over. Here again, the Canadian coach did not do Canada proud when he threatened not to play the last game unless this post-game goal was allowed.

Some commentators have claimed that the Canadians lost the series in the committee room. That, in my opinion, is a lot of baloney. A fine Canadian hockey team lost to a superb Russian team on the ice, and nowhere else. While it was disappointing, there is no disgrace in that, and we should have no hesitation in admitting it.

**Hon. Sidney L. Buckwold:** Honourable senators, my name is not on the list of those to speak and I know it is late, but I cannot sit back and say nothing after listening to what I feel has been a very unfair and unjustified attack on Team Canada as it represented this country in Russia during the recent hockey series. I feel it would be wrong to adjourn this evening leaving unanswered the almost insulting words of my honourable colleague about the performance of Team Canada.

I say this because I personally have toured Europe with a hockey team. I had that privilege a few years ago when I was Mayor of Saskatoon, and accompanied our very fine team, the Saskatoon Quakers. That team played the national teams of some countries, and I saw European hockey. I saw the kind of antics that went on when the referee was not looking, and sometimes when he was. I saw the frustration of our players. I saw the bodies of some of our fine young men in the dressing room afterwards with the black and blue marks of the stick butts, the spearing and all the other things that provoked those young athletes into emotions which certainly they themselves regretted, and which we all regretted, but which, believe me, are the result of the kind of provocation that makes a man sometimes lose control of himself. I can understand it because I have seen it.

I merely wish to say to honourable senators that I am proud of Team Canada. I am proud of what they have done. I agree that the best team won, but I would not want this body, those honourable senators who are here, to feel that our people who represented us acted in a way that was a disgrace to Canada. I suggest that they did what every good red-blooded young Canadian would do. They could only take so much and then they had to explode. I am proud of these boys.

**Hon. Senators:** Hear, hear.

**Senator Godfrey:** Honourable senators, I should like to clear up a misconception. I was not criticizing Team Canada, and I thought I made that clear in my last remarks. I was criticizing one man, Mr. Rick Ley, as far as the players are concerned. I did deprecate other things. After the game was over Rick Ley admitted that he had no provocation; he went after that Russian. I still say that the people I have been talking to deprecated it in every way, and thought he was a disgrace to the country.

On motion of Senator Rowe, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Wednesday, October 9, 1974**

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

Prayers.

## PRINTING OF PARLIAMENT

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 Mrs. Appolloni, Mrs. Holt and Messrs. Allard, Andres (Lincoln), Clarke (Vancouver Quadra), Daudlin, Ellis, Epp, Forrestall, Francis, Grafftey, Loiselle (Chambly), Maine, Marshall, Parent, Patterson, Pelletier (Sherbrooke), Pinard, Raines, Reid, Reynolds, Rodriguez and Symes have been appointed a Committee to direct the printing of the House of Commons and to act on behalf of the House as members of a Joint Committee of both Houses on the subject of the Printing of Parliament. Attest

Alistair Fraser
The Clerk of the House of Commons

Ordered, that the message do lie on the Table.

## 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 Messrs. Balfour, Béchard, Brewin, Fox, Hnatyshyn, Laprise, Lawrence, MacGuigan, Marceau, McCleave, Poulin and Robinson have been appointed a Committee to act on behalf of this House as members of a Joint Committee of both Houses on Regulations and other Statutory Instruments. Attest

Alistair Fraser
The Clerk of the House of Commons

Ordered, that the message do lie on the Table.

## LIBRARY OF PARLIAMENT

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 this House has appointed Miss Nicholson and Messrs. Bussières, Condon, Daudlin, De Bané, Fortin, Jelinek, Lachance, Lambert (Edmonton West), Lapointe, MacDonald (Egmont), MacKay, Maine, Mitges, O'Sullivan, Pinard, Reid, Roche, Symes, Tessier and Wenman a Committee to assist His Honour the Speaker in the direction of the Library of Parliament so far as the interests of the House of Commons are concerned, and to act on behalf of this House as members of a Joint Committee of both Houses on the Library. Attest

Alistair Fraser
The Clerk of the House of Commons

Ordered, that the message do lie on the Table.

## RESTAURANT OF PARLIAMENT

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 this House has appointed Miss Bégin and Messrs. Allard, Crouse, Gauthier (Ottawa-Vanier), Gilbert, Guay (St. Boniface), Isabelle, Langlois, Lumley, McKinley, Munro (Esquimalt-Saanich), Neil, Paproski, Roberts, Roy (Laval), Schumacher, Skoreyko, Stewart (Cochrane), and Stollery a Committee to assist His Honour the Speaker in the direction of the management of the Restaurant of Parliament, so far as the interests of the House of Commons are concerned, and to act on behalf of the House as members of a Joint Committee of both Houses on the said Restaurant. Attest

Alistair Fraser
The Clerk of the House of Commons

Ordered, that the message do lie on the Table.

## BUSINESS OF THE SENATE

ON THE QUESTION PERIOD

**Senator Flynn:** Honourable senators, I would just ask the Leader of the Government what is contemplated so far as the work before the Senate is concerned. We have, if I am not mistaken, eight or nine bills.

**Senator Langlois:** We have ten bills.

**Senator Flynn:** Ten? Even better. I do not object to that. On the contrary. I would, however, appreciate, as far as we are concerned on this side, knowing when it is envisaged that these bills will be dealt with.

**Senator Perrault:** Honourable senators, it is the intention of the government to initiate action on these measures, hopefully, commencing tomorrow. I think honourable members are aware of the special emergency legislation which has been introduced in the other place, and the progress of that legislation will largely determine our schedule in this assembly. We hope to have further information this afternoon, and it will be immediately communicated to the Leader of the Opposition.

**Senator Flynn:** For clarification, may I ask if the government intends to proceed with some of the legislation now on the Order Paper, or the emergency legislation which the Leader of the Government has mentioned? Is it the intention not to proceed with the debate on the Address in reply to Speech from the Throne at the same time?

**Senator Perrault:** I should think that in the circumstances priority would be given to the emergency legislation, and that that debate would demand the total time of the house until brought to its conclusion. Then we would proceed, hopefully, with the Throne Speech debate, but at the same time consider having a portion of our day's activities devoted as well to the expedition of legislation.

● (1410)

### PRINTING AND DISTRIBUTION OF GOVERNMENT BILLS—QUESTION

**Senator Grosart:** Honourable senators, I have a question to ask the Leader of the Government. Yesterday there were introduced Bills S-7, S-8, S-9 and S-10. I did not find them in my file here and asked one of the pages to obtain those bills for me. He has just reported to me that he has talked to Distribution, where he was informed that they are not printed yet and therefore are not available. Surely this is not so?

**Senator Perrault:** At this time there are severe demands being made on the facilities which produce copies of bills. I wish to assure the Deputy Leader of the Opposition, however, that every possible effort will be made to expedite the delivery to his desk of the bills in question.

**Senator Grosart:** But may I ask the Leader of the Government if it is to be the practice to introduce bills here before copies are available to senators? This would seem a most unusual way to conduct the business of the Senate.

**Senator Perrault:** This is quite a common practice for bills which are given first reading and it is true not only in this chamber but, as honourable senators are aware, in the other place also.

## NATIONAL PRESS GALLERY

### INVITATION TO RECEPTION—QUESTION

**Senator van Roggen:** Honourable senators, the question period may not be the right moment to raise this matter, but would the Leader of the Government care to make a statement concerning the reception that the National Press Gallery is holding between 6 and 8 o'clock this evening for all members of Parliament? This matter came to my attention only through attending our national caucus this morning. I received no other notice of it, and I thought that in case other senators had also not received this invitation, it should be pointed out that all members of this chamber have been invited to this function. I think it would be an excellent thing if as many senators as possible were to attend.

**Senator Perrault:** Honourable senators, all of us are, of course, aware of the fact that members of Parliament serve either in this chamber or the other chamber; but all of us are members of Parliament. If a general invitation has been issued to members of Parliament to attend a reception of this kind, I would think it involves every member of this chamber.

**Senator Croll:** They presented it to caucus.

**Senator Grosart:** Could I ask the Leader of the Government whether he thinks, if we are not invited, that we should go.

**Senator Perrault:** I think that is a decision which must be made by the individual members of this assembly.

**Senator Flynn:** No coercion.

**Senator van Roggen:** Honourable senators, in answer to Senator Grosart, and speaking on the basis of having attended my own caucus this morning, I thought it was made quite clear at that caucus that members of the House of Commons also had not received individual invitations. It is simply an invitation put out by word of mouth to all members of Parliament. I do not think that members of this chamber should feel they are being treated differently by the press corps in not being invited individually. This had not even come to the attention of many members of the House of Commons.

**Senator Grosart:** I wonder if I could suggest to the Leader of the Government, to clear this up because it could be very embarrassing, that he find out through the usual channels if we are invited and notify us later.

**Senator Flynn:** I know we are not welcome, but I should like to know if we are invited.

**Senator Perrault:** As a firm believer in private initiative, it seems to me that those senators who are interested in attending should make inquiries on their own behalf. However, I shall endeavour to clarify the situation to the best of my ability.

**Senator Walker:** It would be an opportunity for the press gallery to see most of us for the first time.

**Hon. Senators:** Hear, hear.

**Senator van Roggen:** Honourable senators, I hesitate to belabour this subject, but I wish to say that the chairman of our caucus interrupted the proceedings later to say that he had made inquiries and had found out that the invitation was specifically to all members of Parliament, including senators.

**Senator Flynn:** But we are not bound by your caucus.

**Senator van Roggen:** I know you are not bound by our caucus, but that situation has been cleared up.

**Senator Croll:** Honourable senators, you see what happens. The honourable senator rises and says that all members of Parliament are invited "including senators." This is exactly what we object to. We are all members of Parliament. Let me say also that I cannot understand Senator Grosart. Any time we have a chance to freeload on them we should take it. They have freeloaded on us often enough before, so let's go.

**Senator Walker:** But aren't they selling tickets for the drinks?

## TIME MAGAZINE

BRIEF PRESENTED TO MEMBERS OF HOUSE OF COMMONS—QUESTION

**Senator Davey:** Honourable senators, you may not be aware of the fact—as would seem to be the case in the situation dealt with in Senator van Roggen's question—that *Time* magazine has within the last few days sent an extremely elaborate and expensive brief to the members of the other place. To the best of my knowledge this document has not been received by members of the Senate, and I just make the observation in passing that it is an interesting omission on the part of *Time*.

**Senator Argue:** They know not what they do.

**Senator Walker:** You won't have to make a speech this time.

## SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Administrator's Speech at the opening of the session, and the motion of Senator Neiman, seconded by Senator Cottreau, for an Address in reply thereto.

**Hon. Frederick William Rowe:** Honourable colleagues, I join with those who preceded me in this debate in extending congratulations and good wishes to you, Madam Speaker, to the new Leader of the Government in the Senate, to the continuing Deputy Leader of the Government in the Senate and to the other party officials on both sides of this chamber. I join also in expressing my appreciation of the contribution made to the Senate by your predecessor, Madam Speaker, Senator Fergusson, and by that dean of Canadian statesmen and public figures, Senator Paul Martin.

I welcome the two new members of the Senate and I congratulate the mover and the seconder of this motion. I know I shall be pardoned if I congratulate in particular my Newfoundland colleague, Senator Petten, on his appointment as Government Whip. I congratulate him not only because of this honour, but because of his willingness to assume this responsibility, which entails duties that are often difficult and sometimes thankless.

**Senator Flynn:** Usually.

**Senator Rowe:** I am sure that his honoured father, who sat with distinction in this Senate for so many years, if he were alive today would be happy and gratified that his son is filling this post.

The election that was held this past July proved two things, if nothing else. First, that the people of Canada wanted a stable government; and, second, they felt that the best person to lead the country in these difficult times was our present Prime Minister. They are difficult times. I suppose that all times are difficult in the life of a nation, but these are perhaps more difficult than we have known and experienced. I am not being unduly partisan when I say that the results of the election were of great satisfaction to me in a number of ways, but primarily in that the Canadian people confirmed my feeling regarding Prime Minister Trudeau.

It was also a source of pride to Newfoundlanders—I am sure honourable senators will pardon this little bit of parochialism—that our representative in the Government of Canada, the Honourable Donald Jamieson, received the highest percentage of votes in the entire nation—a tribute both to his ability and to his dedicated efforts to serve both his native province and the country as a whole. I am sure that our colleague, Senator Carter, who laid the groundwork in that district, and who served the area so dedicatedly for something like 15 or 20 years, must be happy at the result, knowing that in one sense the groundwork that he laid is still there and that his efforts are still bearing fruit.

Honourable senators, in speaking to the Throne debate, the big problem is not to find something to say but to select topics from a multitude of topics that concern us all, particularly when we have a new Parliament and a new administration.

**Senator Flynn:** Or what not to say—to select what not to say.

**Senator Rowe:** I thank the honourable Leader of the Opposition, and I am happy to see him back in his place after an absence of several weeks.

Like most Canadians, I was happy to see that the Throne Speech made reference to transportation problems, but before dealing with that subject, I want to say a word—I would like to say much more but perhaps I should await a more appropriate time—about Senate reform, with special reference to the points made by Senator O'Leary in this chamber last night. Senator O'Leary appeared to be very much concerned, I think unduly concerned, over the statement by the Prime Minister during the course of the debate on the Throne Speech in the other house. I have before me the remarks of the Prime Minister, which appear in *Hansard* of the House of Commons for October 2. I gained the impression from what Senator O'Leary said that he feels in some way or another that the Prime Minister has made up his mind about what he is going to do, and that whether we like it or not it will be shoved down our throats.

In my opinion, those fears are entirely groundless. Here is what the Prime Minister said:

> Mr. Speaker, I would like to say a word about the Senate. I know that it is not for me to say too much about that subject, but I think that it would not be more than good neighbour policy to suggest that at least a few reforms should be considered, reforms

which would in no way interfere with the authority of the provinces—

The Prime Minister went on to suggest a couple of reform measures that came to mind, such as Senate appointments for a definite period of seven years, with the possibility of reappointment. In my view, those remarks by the Prime Minister were extremely temperate and reasonable. I do not think they contained anything to suggest otherwise, and I hasten to say that I have not discussed this subject with him. I have not had any conversation with him since he made that speech. I did not hear his speech, but I have read it, and I do not see anything to indicate that he has taken up a dogmatic, arbitrary, almost dictatorial position on this subject. I am quite sure, knowing the Prime Minister as I do, that he has an open mind on this subject and is prepared to let the people of Canada, in the final analysis, decide what the future of this house is to be. They will have to decide, too, whether there are to be changes, whether there is to be reform. I, for one, feel there is need for reform, for changes. We are operating under a Constitution drawn up over 100 years ago, and times have certainly changed since then. I will deal with this subject further at a later date.

● (1420)

I doubt whether there is anything pertaining to our Constitution or the parliamentary practice in Canada about which there is so much misinformation and outright ignorance as there is about the constitutional role and, indeed, the actual operating process of this chamber. It is a matter of almost consternation when one reads supposedly reasoned editorials in some of our leading newspapers which reek of ignorance—ignorance in the true sense of the word of not knowing what they are talking about. People talk about the House of Commons eliminating this chamber. Under the Constitution, the House of Commons can no more do that than I can. In any event, we will talk about that at a later date.

I mentioned earlier that the Speech from the Throne made some reference to transportation problems in Canada. Since becoming a member of this body, I have tried not to be too parochial. I have tried to steer myself away from the natural tendency, having been in public life in a province for over 20 years, to be concerned about provincial matters almost to the exclusion at times of national matters. However, there are two aspects of transportation in the province of Newfoundland which concern all of Canada and about which I want to say a few words today. One of these comes entirely under the jurisdiction of the federal government, that being the railway system in Newfoundland—the railway about which there have been so many jokes and which, when the joking is over, is a very important issue in the life of Newfoundland and of Canada.

The question is what to do about that Newfoundland railway, some 700 to 800 miles of a railway system. That question has aroused a great deal of acrimony, bitterness and frustration in recent years. There are those who argue that it was the moral and perhaps the constitutional duty of Canada to change that narrow gauge system to a wide gauge system when Newfoundland became a province of Canada in 1949, thereby making it conform to the rest of the railway system in Canada. Those people argue that the Government of Canada failed, certainly morally and perhaps constitutionally, in its duty. The CNR does not own that railway; rather, it is the constitutional responsibility of the CNR, given it by the Parliament of Canada, the Government of Canada, to operate that railway. They say that CNR was permitted to downgrade that railway to the point where fewer and fewer people were willing to use it, and then when people were not using it in large numbers the CNR had the excuse to eliminate the passenger service completely and substitute a trans-island bus service, which the critics say is uncomfortable, uncertain and fraught with all kinds of potential dangers, especially during the severities of winter. These people claim that if the railway were made broad gauge, a fast and efficient service could be implemented and many of Newfoundland's transportation problems, both freight and passenger, would be solved.

Another school of thought says that the decline of rail passenger service in Newfoundland was inevitable once a modern highway was built. It is argued that the present bus service is faster, smoother, more frequent and generally more convenient for the public and that—and here we come to the crunch—to change between 700 and 800 miles of track from narrow to broad gauge, with all its implications, would cost between $400 million and $500 million. There are many people who say sincerely that if Canada can invest an additional $500 million or $600 million in Newfoundland, there are projects of far, far greater priority than making the railway wide gauge. I am not going to argue the merits of that issue now. Whichever side is right, there are other aspects of the railway in Newfoundland that need emphasizing. In Newfoundland there are transportation problems, because of the fairly rapid increase in population, and particularly because of industrial development of one kind or another, development which is bound to accelerate since it is almost certain that there will be major oil developments off the Newfoundland and Labrador coasts in the months and years ahead. Already the Trans-Canada Highway, running for nearly 600 miles from St. John's to Port aux Basques, is proving inadequate in certain areas. The route of this highway almost parallels the route of the railway. I am not an engineer, but I have been informed by the most competent persons on this subject that the present narrow gauge railway could be upgraded at relatively reasonable expense, to permit the introduction of a high-speed passenger train service of a dayliner or similar type.

Let me take one example. The present Trans-Canada Highway is severely taxed in the 60 miles between the industrial area centering on Grand Falls, where one of the great paper mills of the world is operating, and the great international airport of Gander. That is one of the areas where the Trans-Canada Highway is being severely taxed, as I know personally, having represented that area for many years. A passenger train service between those two points, utilizing the present railway route, could serve the needs of thousands of travellers without entailing—and it seems to me this is a very important consideration in these days—the drastic ecological and environmental devastation—that is the only word I can think of for it—that would result from building a second major highway in that area, or across Newfoundland.

The principle I have just enunciated with respect to the Grand Falls area and Gander would apply with perhaps greater force in the area between Cornerbrook and the two airport towns of Deer Lake, 30 miles to the north of Cornerbrook, and Stephenville, the increasingly important industrial centre, which now has one of the two largest liner board paper mills in the world, about 50 miles to the south of Cornerbrook. Again, the railway is there. It is not something that has to be built. It is there, and I suppose the same principle could be applied with respect to the area from St. John's running out towards, let us say, Come-by-Chance, about 90 miles, I believe, where we have one of the great oil refineries of the world and where a second and larger refinery is now being contemplated. Undoubtedly, there will be other industrial developments in that area as well. Again we are talking about a stretch of the Trans-Canada Highway which has been overtaxed. Anyone who has driven out over that stretch of highway, as I do almost daily when I am in Newfoundland, at least over part of it, knows that that section of the road is almost like a city street. For 50 miles you may as well be on a main street in Toronto.

● (1430)

I mentioned earlier that a second transinsular highway—at least I implied this—would involve massive expenditures to acquire the right-of-way and would destroy thousands of acres of forest land and, indeed,—and I hope nobody smiles at this, because it is true—of potential agricultural land as well. I suggested here last year, and I repeat, that the time is long gone when we can afford to be extravagant with our agricultural land in Canada. We cannot keep on indefinitely putting thousands of acres of that type of land under asphalt and concrete. We just cannot do it, with an increasing population and a world population increasingly dependent on Canada for food.

The present railway right-of-way, the 800 miles of it, is owned by the Government of Canada, and, apart from minor acquisitions of land to eliminate some of the curves and grades, the railway could be upgraded without major expenditures for land acquisitions and without any of the major assaults on the ecology of Newfoundland such as I have said earlier would inevitably result from a new highway. I repeat that you need only look at what has happened 15 miles outside of St. John's in the building of a new arterial road leading down to the harbour of St. John's and you will see what can happen. It is quite a view, not a beautiful view but an ugly view, a frightening view. I am all for the new road. I know we need it there, but nobody can look at what is happening in the building of that road without being appalled at the devastation that apparently has to take place in building a highway.

It would not be fair to mention names, but I can say that I have been told by some of the most competent authorities in the world to make such a comment that the upgrading of that entire railway—not putting in the broad gauge system but just upgrading the present system—would cost between $70 million and $80 million. Moreover, since it would not need to be upgraded all at one time, the expenditure of that money could be spread over a number of years.

The population of Newfoundland is now well over 500,000. Newfoundland's importance to the nation, generally, is far out of proportion to that population. When you think of our fisheries and the riches there—at least they were rich until a few years ago, and they may still be if they are not being destroyed, but nobody knows how much of our fishing industry has been destroyed by countries such as Russia, Germany, Japan and a dozen others as well—but when you think of our fisheries and our mining resources and our mineral resources and potential oil developments and the present oil developments in Newfoundland, it becomes obvious that Newfoundland's importance to the nation is increasing daily.

I suggest to this chamber, I suggest to the House of Commons and to the Government of Canada and I suggest to Canada at large that it would be shortsighted economically in the long run, and certainly morally unjustifiable, if the existing railway system in Newfoundland were not improved and upgraded to a point where modern, fast and efficient service in specific areas, and, eventually, along the entire route, could be instituted.

I should like to say a word about the second aspect of transportation in Newfoundland. Here again I am sure that no honourable member will accuse me of being provincial in my thinking. I should like to talk about the Strait of Belle Isle, which separates the island of Newfoundland from the mainland, and in doing so I should remind you that Newfoundland is one of the great islands of the world, one of the ten or eleven largest islands of the world. The Strait of Belle Isle separates that island from the mainland of Canada and, incidentally, from one of the two component parts of the province of Newfoundland, namely, Labrador, which in area is two and a half times the size of the island of Newfoundland. Incidental to the importance of the Strait of Belle Isle, it also separates the island of Newfoundland from the province of Quebec. Blanc-Sablon, on the boundary of Quebec and the province of Newfoundland, is just over nine miles away from the nearest point on the island of Newfoundland.

I regret that it would not be proper for me to mention names, but I want this house to know that I have discussed this matter with a great many world authorities, and in saying that I do not in any way intend to sound boastful; but I have discussed it with the leading authorities in the world on these matters, and I am told that Canada has, in Labrador, the greatest single resource complex on the face of this earth. That resource complex involves fisheries, hydro power, forestries, minerals and oil. The greatest single hydro development in Canada, and in the world, actually, is taking place on a river in Labrador, and it is only half done. When the lower Churchill is developed we will then have a dozen other major rivers there, including the Eagle River, Paradise River, St. Lewis River, Hawkes River and a half dozen others which can be developed and must be developed and which can produce more power even than the Churchill. Remember that the Churchill, when it is completed, will produce ten million horsepower, but these other rivers in southeastern Labrador will be able to produce even more power than the Churchill. You may say, "How is that? Why is that? Why can the rivers in Labrador produce more power than, say, the St. Lawrence River?" The answer is simple. There is a tremendous volume of water there, of course, but not nearly so much water as in the St. Lawrence River; but the

point is that whereas the St. Lawrence River flows over a long stretch, falling down a few score of feet, or at most a couple of hundred feet, all the water in Labrador flows from the watershed on a plateau 1,000 to 2,000 feet in height, and that water must go over that plateau and down into the Atlantic Ocean.

In Churchill we have one site which produces six million horsepower and another site which produces four million horsepower, and, for the same reasons we have all that other potential power there as well.

So, as I say, we have in Labrador the greatest single resource complex in the world. Another consideration of that complex is the vast quantities of unpolluted cold water. I hope my adjectives are being heeded, because these vast quantities of unpolluted, fresh, extremely cold water are important. The word "cold" is becoming increasingly important in the scheme of things. We have probably the largest, single, untapped forest area in Canada. We have minerals and we have offshore oil in Labrador, and we have a strategic position relative to the continent of Europe, and industrial North America. Take a look at it on the globe some time. There is that complex. And one imperative in that complex is the building of a tunnel under the Strait of Belle Isle and the nine miles of water there.

● (1440)

One of the great arguments for a tunnel right now is that the only way to bring power into the island of Newfoundland, from the lower Churchill, is by means of a tunnel. It is impossible to put in power lines, and keep them there, on the bottom of the Strait of Belle Isle, one of the most turbulent bodies of water in the world, with tides running at the astronomical speed of eight knots. The pack ice conditions there are as severe as anywhere on earth, and there are scores, even hundreds, of monstrous icebergs, each weighing millions of tons, grounding in those relatively shallow waters and going up and down the strait at the fantastic speed I have mentioned. I have seen icebergs—and there are others here who have seen them—ground and topple over, and bring up tons and tons of silt and mighty boulders weighing tons in themselves.

How could we put power lines down across the Strait of Belle Isle under those conditions? There is only one way to bring the power across, and that is by means of a tunnel. The tunnel is coming—I believe the preparations are being made for it right now—but the big danger is that the tunnel will be of minimal dimensions, designed to carry only the power lines. In my view, honourable senators, that would be a tragedy. We need a tunnel under the Strait of Belle Isle to carry the power lines, but one also capable of accommodating vehicular traffic, as in the Alps, either independently or by means of an electric railway. Such a tunnel would, at one blow, eliminate the most serious disadvantage from which Newfoundland suffers, namely, its insularity—the fact that it is an island. Such a tunnel would end that insularity and would serve to knit together the two component parts of the province of Newfoundland, and it would, of course, join Newfoundland to the mainland, a consideration that is often overlooked. It would mean that the province of Quebec, would no longer be an isolated peninsula, as it is now, on the eastern side of Canada, jutting out toward the Atlantic Ocean.

The tunnel would be a part, for want of a better word, of a thoroughfare from British Columbia right across Canada to the Avalon peninsula, to Cape-Spear, the most easterly part of Canada and of North America. I suggest that such a tunnel would help to knit Canada together, just as the Canadian Pacific Railway helped to do that. There was no economic justification for such a railway a hundred years ago, just as there is no economic justification for a lot of other things we have done in Canada; but there have been other considerations. Economics is not the only consideration.

**Senator Walker:** How much would this cost?

**Senator Rowe:** That, of course, would depend on the size. Nobody knows for sure. I put that question to one of the men very closely connected with some of the surveys being made—one of the most distinguished engineers in Canada, who is a Canadian, by the way—Dean Bruneau, head of the engineering school at Memorial University. Frankly, at this point, they do not know how much it would cost, but inasmuch as the water is not very deep in the Strait of Belle Isle—the depth varies, of course, but it is not particularly great—and in view of the fact that the distance itself would be a maximum of ten miles—and there are innumerable tunnels in the world ten miles long and more—from an engineering point of view there is no great difficulty, and the cost would not be out of line.

I was going to come to the question of cost, and I may as well say this now. Here is where it becomes a national issue. To build a small tunnel, to carry only the power lines, is something which I presume the great corporations and the government of Newfoundland might well manage, possibly with federal grants of one kind or another. But I am quite sure that if we are thinking in terms of a vehicular traffic tunnel, then the Canadian government has to come into the picture. The point I am trying to establish right now is that this is a matter of national concern; it is not something that would be done for the benefit of the island of Newfoundland alone. Incidentally, this tunnel might very well be more economical than would at first meet the eye, for the provision of ferry services between Sydney and Port aux Basques, and between North Sydney and Argentia is, relatively, one of the most expensive responsibilities that the Government of Canada has assumed. As Newfoundland's population grows, and as its industrial development increases, this financial responsibility must increase proportionately.

Obviously, once a tunnel is built under the Strait of Belle Isle, and connects with the road system now being built, or which is contemplated in south and westerly Labrador and in Quebec—there is a road system being planned, and the work in part is being carried out at this moment—once a tunnel is built to connect Newfoundland with the Quebec/Labrador road system, then quite clearly a lot of the traffic which now has to use the ferry services, and traffic which will continue to increase, will be siphoned off by that tunnel, so that there would be economic savings.

The tunnel has to come. Let it not be said that this generation possessed less imagination and less courage than those who, a hundred years ago, undertook the impossible and uneconomic project of putting a railway through the Rocky Mountains.

I was very much interested in the magnificent speech which our colleague Senator Neiman made in opening this debate, and to hear her views on justice in Canada. I want to say a few words upon that subject.

On previous occasions I have expressed my sense of frustration—a sense of frustration which I think is shared by a lot of other Canadians—at our failure to adopt a Criminal Code that is in line with civilized, modern thinking. Under the term "criminal code" I would include our whole approach to anti-social, or what we consider to be anti-social, behaviour. I do not intend to go into detail on this matter; I assume there will be a more appropriate occasion later in this session. At least, that is the inference I get from the Speech from the Throne, and from the Prime Minister's remarks in the house.

Senator Neiman referred to one example of our irrational approach, and that is the treatment of women who have been subjected to brutal sexual attack. The conditions she described are very real. They are taking place every day under our eyes. She pointed out the obvious indignities visited upon these unfortunate persons. I am thinking of women who have been attacked and assaulted.

But the indignities that are visited upon them in the legal process that follows when these women seek justice in our courts, are so enormous that many women prefer to have the culprits, the psychopaths, or whatever they are, go free rather than undergo some of those ordeals. Most of us have known these facts for years; some of us have talked about them, and have publicly drawn attention to the absurdities, the inconsistencies, irrelevancies and the outright injustice involved, and yet year after year nothing changes. I repeat, honourable senators: year after year nothing is done about it.

● (1450)

I do not want to preach a sermon, but it seems to me that we have to remind ourselves that assault is assault, a crime is a crime, and the victim is entitled, no matter what type of personal life she may have led, to justice. Let me be brutally frank about this. What difference should it make whether the victim of a brutal physical, sexual attack has had a previous sexual history or not? What difference does that make? What has it got to do with it? what difference does it make if the victim is a prostitute? Isn't a prostitute entitled to protection under our law? You only need to read some of the accounts of cases being dealt with in our courts these days to realize that, as in so many other approaches to behaviour that we do not approve of, we are all victims, or at least many of us are victims, of our own puritanical and medieval concepts. This applies particularly where sex in any form is involved. Far too many of us, philosophically, are still Salem witch-burners; we are still Spanish Inquisitors. We are in the same stage of development as were our cousins who, down in New England only 200 years ago, burned women for being witches, or who in Europe burned thousands at the stake in order to save their immortal souls.

How else, then, if what I say is not true, can you explain a mentality which will put an 18- or 19-year old girl in jail for two or three years, or even up to seven years, for using a drug, possessing a drug, or fooling around with a drug which, while it is not harmless—and I want to say that I do not regard marijuana as harmless—is certainly no more lethal in its effects than tobacco or alcohol? What is the mentality that will do that to these young people, while a person under the influence of alcohol can get into a car and go out and slaughter five or six innocent people on the highway in a split second and, under our laws, get two or three years in jail for doing so?

All this happens while the great tobacco companies, completely amoral in their approach to profits, are free to seduce our children and grandchildren by means of lying and vicious brainwashing propaganda involving sex, youth, athletic prowess, nature and everything else. They use all the influence that Madison Avenue and the other Madison Avenues can bring to bear on these matters. Why are these companies permitted to seduce our children and grandchildren into a habit which will inevitably shorten their lives, and which statistically will cause one out of every 20 of them to die an agonizing death from emphysema or lung cancer? What have we done about that? But no, the great enemy of our society is that 19-year old youth in Gander with a bit of marijuana stuck into the plaster that he had over his broken leg and who, under the law, had to get and was given a seven-year sentence.

Surely the ineffectiveness and the irrationality of so much of our penal system—which, incidentally, (and many Canadians don't realize this) is one of the most severe of all democratic countries—must be apparent to everyone who has an open mind. And yet the months and the years go by, and little if anything is done to remove these anachronisms, because that is what they are—these inconsistencies and these absurdities. We fail in the most important job of all, and that is to treat these people, the so-called culprits, in any rational or humane way. I hope to talk in greater detail about this at some later date.

Honourable senators, I have one other item that I want to make reference to, and it is something completely separate from what I have been speaking about up to now. I want to say a few words about developments in the United States of America. We in Canada have to be concerned about what happens in other countries, and let me say now that as a Canadian I am very proud of Canada's record in assisting the less fortunate nations in the world. For that matter I think we can be legitimately proud of our foreign policy generally during the past two or three decades.

**Senator Flynn:** Did you say "days"?

**Senator Rowe:** Two or three decades, certainly since World War II.

**Senator Flynn:** I asked that because someone suggested there was a change recently.

**Senator Rowe:** That may be so, but there is one aspect of our foreign relations that events of recent months should make us consider more seriously than we have in the past, and that is the things that other countries can do to Canada. Perhaps the most dramatic and drastic example of this was the action of the Arab countries last year in respect of oil. But I am not thinking of that so much as I am of the less tangible things, such things as are exemplified by the role that the CIA, allegedly acting for the American government, and sometimes in fact acting for the American government, and sometimes, I have no doubt, acting without the American government's knowl-

edge—the things done and the role played by the CIA since its formation following World War II.

Let me say at this point that I happened to have the pleasure of knowing some of the men connected with the forerunner of the CIA, the OSS in World War II. I knew the philosophy underlying its activities, and I knew the necessity for the OSS. I also knew and approved the philosophy underlying the formation of the CIA which was, as we know, a continuation of the OSS and designed to acquire for the American nation the information that that nation needed from time to time for its own defence and in order to carry on its legitimate activities all over the world. So I have nothing to say against the idea of the CIA in so far as its original intention and design was concerned.

● (1500)

Two years ago in this chamber I expressed my fears regarding the development of a fascist psychology in the United States, and I did it at a time when if I had mentioned the word "Watergate" to anybody he would have thought that I was talking about some power development or, perhaps, vaguely about a fountain pen we used to use 20 years ago. I do not think very many took my words seriously at the time. The fact is, of course, that in recent years—we discovered most of this during this last year or year and a half, although some had some idea earlier of what was going on—fascist elements in the United States have reached right into the White House, and have come dangerously close to undermining the American Constitution and, for that matter, the American way of life.

When we consider the power that was in the hands of men with the mentality we saw demonstrated on television, we have cause to shudder. I will not mention any of their names—they are all now either confined or under indictment—but I had the feeling then when I saw them that those men would have been completely at home in Germany in 1939.

However, there have been far more serious manifestations of this fascist philosophy, or psychology, than we comprise under the term "Watergate". Irrefutable evidence has come out that the CIA spent millions of dollars, and made tremendous efforts in other ways, to overthrow a government which, whatever we might have thought about it, was a legal government. There are 140 governments in the world, and we do not agree with all of them. Of course, I refer to the legal government, put in power by the people of Chile, which an American organization, acting secretly and covertly, spent millions upon millions of dollars to overthrow.

They admit, by the way, that they spent $8 million. Is there anyone, do you think, in the United States Senate today who believes that? Do you think there is anyone in the House of Representatives who believes that $8 million is all they spent? They spent that money in bribing officials and trade union leaders, in fomenting strikes, in undercutting the whole economy of Chile, and in encouraging—let us not close our eyes to it—political assassinations and the subsequent murder of thousands of people. They did that in another country, supposedly a friendly country, a neighbouring country; at least it is in our hemisphere.

We know that the CIA has interfered in other countries. It has come out publicly. We know they interfered in Honduras and in Cuba, and we know what they did in the Dominican Republic. We know what they did in Vietnam and, let us not forget, in many other eastern countries besides Vietnam.

This interference on their part has not consisted of getting information, of reporting back to their government what was taking place—matters that might be of interest to their government—this interference has taken the form of undermining and destroying governments, sometimes successfully. And mark this, honourable senators, in every case it has taken the form of undermining and destroying liberal or left-wing governments, and instituting and creating in their place right-wing dictatorships. Inevitably these dirty tricks involved attempts at—and in some cases successful attempts—or the encouragement of political assassination.

I would suggest to this house that what we have heard and learned about the CIA in this last year or so represents only the tip of the iceberg—and only one-eighth of the volume of the iceberg is visible. In case anyone considers my view to be alarmist, let me say that it is shared by many persons far more distinguished than I could ever hope to be. Many of the leading senators and public figures in the United States have said this publicly, just as I have now done so.

Perhaps the most infamous statement ever made by an American President—it is ironic that I or anyone should have to say this—was made by President Ford a few days ago. We all heard him state publicly that the CIA involvement in Chile—fomenting strikes, bribing government officials, encouraging rebellion and, eventually, overthrowing the legitimate government of Chile with subsequent assassinations and repression of all kinds, the equal of which is not to be found in any more than two or three countries in the world today—could be justified on the grounds that those activities were for the good of the people of Chile.

I wonder how many people in Canada and elsewhere realize the significance and implication of that presidential statement. Actually, we should not have had to wait for President Ford to make that clumsy and, I suspect, inadvertent statement. I suspect he could have bitten his tongue off, and there are others who wish that he had done so, but I wonder how many appreciated the implication of that statement of President Ford in his attempt to rationalize American interference in the affairs of other countries. The implication is simple. If the United States, through the CIA, has the right to carry on these activities in Chile, Honduras, Panama, Cuba, Vietnam, Cambodia and all these other countries—if indeed it has the right to do that in one country—it has the right to do it in every country on the face of this earth, and one of those countries is Canada.

The last thing I want to be accused of is being anti-American. If I were not a Canadian citizen today, I would be an American, and the province from which I come, if it were not part of the Canadian Confederation today, would be a part of the American Union. During the 25 years when the United States operated those great military bases in Newfoundland, 40,000 young Newfoundland women mar-

ried American servicemen and went back with their husbands, and are now raising their families in the United States. Literally there is not a family in Newfoundland today that does not have close relatives in the United States of America. All Newfoundland appreciates the generosity and the magnanimity of that great country. We regard it with affection and that is why we, perhaps, are as concerned as our cousins in the United States over what has happened there during these past few years.

● (1510)

We are not America-baiters, and no impartial student of modern affairs can fail to appreciate what the United States has done in the interests of developing underdeveloped nations, and in a thousand other ways. But against that we have this fact, that the record of certain groups and organizations in the United States in recent years gives Canadians cause for apprehension, and it behooves us to be eternally vigilant.

**Hon. Ernest C. Manning:** Honourable senators, I have listened with much interest to those honourable senators who have already participated in this debate, and I welcome this opportunity of congratulating them on their thoughtful and constructive contributions.

I join most sincerely in the congratulations extended to you, Madam Speaker, and to the new government leader in the Senate. It is a particular pleasure to endorse the well-deserved tributes paid to our former Speaker and government leader, and to share in the welcome extended to our distinguished new senators and those who have assumed new duties and responsibilities in this house.

Throne Speeches are remarkable documents. Their uniqueness lies not so much in their content or language as in the diversity of reactions which they produce. It is amazing how one honourable senator reads a Throne Speech and finds it a clear and comprehensive declaration of the government's intentions, couched in precise and statesmanlike terms, while another reads the same speech and finds it a hodge-podge of vague and meaningless generalities, giving no clear indication of what the government intends to do.

The simple fact is that just as beauty is in the eye of the beholder, so the impressions gained from reading a Throne Speech are significantly influenced by whether the reader is a political supporter or opponent of the government. If this undeniable fact teaches us anything, it is that a Throne Speech needs to be read and analyzed with more than ordinary emphasis and objectivity.

I confess that the maximum objectivity of which I am capable is not sufficient to offset what I regard as very real and basic shortcomings in the Throne Speech we are now considering.

Seldom has a statement of government policy been debated in the shadow of such a serious national and international situation. Domestically and internationally we are confronted with at least four major interrelated problems: rampant inflation on a worldwide scale; a balance of payments problem of unprecedented magnitude and seriousness; a sky-rocketing world population, more than half of which lives on the borderline of starvation; and rapidly depleting irreplaceable resources, particularly of fossil fuels on which all industrialized nations depend for their essential energy supplies.

All of these problems are fraught with far-reaching social, economic and political implications for Canada. Having regard to the magnitude and seriousness of such problems, it is understandable that Canadians, upon the opening of this Parliament, looked to their government for a meaningful statement of intent, setting out in precise terms what the government proposed to do. Perhaps we expected too much; but, if so, the government itself is to blame.

During the election campaign, Canadians were repeatedly assured by the Prime Minister and his Cabinet that the government was fully capable of resolving the nation's problems and needed only a clear majority in Parliament to implement its plans.

It is true, honourable senators, that in my region of Canada these assurances were not wholly believed; but the fact remains that the nation gave the Prime Minister the clear majority he requested, and then waited expectantly for nearly three months to learn what the government intends to do.

When Parliament finally opened, we were presented with the Throne Speech, now the subject of this debate. To say the least, it falls far short of public hopes and expectations. It gives no clear indication that the government is seized with the seriousness of the times, and the intentions it reveals are couched in terms which add little to the public's knowledge or understanding of what the government proposes to do.

To be fair, let us acknowledge two things: first, the problems confronting us do not lend themselves to precise definitions. They are extremely complex, complicated, and interrelated with world problems far beyond our borders. Secondly, there are no simple answers or easy solutions to such problems. The government would have been well to emphasize these facts.

Instead, the government acknowledges indirectly that it does not have answers or solutions, but rather is looking to the Canadian people to tell it what it should do. The Throne Speech says:

> The Government has therefore initiated a series of consultations with the principal groups in our society—business, professions, farmers, labour and provincial governments. They will be asked what proposals they can suggest and what contribution they are willing to make to defeat inflation . . .
>
> The Federal Government believes that it has the responsibility of playing the leading role in bringing Canadians together to discuss their common problems and challenges and to develop proposals for their solution. The Government intends to fulfill this leadership role with vigour and determination.

Honourable senators, I suggest there is no way that such an approach can accomplish any meaningful results. It is a modern version of the ancient folly of fiddling while Rome burns. There is no way that the rank and file of citizens can develop practical solutions to the complex financial and economic problems of our times simply by engaging in a few hours of dialogue with representatives of the government.

● (1520)

President Ford recently held a series of economic summit conferences on inflation which brought together some 800 representatives of various sectors of American society. The result was almost 800 conflicting ideas as to what should be done. It was an exercise in futility. When it was over, the whole problem was back on the President's doorstep.

Commenting on the government's proposal to pursue a similar course here in Canada, the *Financial Times of Canada*, in its issue of October 7, says this:

> —the government says it will seek a consensus on how to cope with our economic problem. That has already been tried many times, in many places. Here by Dr. John Young's ill-fated Prices and Incomes Commission, in the U.S. with President Ford's economic summit and in Britain with Harold Wilson's 'social contract'.
>
> None of these has been particularly successful, and Ottawa's new venture will not be either. After all the talking and special pleading ends, the government will still have to do what it was elected to—make hard decisions and provide leadership. We should not waste any more time.

I believe the majority of the Canadian people will echo those words.

May I comment on two matters to which reference is made in the Speech from the Throne? The first has to do with energy supply. The government affirms that to increase the nation's supply of energy it proposes to establish a national petroleum corporation known as Petro-Canada and to take steps to ensure that the price of Canadian oil and gas is regulated in a manner which will encourage necessary exploration and development. It is completely fallacious to affirm that the establishment of Petro-Canada will in any way increase the nation's energy supply. It will not put one additional barrel of oil in the ground; it will not assure that one additional barrel of oil will be taken out. What this proposal amounts to is unnecessary government duplication of corporate facilities which already exist. It is but one more unwarranted intrusion of government into the private sector. When it comes to discovering, refining, transporting and marketing petroleum products, the oil industry forgets more every night than the government bureaucrats interjecting themselves into this field will learn in the next 10 years.

There is, within the petroleum industry, a wealth of experience, expertise and technology that has taken many years and millions of dollars in research to acquire, and which the government cannot hope to match, regardless of its intentions. All the government needs to do is invite the industry to become a working partner in resolving the nations's energy problems, and spell out workable guidelines within which it wants the industry to operate in order to attain its desired objectives. I have had sufficient experience with the petroleum industry over many years to know that such a working arrangement is readily available.

If the government pursues the course it proposes and sets up a federal government oil corporation on top of the four or five provincial oil corporations already established, the serious negative impact on industry exploration and development may well have exactly the opposite effect to that which the government says it desires. It could more than offset the positive effects of the government's proposal to ensure that the price of oil and gas is regulated in a manner which will encourage exploration and development by the industry. This latter provision is extremely important.

Many Canadians are not aware that when the wellhead price of Western Canadian crude oil was set at $6.50 per barrel by joint decision of the federal and provincial governments, it did not ensure an increased return to the oil producers. The fact is that in the province of Alberta, if the tax proposals of the last deferred federal budget are implemented, together with the greatly increased royalties now imposed by the government of Alberta, the oil producers will receive less from the $6.50 per barrel price than they received when the wellhead price was $3.80 per barrel. The result is that oil exploration in Alberta already has been drastically reduced. A significant number of oil companies, particularly the smaller Canadian companies, have transferred their operations to the United States or to other areas of the world where more favourable returns are available.

This brings me to the second subject, which is the government's position in the matter of commodity price determination. In every society there are two bases on which the prices of commodities may be determined. The first is the cost of production plus a fair and reasonable profit. This is the basis which prevails in the free and open marketplace when meaningful competition exists. In order to stay in business the producer must recover his cost of production, and it is to his advantage to keep those costs at a minimum. His margin of profit in such circumstances is held to reasonable levels by the competition he must meet in the marketplace. When meaningful competition does not exist or when a commodity is in short supply, or subject to monopoly control, the basis of price determination undergoes a significant change. It then becomes a matter of arbitrarily charging whatever the traffic will bear in a seller's market. That, of course, is what is happening in the matter of fossil fuels at the present time.

In most industrialized nations, oil consumption has outstripped domestic production. The Arab oil-producing nations have a monopoly on the world's most prolific sources of oil supply. The industrialized nations must have oil to sustain their industrial-based economies and the Arab nations, therefore, are in a position to demand all that the traffic will bear. The price presently demanded has little or nothing to do with the cost of production. It is the price resulting from a political decision, and is part of their political strategy to divert western support from the State of Israel, which they regard as their enemy, and also part of their strategy to become a dominant force in world affairs.

● (1530)

The results are precipitating one of the most serious economic and financial dislocations in modern history. The Arab nations are now accumulating claims on the assets of the industrial nations at the rate of some $80 billion a year. If they wish, they could already buy suffi-

cient equity stock to control the entire automobile industry of the United States.

The balance of payments problems resulting from the present excessive prices demanded for oil are staggering. Whole nations are being forced to the brink of national bankruptcy, and the future implications are almost beyond comprehension. As always, when one group is in a position to exploit others, those least able to pay suffer the most. The emerging nations, commonly referred to as the Third World, are just beginning to industrialize their economies. Such industrialization is necessary if they are to significantly improve the standard of living of their people. But there is no way they can pay the present exorbitant prices for oil without ultimately placing themselves in national bankruptcy and becoming permanent debtors to the oil exporting nations.

Faced with these grim prospects, efforts now are being made to persuade the Arab states to re-cycle their petrodollars back into the economies of those nations from which they extracted them. But surely by no stretch of the imagination is this a solution to the problem. All it amounts to is that the nations concerned will be borrowing back their own money, which they will then owe to the lenders and on which they will be required to pay interest in perpetuity. This, honourable senators, is a very grave and serious international situation.

Canada is in a preferred and extremely favourable position. With the intelligent orderly development of the Athabasca tar sands and our conventional oil resources we can in this country be self-sufficient in oil for many years to come. If the government will act decisively in refusing to permit obstructionists to block or unduly delay construction of the Mackenzie Valley pipeline, we can tap the vast gas reserves of northern Canada to avert a future shortage of natural gas in central Canada. I hope there is shortly a clear-cut positive declaration of the government's intentions in this regard.

Before concluding these comments, may I call your attention to the fact that the present Government of Canada has accepted the principle of the political determination of oil and gas prices, both domestically and in our sales to the United States. The $6.50 per barrel for western crude oil was a political decision. The figure bears no meaningful relation to the cost of production. The $5.20 per barrel export tax charged on oil exported to the United States was a political decision. It is based on creating an export price comparable to that established by Venezuela and the oil-producing nations of the Middle East. We are, in effect, treating our friends the same as the Arab states are treating their enemies. We are requiring the citizens of the United States to provide the money to subsidize the refiners of imported oil, thereby holding down the price of gasoline used by the residents of central and eastern Canada. I wonder what the reaction of the Canadian people would be if the situation between Canada and the United States were reversed?

Having regard to the prevailing circumstances, there are valid arguments for Canada's imposing an export tax if we are arbitrarily going to hold wellhead prices for domestic oil below the world market price. I do believe, however, that Canada has been short-sighted and unwise in the amount of the export tax the government has imposed.



The United States is our major and by far most important trading partner. Sixty per cent of our exports are bought by citizens of the United States. Mutually advantageous trade between the two nations is now a $35 billion a year two-way street. Our exports to the United States account for hundreds of thousands of Canadian jobs and payrolls.

Canada would have been wise to make such oil as we have for export available to the United States at a price at least moderately less than the present excessive world market price. Had we done so, I am confident that what Canada could have gained in reciprocal trade benefits would have more than offset what we would have lost in windfall revenue, and would have done much to cement good trade relations with our powerful neighbour, from which we have so much to gain.

I call your attention to a significant inconsistency in the Throne Speech in the matter of the government's position in commodity price determination. In the paragraph dealing with transportation costs the government rejects the principle of price fixing on the basis of what the traffic will bear. The paragraph reads:

> The Government believes transportation rates should continue to be based on the principle of competition among alternative modes of transportation in areas where there is effective competition. Where such competition does not meaningfully exist, transportation rates cannot be allowed to exact what the market will bear. Consideration of costs, as reflected in the provision of comparable services in circumstances where competition is effective, is a more acceptable guide, and it is toward the achievement of equitable arrangements on such a basis that the Government will work.

The inconsistency between the cost of commodity principle of pricing here enunciated and the what-the-traffic-will-bear principle adopted in the case of oil and gas speaks for itself.

Honourable senators, I shall not detain you longer. I have dwelt on these matters of world concern because they underscore the decisions we in this and other countries must make in the immediate future, and the breadth of the arena in which our decisions must be made. The social, economic and political implications inherent in these problems, if they are not soon resolved, are frightening to contemplate. No wonder the Canadian people are concerned. No wonder they are desperately looking for decisive and meaningful leadership from their government, to which they have given a clear majority in Parliament and a clear mandate. For the sake of all concerned, I sincerely hope they will not be disappointed.

● (1540)

**Senator Walker:** May I ask the honourable senator a question? Towards the end of his magnificent speech he referred to bringing in the Athabasca tar sands and building the Mackenzie River pipeline. Could he give us any idea, from his wealth of wisdom and his research into this subject, when either one of those eventualities could take place?

**Senator Manning:** Honourable senators, with respect to the tar sands, there is at present one commercial operation in existence. It is relatively small, producing approximate-

ly 60,000 barrels of synthetic crude a day. There is a second, much larger, project known as the Syncrude Project, which has received all the necessary government approvals; construction is just now getting under way.

You have to remember that with these very large projects there is a time lag of two to three years from the time construction starts until the oil actually reaches the marketplace. There is at present a third project in the formative stage. It has yet to go through the procedures before the government regulatory bodies to obtain the required approvals. There are several additional projects being discussed for the future.

Provided not too many impediments are placed in their way, it is reasonable to assume that in the next few years one will see at least three and probably four, major tar sand development projects initiated.

With respect to the Mackenzie Valley pipeline or the various alternative proposals for transporting gas from the Arctic Islands, and possibly Alaska, into the central and eastern regions of Canada, the preliminary submissions by one major consortium of companies have been filed with the National Energy Board. There are so many permissions to be obtained and so many interveners to be reckoned with that it is really impossible to say at this stage when a major pipeline from the north will actually become a reality. Not only are there conflicting opinions as to where such lines should be built, who should build them and how they should be financed, but there are all the obstructions raised by environmental groups, conservation groups, and from people who, for various reasons, oppose their construction. How long this will delay anything materializing is, in my view, impossible to say at the present time.

I would stress the seriousness of the long delay already incurred. Every month which goes by, the cost of these projects becomes a great deal more under present inflationary conditions; and it may well be, if they are delayed too long the economics will be questionable because the cost will have become so excessive.

**Senator Walker:** I should like to thank you, Senator Manning, for your exceedingly clear explanation.

**Senator Carter:** I wonder if the honourable senator would clear up a point for my benefit. He spoke about Canadians treating their friends like the Arabs treat their enemies, and he referred to the export tax of $5.20 a barrel on Canadian oil going into the United States.

If the Canadian government lowered that tax to, say, $4 or $3 a barrel, would the companies not benefit from that lowering rather than the consumers in the United States? My understanding was that, if the Canadian government did not take that money in the form of tax, the benefit would go to the oil companies and not to the consumers in the United States.

**Senator Manning:** You have to bear in mind at least two things in assessing the question raised. In the first place, Canada is exporting to the United States only about one million barrels of oil a day. Of the total oil refined in the United States that is a very small portion. In the second place, it would be entirely in the hands of the American government to determine how and to what extent refiners, able to purchase Canadian crude at a lower price than on the world market, should treat the benefits that would accrue. Whether they would permit the companies to retain it or require that it be passed on to the consumers is something for them to decide.

The point I was making was that we are shortsighted, in taking advantage of an abnormal world situation, to isolate one item of trade—in this case a million barrels of oil per day—from the total $35 billion of two-way trade between our two countries. I think it is shortsighted to say that in the case of this one product the price is not going to bear any relationship to cost, but is going to be based on all the traffic will bear, as established by nations far beyond our borders. I think we are wrong in taking that position and in the long run we will lose more in our trade arrangements with the United States than we will gain.

**Senator van Roggen:** Honourable senators, I should like to address a question to Senator Manning.

Senator Manning, I agree with you when you say that we are exporting approximately one million barrels a day to the United States market; but this happens to balance almost precisely, I think, the one million barrels a day that we are bringing in from Venezuela at OPEC prices. So Canada, by having the export tax at the level it is now, comes out, on a bookkeeping basis, even, as though we were self-sufficient in oil—as, in fact, we are. We just do not have a method of transporting it from Toronto to Montreal.

If we were to continue to pay Venezuela $11 a barrel, or the full OPEC price, for the million barrels a day which we import, and were then in the West to reduce our export tariff on the million barrels which go into the United States each day, there would be a shortfall. If we reduced the tariff by $3 a barrel there would then be a shortfall of $3 million a day. Why should the Canadian taxpayers subsidize the American oil companies to the tune of that much money a day when the American oil companies are paying those same world prices for the oil they import into the United States?

**Senator Manning:** Honourable senators, I tried to emphasize a few minutes ago that we, as Canadians have to weigh whether it is to our economic advantage to reduce by some moderate amount the price of the oil which we export to the United States, having regard to the benefits of other reciprocal trade arrangements we can make as a result. If the economic advantage to the Canadian consumer in other fields is equal to, or perhaps even greater, then, if we had to pay another cent a gallon for gasoline in Canada to cover the shortfall which you speak of, it would be worth it. I think it would be an intelligent thing for Canadians to do.

In the second place, I would point out that at this stage at least the Government of Canada has received far in excess of what it has paid out to cover this equalization of price in Canada to which you refer. It has a good cushion of accumulated revenue from the export tax which gives it at least some latitude to reduce the tax moderately when negotiating trade arrangements with the United States, from which greater advantages might be obtained for Canadians.

● (1550)

**Hon. Lorne Bonnell:** Honourable senators, as I stand here this afternoon I get the feeling that Senator Manning

thinks he is back in Alberta, that he is again the leader of the government there. The question period is on, and he is standing there, doing the great job that he did for that province for many years. I know that many of us could learn a lot from Senator Manning pertaining to oil, and later on I would like to say something about how we might learn from him.

Before commencing my contribution to this debate, I should like to congratulate you, Madam Speaker, on your appointment. I know that your ability, your charm and your grace will enable you to fill that office with the dignity with which it was filled by your predecessor in the previous Parliament. I would like to say many more things about your past career and why you merit your position but, as Senator O'Leary suggested last night, we should not congratulate each other too often or too long.

However, I would be remiss if I did not congratulate our new leader, and offer him my full support as he takes on his new duties. I would also like to say, as he follows in the footsteps of so great and good a man as the Honourable Paul, that he has big shoes to fill.

I also congratulate the mover and the seconder of the motion for an Address in reply to the Speech from the Throne. As far as Senator Neiman is concerned, she has done her usual good job. We expected that of her, and again she excelled herself. As to the seconder, our new colleague from Atlantic Canada, Senator Cottreau, I was pleased to hear him speak so highly of the Acadians which he represents so well in the Senate, and I believe it would be well worth his while at some time during the next year or so to explain to the Senate just what an important role the Acadian people have played in Canada, especially in Prince Edward Island and Nova Scotia. It is a history that all Canadians should know and not forget.

I extend a warm welcome to both Senator Cottreau and Senator Barrow. Coming from Atlantic Canada they will, I know, speak loud and strong for the regions they represent.

I should like to say a few words concerning the Speech from the Throne which was read to us on September 30 by the Right Honourable Bora Laskin, as he opened the Thirtieth Parliament. I was pleased to note that the Government of Canada is prepared to carry forward the actions it pledged to carry out in the Speech from the Throne that opened the last session. The Twenty-ninth Parliament decided that it could not support that Speech, or the budget, and many of these promises and pledges could not be honoured. I believe that many of those pledges were worthwhile, and I further believe that the people of Canada thought they were worthwhile. The government thought they were worthwhile, and told the people that they would re-introduce them, and now they have done so.

One of the major issues, or major problems, facing Canada today is inflation. What is the cause of it? As a physician, when I find a disease of any kind, whether it be inflation or gastritis, I try to find the cause. If I can find the cause, then I know how to treat it, and if I have got the right medicine the disease will be cured.

What is the cause of inflation? In my view, one of the greatest causes of inflation is the fact that world population is increasing tremendously. Not only is world population increasing tremendously, but the people of the world are better educated, and are making greater demands on society. The second reason we have inflation is that during the last two to three years there have been crop failures and drought in Russia, China, India and Africa, and the production of food has dropped tremendously over the last two or three years. The third major cause of inflation, in my view, is the fact that oil and petrolum prices have increased throughout the world. This increase brought on a feeling of mistrust among our people in the paper dollar, and a soaring demand for gold and silver. Consequently, all these factors, working together, cause that dread disease which we have called inflation.



Last year I said in this house that I did not believe the answer to the problem was wage and price control. I am glad now to realize that the people of Canada agree with me. They do not believe the answer is wage and price control. So what is the answer?

The first thing I believe we have to think about is the population problem, and I believe that through the World Health Organization some method of controlling the great growth in population must be looked for, and this problem must be solved. If it cannot be solved through the World Health Organization, then it must be solved through some other world organization; but Canada alone cannot solve that problem. Canada alone cannot solve the problem of shortages of supplies; but Canada can increase its production, and if other countries follow suit, then that problem can be solved.

The third problem is the cost of petroleum. Canada cannot control the price of oil throughout the world, but Canada is controlling the price of oil inside Canada itself, within its borders, and we have one price for oil whether we live in Alberta or in Newfoundland.

● (1600)

The government is able to give strong leadership, and by its actions it can promote confidence and faith in the dollar. If we have world leadership, we can show strength in the dollar throughout the world, and this will tend to break the trend to pessimism among its peoples. The government has taken positive steps by suggesting that it will reintroduce the anti-profiteering legislation. If profiteering by large corporations can be stopped, prices can even be rolled back.

I further believe that the government is taking the right step in renewing the mandate of the Food Prices Review Board and enabling it to act if prices are raised unjustifiably within our boundaries. Furthermore, the government is taking the right steps when it says it intends to control its expenditures, and to meet with provincial government leaders, management and labour to this end. This working together to control expenditures will tend to curb that dreadful disease, inflation.

So, honourable senators, because inflation is the major problem of the day, and because the government is taking the proper actions in regard to each and every cause of inflation, there is no other course for me to take but to support the motion made by Senator Neiman for an Address in reply to the Speech from the Throne.

For all that I support this motion, there are many things I would have liked to see in the Speech from the Throne

that are not there. However, I know that if there were put into the Speech from the Throne all those things that each one of us wants, the Administrator would still be here reading it. There is no way that all the things each of us is looking for and feels should be there can be included in the Speech from the Throne.

Honourable senators, I put my faith in the leadership of this country; I put my faith where the people of Canada put theirs, in the Right Honourable Pierre Elliott Trudeau, and suggest that the things that are not in the Speech from the Throne will still be looked after in the best interests of Canada and Canadians—and, perhaps, even of Prince Edward Island.

I should like to suggest to the Minister of Finance that when he is preparing the federal budget he should not just take a new policy, a fiscal policy or a monetary policy, and say, "That is the new policy we are going to put into effect in Canada," and try to make it fit all parts thereof. Atlantic Canada is just starting to catch up with the rest of the country, and any tightening of fiscal or monetary policy in that area at this time would be, in my view, detrimental. Any curtailment of capital works in Atlantic Canada at this time would not be to its advantage, keeping in mind the fact that our wages, and incomes generally, are still below those of central Canada. Special consideration, whether by DREE or other programs, should be maintained and expanded in these areas, despite any cut-back in or control of expenditures.

One of the major problems of Atlantic Canada is transportation. We heard this afternoon what Senator Rowe had to tell us about his proposals for Labrador. Let me say that Prince Edward Island, together with Newfoundland, compose the only two island provinces of Canada. Perhaps I should say that Prince Edward Island is the only one, because Newfoundland is partly mainland and partly island. We must have good transportation services, and I should like to have seen something in the Speech from the Throne in the form of a commitment from the Government of Canada that would guarantee continuous communication with the mainland for these two island provinces; a guarantee that never again would we be tied up because of a national rail strike, and also a guarantee that the workers would receive the benefits of any agreement reached by the national body. Surely, in this day and age, no province and no community should be cut off from the rest of the world even for 24 hours. Therefore, I should like to suggest to our new government that it take a very close look at this problem, and try to give assurances and guarantees to those two island provinces that never again will they be cut off by strike or for any reason other than natural causes.

I further believe that we in eastern Canada need a better all-weather road system, and I should like to suggest to the Minister of Public Works that such an all-weather road system be constructed throughout Atlantic Canada to improve access to central Canada and to the large markets of the United States, and that large amounts of federal assistance be given to the Atlantic provinces for the purpose of constructing such a system.

I was pleased to read in the press not too many days ago that the Province of Newfoundland is to receive two new ferries to make the crossing from Port aux Basques to Sydney, Nova Scotia, and that ships would be rented to carry the traffic until these are constructed. I hope that this means that the *John Hamilton Gray*, which was built and constructed for the New Brunswick-Prince Edward Island crossing, will now be returned to that province to carry the increasing amount of traffic from Prince Edward Island to the mainland. I would also suggest to the Minister of Transport that he give very serious consideration to the laying of a keel for a new rail-car carrying ferry to replace the present one, the *Abegweit*, which is now over 20 years old. If anything should happen to this ferry, Prince Edward Island could no longer communicate with the mainland by rail and producers would be unable to ship their potatoes, turnips and other produce to central Canada.

● (1610)

I would ask the Minister of Transport also to give the same consideration to eastern Canada as he is prepared to give to western Canada. I understand that he is prepared to guarantee many boxcars for the hauling of grain to the ports of British Columbia and to the Lakehead. I would like him to guarantee to the eastern part of Canada refrigerated cars for the hauling of our produce to central Canada and the West.

While I am discussing transportation, I am reminded very much of the air service we have in eastern Canada. There is great need for expansion of the air service in the Atlantic provinces. In order to get home on the weekend, I have to fly first to Montreal, then to Halifax, from where I board a Dart Herald to Prince Edward Island. This great national carrier they call Air Canada, in my view, is not a national carrier at all; it is a semi-national carrier, because it does not even land in Prince Edward Island. When it does not serve all provinces, I do not know where it can get its name as a national carrier.

Honourable senators, the Minister of Transport should give serious thought to establishing a direct line from Ottawa and Toronto to Halifax and Charlottetown, so that people in eastern Canada could get to the central part of Canada in the morning, and leave there in the evening to return home that same day. As it is now, it takes a day to come up, and a day to go home, in order to get a day's work done. The demand is there and if Air Canada is not prepared to take on this job, there is no reason why Eastern Provincial Airways should not be given an opportunity to bid on this contract. I am quite sure that they would fulfil the task to the satisfaction of all.

At this point I congratulate the government on the appointment of a Minister of State responsible for fisheries. We are very pleased in Atlantic Canada that a Maritimer has been appointed to this post. I feel the minister does know and understand the problems in that area. I would like to leave a few thoughts, however, with this gentleman. One of them is that a research program should be carried out to see just what the stock of tuna is in the Atlantic coast waters. Last year a tuna quota was placed upon our fishermen. They were told that there was a danger of depletion. As I talk to the tuna fishermen, they tell me that there are more tuna in the waters off Prince Edward Island this year than ever before. They must have come to Prince Edward Island for the summer, as do most of our American friends, or there is something wrong with

the statistics of the department when they indicate that the tuna supply is being depleted.

Secondly, the tuna fishing is a great tourist attraction for Prince Edward Island, and it provides an economic boost to our fishermen. The fishermen at this time of the year receive as much as $900 for one tuna, and when they are curtailed and unable to catch this fish because of some regulation they would like to know why. I suggest that if there is a danger of depletion of this species, we should be negotiating with other countries which are catching tuna by net, hundreds at a time. In Prince Edward Island this fish is caught by rod and reel; many boats fish all the season to land just one. I have grave doubts as to whether the tuna stock in Atlantic Canada can be depleted by fishermen using rod and reel. Perhaps they should be allowed to continue to fish with rod and reel, whereas controls should go on those who are fishing them commercially with large nets. This control should apply also to foreign countries whose vessels come in to our shores.

I would like to see some research carried out by the Department of Fisheries to protect our fishermen and our tuna, if there is a real danger of depletion. I also suggest to the Minister of Fisheries that he take a strong stand and give strong leadership on matters raised at the Law of the Sea Conference, especially to ensure Canada exclusive sovereignty as far as the 200-mile limit is concerned.

I suggest, furthermore, that the Department of Fisheries should establish some type of stabilization program to guarantee the fishermen in the Atlantic area a sound income. This year our fishermen experienced poor luck, poor prices and an increase in the costs of catching fish. I believe that through a united effort the fishermen can achieve a better price, and that the federal government should come forward with a stabilization program to assist them.

● (1620)

I noticed in the Speech from the Throne that the government is proposing to make "O Canada" our national anthem. I agree with that policy. It is long overdue. Most Canadians feel that it is our national anthem, although it has never been officially recognized by means of legislation. In my opinion, Canadians have now accepted "O Canada." It was wonderful to hear it played on the occasion of Team Canada's visit to Russia, and it is good to see Canadians who win medals at Olympic games stand so proudly to hear it played. I commend the government for taking this action.

I also noted in the Throne Speech that the Minister of Manpower and Immigration plans to introduce amendments to the Unemployment Insurance Act. I do not know what amendments he proposes to introduce, and I am not sure whether he himself knows, but I hope that they will not be in the form of a blanket amendment to cover the whole of Canada from Vancouver Island to Newfoundland. Our circumstances are not alike, our geography is different, our employment opportunities vary, and our transportation problems differ. Therefore, I suggest that the minister should give consideration to the rural areas of Prince Edward Island, some of which are 30 miles from any source of employment. People lose their unemployment insurance benefits during the winter because of the lack of transportation. There is no public transit system, no taxis or trains, and a young hard-working mother is unable to obtain employment because she is unable to drive a car or afford to run one.

The Department of Manpower and Immigration could provide a better service by hiring more placement officers to find employment for the unemployed than by hiring unemployment insurance benefit control officers, or whatever they are called, who go around getting unemployed mothers and others to sign statements, without legal advice, which cut them off from receiving unemployment insurance benefits because they have no transportation. More placement officers and less unemployment insurance benefit control officers in Atlantic Canada would provide a better service for the area and would enable more people to work.

I commend the government also for its policy of decentralization. I refer particularly to the Department of Regional Economic Expansion. I should like to suggest to other ministers of the Crown that they expand their programs to give people in the provinces as much right to benefits in their home areas as is given to those who live in Ottawa. It should make no difference whether one lives in Alberta, Toronto, Ottawa or the rural areas of Prince Edward Island—federal agencies and opportunities should be available within a distance of one day's travelling. I hope other ministers will follow the example of the Minister of Regional Economic Expansion, and try to bring their services closer to all Canadians.

I listened to the speech of Senator O'Leary last night and I should like to say a few words also about Senate reform. I always enjoy listening to Senator O'Leary. He has the enthusiasm of a teenager—

**Hon. Senators:** Hear, hear!

**Senator Bonnell:** —and the vigour of a teenager, but I am afraid his views are starting to age a little. The Senate should be ready for reform. We cannot sit on that old-time religion forever. What we had 100 years ago was good for that time. But this is 1974, and it is time for a change. If we can bring forward any change that is better for our government, for the Senate, for the people, and for the country, then let us make that change.

Senator O'Leary is correct in that the Senate was established originally as a place of sober second thought, but I believe, as Senator Forsey said last night, that we are meant to pass legislation. I commend the Leader of the Government for his action in initiating legislation in the Senate.

I heard Senator Manning speak this afternoon and I should like to have an opportunity, as a senator, to see at first hand the problems facing the oil industry and the people of Alberta. I do not fully understand those problems, and I believe that I could better represent Canadians if I knew at first hand the situation in Alberta pertaining to the tar sands. That applies also to the situation in British Columbia pertaining to the shipping industry, and to the situation on the Prairies pertaining to wheat. My own views would be broadened, and I would be in a better position to express myself on those problems in the Senate if I had the opportunity, through a Senate committee, to visit Alberta—not for the purpose of telling Albertans what to do, or of telling Premier Lougheed how to run

Alberta, but simply to listen to Premier Lougheed and others, and to learn at first hand about their problems. I am quite sure that I would return to my place in the Senate and speak with greater knowledge of those problems.

If the Leader of the Government were to promote travel across the country by committees, it would be good for the Senate and for Canada as a whole. It would provide a platform for people to air their problems before a Senate committee, and would bring their problems to the notice of the government of the day.

The Prime Minister suggested that new appointments to the Senate might be for a period of seven years. Had I been asked to take my place in the Senate for seven years only, I would have refused. I would not have left my duties and situation at home for a seven-year appointment, at the end of which I would have had to return home and try to build it up again. If we want the right people appointed to this chamber, where they can share their knowledge and experience, we cannot tell them they are appointed for seven years only. They simply will not leave what they are doing for a seven-year appointment, at the end of which they have to return home and try to pick up where they left off.

● (1630)

If a term of appointment is to be recommended, that term must be much longer than seven years. When Senator Nichol of British Columbia retired from the Senate last year he recommended that appointments to the Senate be made for a term of so many years, at the end of which the title of senator would be held until death.

**Senator Walker:** May I ask the honourable senator a question? I have enjoyed his speech thoroughly, but does he agree with the Prime Minister's idea of appointing a senator for seven years at the end of which time, providing his or her conduct has been satisfactory, he would re-appoint that senator for a further period of seven years? Does that not smack of making that individual be a good boy, and follow the government? In other words, it takes away the independence of the senator, does it not?

**Senator Bonnell:** I thank the honourable senator for his question. Let me say that if one knows the Prime Minister will still be in office in seven years' time, one will be good in order to receive a re-appointment. However, the fact is that only twice in our history has a Prime Minister been in office 10 years after first taking that office. Consequently, I do not really believe that that would have any bearing on whether one was re-appointed. I should like to know, however, as would Senator Walker, whom one has to please in order to get that re-appointment.

**Senator Walker:** That is right. Whom do you have to toady to?

**Senator Bonnell:** Is it the Leader of the Opposition in the event that he is the Prime Minister in seven years time?

**Senator Walker:** A very good point.

**Senator Bonnell:** Do you have to toady to the Leader of the Government, or the Deputy Leader, who might be the Prime Minister when the seven years are up?

**Senator Walker:** Exactly.

**Senator Bonnell:** To repeat, the term of appointment should certainly be longer than seven years. If not, it might interfere with getting the best people to accept appointment to this chamber.

I believe that Senate reform is necessary; I believe that some conflict of interest legislation could be brought in; and I believe honourable senators on the Opposition side need some younger support.

**Senator Walker:** Hear, hear.

**Senator Bonnell:** The ranks on the Opposition side are getting smaller and smaller all the time. The Prime Minister has suggested that if any Conservative senator wishes to retire he would be replaced by another Conservative, and if a Conservative senator dies he, too, probably would be replaced with another Conservative.

Honourable senators, I hope that as the next four years of stable government go on we will see some new faces in the ranks of the Opposition in the Senate, and that those who are here now will continue to provide the guidance and leadership they have provided in the past. I hope Senator O'Leary does not retire. He has certainly added a lot of wisdom to the debates that have taken place in this chamber during his years here.

**Hon. Senators:** Hear, hear.

On moton of Senator Hicks, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, October 10, 1974

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

Prayers.

## WEST COAST GRAIN HANDLING OPERATIONS BILL, 1974

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-12, to provide for the resumption of grain handling operations on the west coast of Canada.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Hon. Raymond Perrault:** Honourable senators, if this measure which is now before us is disposed of before the time which has been established for royal assent, it would be the intention to proceed with Order No. 1, and then, time permitting, Order No. 6, the debate on the motion for an Address in reply to the Speech from the Throne. But at this time, with leave of the Senate, and notwithstanding rule 44(1)(f), I move, seconded by the Honourable Senator Langlois, that the bill be read the second time now.

**The Hon. the Speaker:** With leave of the Senate, notwithstanding rule 44(1)(f), it is moved by the Honourable Senator Perrault, seconded by the Honourable Senator Langlois, that this bill be now read a second time.

Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Jacques Flynn:** Honourable senators, the question now before the house is whether leave should be granted to proceed now. That is the first point. I have no objection. My reasons will be made evident during the course of the debate, and for that reason I do not think there is much point in explaining them now.

As a rule, honourable senators, when we give leave to proceed with a bill which has just been received from the House of Commons, it is put on the Orders of the Day for second reading, "later this day." Now my reservation is due to the fact that I do not want this day to be counted as one day in the eight allotted to the debate on the motion for an Address in reply to the Speech from the Throne. I therefore suggest that leave be granted to proceed with second reading of this bill later this day.

**Senator Perrault:** We have no objection to the proposal put forward by the Leader of the Opposition.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill placed on Orders of the Day for second reading later this day.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

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, 1973, pursuant to section 17 and 18(2) of the *Currency and Exchange Act*, Chapter C-39, R.S.C., 1970.

Public Accounts of Canada, Volume II, for the fiscal year ended March 31, 1974, pursuant to section 55(1) of the *Financial Administration Act*, Chapter F-10, R.S.C., 1970.

Statement of all bonds registered at the office of the Registrar General of Canada for the period February 27, 1974 to September 30, 1974, pursuant to section 32 of the *Public Officers Act*, Chapter P-30, R.S.C., 1970.

Report on operations under the *Regional Development Incentives Act* for the month of July 1974, pursuant to section 16 of the said Act, Chapter R-3, R.S.C., 1970.

## STANDING COMMITTEES

FIRST REPORT OF COMMITTEE OF SELECTION PRESENTED

**Senator Petten** presented the first report of the Committee of Selection:

The Committee of Selection, appointed to nominate senators to serve on the several standing committees for the present session, makes its first report as follows—

**Hon. Senators:** Dispense.

(*For text of report see appendix pp. 96-97*)

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

**Senator Petten** moved that the report be placed on the Orders of the Day for consideration at the next sitting of the Senate.

Motion agreed to.

## FEDERAL GOVERNMENT BUILDINGS

LANGEVIN BLOCK AND JUSTICE BUILDING—QUESTIONS

**Senator Forsey:** Honourable senators, I would like to ask the Leader of the Government a couple of questions, of which I should have given him notice, but perhaps he will be kind enough to take this as notice and let us have the answers later, if he cannot produce them off the top of his head at this moment.

1. What is being done to the Langevin Block; why; and what is the estimated cost?

2. What is being done to the Justice Building; why; and what is the estimated cost?

I am very curious to know what is going on and why it is going on. Maybe there are valid reasons for it, but I am a little afraid that we may be getting a lot more potted palms instead of partitions, and that sort of thing, and I wonder if that is a valid expenditure of public money.

**Senator Perrault:** As the honourable senator is aware, these are rather complicated questions, so I will take them as notice.

## SUPREME COURT ACT

BILL TO AMEND—SECOND READING—ORDER STANDS UNTIL LATER THIS DAY

On the Order:

Second reading of the Bill S-2, intituled: "An Act to amend the Supreme Court Act and to make related amendments to the Federal Court Act".—(*Honourable Senator Perrault, P.C.*).

**Senator Perrault:** Honourable senators, I would ask that this order stand until later this day.

Order stands.

## WEST COAST GRAIN HANDLING OPERATIONS BILL, 1974

SECOND READING

**Hon. Raymond J. Perrault** moved the second reading of Bill C-12, to provide for the resumption of grain handling operations on the west coast of Canada.

He said: As honourable senators are well aware, the bill before us, Bill C-12, intituled the West Coast Grain Handling Operations Act, 1974, provides for the resumption of all grain handling operations on the west coast of Canada. The history of the problem precipitating this legislation is a long one; indeed, one that goes back many years and one which reflects a generally unsatisfactory labour-management relationship in this area of western Canada. However, before going into the specifics of the bill, I will mention the parties involved. These are the Alberta Wheat Pool, Pacific Elevators Limited, Burrard Terminals Limited, United Grain Growers Limited, the Saskatchewan Wheat Pool, and the Grain Workers Union, Local 333, Canadian Labour Congress.

● (1410)

The five existing collective agreements, which cover somewhat more than 500 grain elevator employees, expired on November 30 of last year. Honourable senators will see that the employees have thus seen no improvement in their terms of employment for a period of 10 months. In the first instance the parties were unable to agree on a new collective agreement, despite the time and efforts spent on assisting them by two federal conciliation officers.

Honourable senators are aware, I know, that the Minister of Labour subsequently appointed Dr. Neil Perry as conciliation commissioner. While the union accepted Dr. Perry's impartial report, the companies continued to reject it. The net result was that there was no chance of further negotiation taking place. Both the Minister of Labour and the minister responsible for the Wheat Board met personally with company representatives, who informed them that they could foresee the distinct possibility of a work stoppage. Those gentlemen expressed concern over what they termed the inflationary consequences of Dr. Perry's report.

Understandably the government took the view that a work stoppage was not only unnecessary, due to the existence of an acceptable alternative—Dr. Perry's impartial report—but would be most detrimental to the national interest. I think honourable senators would agree that a continued stoppage of that kind could benefit this country in no sense.

Consequently, and because at that time Parliament was in dissolution for the general election, the Governor in Council, having decided that any work stoppage would adversely affect the national interest, made an order pursuant to section 181 of the Canada Labour Code—that is, part V, Industrial Relations—to suspend any work stoppage until the election was over. That course of action, taken in May, obviated the prospect of a work stoppage which, for all practical purposes, could have lasted for three months before Parliament could be reassembled to take any necessary action.

Notwithstanding the circumstances existing between the two parties, the two cabinet ministers directly involved in this dispute situation held a number of further meetings in additional attempts to bring about a resolution. Indeed, I may inform honourable senators that I myself talked personally with both the trade union representatives and those on the management side on more than one occasion, and I quickly came to the conclusion that there was simply an utter deadlock that did not lend itself to any kind of easy or immediate solution. All efforts by cabinet ministers and others were unsuccessful, all official and unofficial efforts to end this unfortunate stoppage were unavailing, and the grain elevator companies posted layoff notices affecting approximately one-half of their work force effective August 23 and 26. Shortly thereafter the unions withdrew their services and they mounted picket operations.

With regard to the report of the conciliation commissioner, Dr. Perry recommended increases of 87 cents an hour in the first year and 65 cents an hour in the second year of a two-year agreement, with cost-of-living adjustments, a new pension plan and other benefits. The current base rate is $4.96 an hour.

The government accepted the recommendation contained in Dr. Perry's report on the strong foundation that in the appointment of any outside adjudicator in a labour-management dispute, the government will always accept its credibility and reasonableness with regard to the specific matters with which it has concerned itself. Certainly, it is most unreasonable to suggest that such acceptance on the part of the government indicates anything less than straightforward and unbiased action. Similarly, surely it is unwarranted to suggest that acceptance by the government of this report constitutes an undermining of the collective bargaining process, a process which this government has always been at pains to observe as a fundamental democratic right.

**Senator Flynn:** It is quite obvious it is at pains.

**Senator Perrault:** In the same vein, it is to be expected that in these days no union is likely to agree to less than the recommendations of a conciliation report. Equally, no democratic government could conceive of imposing terms of settlement less than those which have been suggested by a skilled, neutral and highly respected expert in the field.

**Senator Flynn:** It could always remain silent.

**Senator Perrault:** As all honourable senators are aware, in this case there was no true bargaining between the grain companies and the union since the Perry report was released. This was not because the government accepted the report as a basis of settlement, but because the union accepted it and the companies rejected it. Such were the attitudes that the many real efforts to get the parties back to the bargaining table were unsuccessful.

I assure honourable senators that the government was in no way partisan in its acceptance of the Perry report. It simply recognized that any eventual settlement had to be based on the Commissioner's recommendations. If I may recall the terms of the Perry report, it called for a two-year total wage increase of $1.52 an hour on a base hourly rate of $4.96, which would constitute an overall increase of slightly more than 30 per cent. The companies, by incorporating estimates of the additional cost of a proposed cost-of-living adjustment and a pension plan, have claimed that a package settlement based on the Perry report would raise their labour costs by a total of 61 per cent. This figure is approximately 7 per cent higher than that reached by the consultants and experts in the Department of Labour.

**Senator Flynn:** You would say 54 per cent, then.

**Senator Perrault:** We do know that the wage component of the Perry proposals average fractionally above 15 per cent per year, exclusive of the cost-of-living adjustment. This 15 per cent is by no means out of line with other recent wage increases on the west coast, and in this case would leave the grain handlers still 25 cents behind the $6.08 an hour which the stevedores have been receiving for the past 18 months—and I am referring here to the wage increase recommended by Dr. Perry for 1974, which would raise the grain handlers' basic hourly rate to $5.83. One can logically assume that by the time the grain handlers receive the proposed 1975 increase of a further 65 cents, the longshoremen will themselves have negotiated a new contract. Regardless, it seems to me quite difficult to understand—indeed, I am quite unable to accept the criticism—that it is inflationary to bring 500 grain handlers to the level of 3,600 longshoremen, or indeed a little short of that level.

As honourable senators are no doubt aware, the Minister of Labour has announced his intention to appoint an Industrial Inquiry Commission which will carry out a much needed examination of the grain handling industry's labour relations. As was indicated earlier, the industrial relationship within this industry can be categorized as anything but harmonious and productive. Indeed, it is nothing but a history of recurring disputes and confrontations.



• (1420)

Honourable senators will also be well aware that the legislative proposal now before us is one of great urgency, having regard to both national and international interests. With your permission, therefore, I will now refer to the proposed legislation itself.

First, all grain handling operations will be resumed. All employees will return to work. This return to work is not to be impeded or prevented in any way, and no disciplinary action is to be taken against any employee by reason of his having been locked out or on strike.

Secondly, the term of each collective agreement is extended to include the period beginning December 1, 1973, and ending when a new agreement comes into effect or on November 30, 1975, whichever is the earlier.

Thirdly, the terms and conditions of each existing agreement are amended by increasing the hourly basic rate of wages by 87 cents an hour, effective December 1, 1973, and by incorporating the other recommendations contained in the report of the conciliation commissioner.

Fourthly, strikes and lockouts are prohibited during the term of the extended agreements.

Fifthly, companies and unions shall resume negotiations and make every reasonable effort to agree on the manner in which the conciliation commissioner's recommendations are to be incorporated as amendments to the extended agreements. In the event that the parties cannot agree on the interpretation of the commissioner's recommendations, a referee may be appointed, whose decision would be final and binding.

Honourable senators, I would hope that after the extensive public consideration which has been given to the merits of the arguments on both sides over an extended period of many months, and after the long debate in the other place, and in view of the urgency of the situation, speedy passage can be given to this proposal in this chamber today.

**Hon. Jacques Flynn:** Honourable senators, we have given leave to proceed today with the second reading of this bill, although it reached us only a few minutes ago, for reasons with which I will shortly acquaint you.

From the very full explanation given of this bill by the Leader of the Government, it is quite obvious that this is a special case. Though it is against my own convictions that we should deal quickly with any measure or piece of legislation, as we are called upon to do today, this case is an exception, but not one which should create a precedent and be held against us on future occasions.

Quite obviously this measure has been delayed too much by the government, and I think it is our duty in this place to deal with it as quickly as it is the wish generally of members here. The official Opposition will not delay the passage on second reading or third reading, and if it is the wish of the house generally to deal with it today, to have royal assent tonight, we have no objection as a group. It is, of course, up to any member of the Senate to object to that if he does not share this view.

Honourable senators, this west coast grain handlers' strike is going to cost us dearly as a nation. We are one of the world's largest producers of grain. Grain is one of the pillars of our economy. We produce it in vast quantities

and sell it at a good profit. That is part of what helps make us the prosperous nation we are. But what must a strike like this do to our reputation as a reliable supplier? How long would any of us deal with a firm that does not honour its contracts, a firm that cannot deliver on time? These questions are, of course, rhetorical. The answers are obvious. Too much of this nonsense and we are going to find ourselves without customers, and, if it is not there already, that will surely bring our economy to the brink of collapse.

But how did this come to be our problem? Why are we as parliamentarians today being asked to pass a special law to end a labour dispute? The answer is simple and obvious: We are placed in this position because of this government's incredible ineptitude. This government has had months and months in which to solve this problem, but it has failed completely to do so.

The grain handlers' contract with the employers came to an end last December 1, but—and now we come to the reason why it is difficult to have much sympathy with either party in the dispute, or even with the third party, the government—it appears that the main parties to the dispute met only three times in direct negotiation before the expiration of the contract on December 1, 1973. How can anybody seriously expect to reach an agreement on a new contract in only three sittings? They met again twice last December, on the 10th and 11th, but still could not reach agreement. When the employers saw that, they broke off negotiations and asked the government to provide a conciliator according to section 163 of the Labour Code. After five meetings the employers threw in the towel.

I really cannot understand that kind of behaviour. Knowing what a mess government usually makes when it intervenes in labour disputes, and knowing that the union was still prepared to negotiate, the employers should have persisted. Free collective bargaining between rational men of good will has to be superior to allowing ham-handed governments to interfere. But free collective bargaining was not given a fair chance.

So the government is called in and it appoints two conciliation officers. These meet with the parties in dispute seven times in January and February, and on February 11 they report that there is just no way they can arrange a settlement. Here again it seems to me that the parties might usefully have been forced to come together more often than seven times between December 19 and February 11. There is a lack of seriousness here, a lack of good faith—unless there is some unknown reason or explanation. However, instead of sending the parties back to the bargaining table, the government, on February 15, appoints a conciliation commissioner, Dr. Neil Perry. The commissioner takes two months to study the problem and then, at the end of April, reports to the government. And now we come to something quite significant: Dr. Perry made it very clear in a covering letter to the government that his report was not to be considered the only fair and equitable solution to the problem. He told the government that this report was an agglomeration of suggestions that might be used as a basis for renewed negotiations. The union accepted Dr. Perry's suggestions. They felt they provided a useful basis for renewed collective bargaining. The employers did not. So there was never any collective bargaining on the basis of the Perry report. The parties never met to discuss it, because the employers would have none of it.

● (1430)

Why did not the government simply force the parties to go back to the bargaining table? They could not agree even with the help of the conciliation officers. Now the employers would not hear of the Perry report. Why did not the government just send them back and say, "You work this out on your own. We have done all we can to help"? Instead of doing that, the government heard each of the parties separately—on May 21 for the employers, and on May 23 for the employees. On the evening of the 23rd the government announced that if the parties to the dispute could not reach a solution to their problems alone, the government would force them to agree to a settlement on the terms laid out in the Perry report.

These suggestions by Dr. Perry, I repeat, were never intended to be the terms of an agreement. They were meant to be bases for negotiations. Even Dr. Perry admits that. It was grossly unfair and heavy-handed of the government, and entirely improper, to threaten to impose these terms. The government was, as it were, menacing to write the new collective agreement for the parties. That was pushing authoritarian paternalism too far. Naturally, when the government threatened that if the parties could not agree on their own it would impose the Perry report, it was not to be expected that there would be further negotiation. Why should the unions now want to negotiate? They liked Dr. Perry's suggestions; they considered them a good basis for negotiation. That means they would have been willing to discuss the Perry recommendations, to give and take, and to make compromises on the basis of those recommendations; but now the government was telling them, "You will not even have to compromise; if you cannot agree with the employers, we will give you everything Dr. Perry sets down in his suggestions."

What Dr. Perry wanted to be considered a basis for give and take the government was going to write up as the contract. The government would dictate in detail the terms of the new agreement between employer and employee. That was really the blunder. That was the error. That is why we are faced today with having to force an end to a strike. Government ineptitude and heavy-handedness results in our being asked to help the government out of its difficulties. We are being asked to share the responsibility for the government's using coercion to end the strike. Because the nation will suffer if the strike persists, Parliament has no choice.

I think the whole system should be revamped. I suggested a long time ago that this be done. In essential services that come under the federal jurisdiction, in order to avoid strikes we should do two things. One, we should make sure that serious collective bargaining is carried on throughout the duration of a contract. It is nonsense to leave the matter of the new contract to the last few days before the expiration of the old one. Two, we should make it very clear that in the area of essential services no strikes will be permitted. If employer and employee cannot reach agreement as a result of collective bargain-

ing, then the last step should be binding or compulsory arbitration.

It will behoove us to determine beforehand which are and which are not essential services; but this can be done without too much difficulty. Only in this way can we ever hope to avoid a repetition of the mess which now confronts us.

If we make it clear to those who provide essential services that the weapons of strike and lockout will no longer be available to them, rationality will prevail and, rather than let their disputes go to binding arbitration, they will solve their differences in free collective bargaining. It is the responsibility of this government to change the procedure, and if we refuse to support it in this use of force it may be prodded into doing something practical about avoiding problems in future, rather than allowing them to decay to the point where the force being used today becomes necessary.

As far as this bill is concerned, as I have said before, Parliament has obviously no choice. Can you imagine Parliament defeating this bill, and can you imagine the results of this bill being defeated in Parliament? It is impossible. We have no choice but to let it go, with objection on division, to express our dissatisfaction with that kind of legislation. It is ad hoc legislation. It is temporary legislation. It is local legislation. For these reasons we, on this side, have agreed to proceed with this legislation without the normal delay provided by our rules, and that is the only reason. Ordinarily we would have objected to proceeding with it today. This should not be taken as agreement with the principle of that kind of legislation or this kind of procedure for dealing with its adoption.

I am really upset by having to let that kind of legislation pass, but again I have no choice. Government has in this case acted, before Parliament was seized with this legislation, as final arbitrator. I was looking at Senator Goldenberg, who has some experience in these fields, and I am sure he would feel quite safe if he knew in advance, when he had to arbitrate, that the government would in the end, as has been suggested by Senator Perrault, tell him, "You are entirely right, because you, Senator Goldenberg, have had a lot of experience." That is what Senator Perrault has been telling us: How could the government do anything but approve the Perry report, because Mr. Perry was an able and just and experienced arbitrator? But I am quite sure Senator Goldenberg would feel quite at ease as arbitrator if he knew in advance that his recommendations, whatever they would be, would receive the sanction of the government, once they were published. It is a dangerous—

**Senator Buckwold:** They usually accept his recommendations.

**Senator Flynn:** Sometimes. It is not up to the government in this case, in fact, to accept the Perry recommendations, or to accept the arbitrator's recommendations. It is up to the parties involved, both the employers and the employees. But the government did not wait in this case for the employers to agree or to discuss it. They said, "You have to agree, or else." That is the dangerous precedent involved in this kind of legislation. I hope it will not come back to haunt us.

[Senator Flynn.]

We will let this bill go, but on division, and with distaste.

**Senator Manning:** Honourable senators, may I put a question to the government leader? To save time, he may like to answer it in his closing remarks. That might be a suitable way to take care of it.

Clause 4 of this bill provides that the agreement it extends will continue in effect until November 30, 1975, unless some interim agreement is arrived at by negotiation. My question is this: can the leader tell us if consideration was given to a date later than November 30 being provided in the bill? I ask this having in mind that the harvesting of western grain crops, especially in an unfavourable fall, often extends to the end of October. To move the grain from the farms through the elevator system to the terminals of the west coast for overseas shipment requires more than a month—in fact it is difficult to do it even in two months under the best of circumstances—so it seems to me that it would have been much better if a date at the end of December had been selected rather than a date in November. I see a danger here, if future difficulties should arise, of having a further disruption right in the critical period when the fall crop is being moved to the west coast for overseas shipment. So I can sum up my question simply: was consideration given to a later date, and, if so, why was a later date not accepted?

● (1440)

**Senator Perrault:** I appreciate the honourable senator's concern about this measure, and I want to assure him that consideration may well have been given to other termination dates. Honourable senators can feel sure that the proposal contained in this bill incorporates the government's best thinking on the subject in consultation with those affected by the measure we have before us. However, I shall be pleased to make known to the appropriate sources in the government the concern that Senator Manning has expressed, and to make known his belief that perhaps consideration should be given to another date. I can assure Senator Manning, however, that the proposed legislation was very carefully considered by those concerned with its preparation.

**Senator Flynn:** But perhaps that does not apply to this point.

**Senator Goldenberg:** Honourable senators, may I suggest an answer to Senator Manning's question? Although I cannot say that this is specifically the case, it seems, from reading the bill, that the government is trying to enact a collective agreement for two years. Apparently that was the term of the agreement the parties were originally negotiating, and so the government did not wish to enact legislation beyond that period. I think that accounts for the date being given as November 30, 1975.

**Senator Manning:** May I add a further comment? I agree with what Senator Goldenberg has said, that this is simply extending the period from the November 30 date in the agreement by another year. But, frankly, that is the point of concern with me, because—and I don't say this as a criticism—the unions, in arriving at these negotiated agreements, like to have termination dates which come at the most opportune time for them to bring pressure to bear

to get better terms in a new agreement. For that reason they like a date that falls in the height of the shipping season when it becomes almost a matter of national emergency to have these matters settled.

It seems to me that if the government is going to intervene on the grounds of the public interest, then it should be consistent and consider the public interest right through, which is a different matter from just selecting a date which is most advantageous to the union to get a settlement at the time that the present one expires.

**Senator Perrault:** I shall endeavour, honourable senators, to obtain further information with respect to this particular clause prior to the conclusion of the debate. I say this because honourable senators are entitled to as full an understanding of this measure as possible.

**Hon. A. Hamilton McDonald:** Honourable senators, as this is the first opportunity I have had to rise to my feet during this session, I want to take one moment to congratulate those people who have made some changes in the place in which they sit in our chamber. You, Madam Speaker, are the new Speaker of this chamber and I know from your actions so far that you are going to make an excellent Speaker. The day you appeared in this chamber in your gown I said to some one that the gown was made for you—or that you were made for the gown—I am not sure which, but I am sure that you were never prettier. I further want to congratulate you on your carrying out of your duties so far, and I want to say to you that it is my belief that every member of this chamber has complete confidence in you and wishes you well in your activities.

**Hon. Senators:** Hear, hear.

**Senator McDonald:** To those people who have been promoted or demoted, as the case may be, all I can say is: my congratulations and my condolences, respectively.

**Senator Argue:** Which way round?

**Senator McDonald:** You can accept either one as the case may be. I say sincerely that it is a pleasure to see Senator Flynn back in his regular positon with Senator Grosart as his new seatmate. We are all aware of Senator Grosart's ability, as we are aware that Senator Choquette served in that position for many years and I am sure he is gratified to see his job being taken by a younger man.

**Senator Grosart:** Oh, oh.

**Senator McDonald:** Well, I think you are a little younger.

**Senator Grosart:** You would not say that if he were here.

**Senator McDonald:** Well, he is not here and you are, so it is perfectly all right.

To Senator Perrault I simply say I am sure he is going to make a good leader. Again judging from the few days that we have been here, he has set an excellent example, and I wish him well in his endeavours to improve the operation of the Senate. This has been an on-going activity, as far as I can make out, for many years, but it is always a pleasure to see someone come in who wants to continue to bring about reform and make this chamber more active so that it may play a more vigorous role in the public life of our nation.

Honourable senators, we are in the process of doing something here today that I dislike very, very much. I have grave concern over what is happening to labour negotiations, and the ever-increasing cost of certain types of labour. I have grave concern because of the disruption that is brought about, not only internally but externally as well.

Canada, throughout her history, has had a pretty good reputation for keeping her word, but in recent months, and even years, we have been losing that reputation. We are losing it in some cases because of strikes or lockouts, and in other cases because of activities that go on beyond our borders but which affect us in such a way that we are not able to keep our word to the degree that I should like to see us do so.

Long-term grain contracts are not new, but there are far more of them in existence today than there were five or ten years ago, or during any other period in our history. I believe that the future of grain marketing will more and more fall into the long-term contract type. If we are unable to deliver our product on time, and when the consuming nations want it, some of the markets we have enjoyed in the past will be lost to us. Who is going to accept the responsibility for that? Well, I am sure the labour unions will not accept it; I am equally sure that the grain handling companies will not accept it; and I have every doubt in the world that the Government of Canada will accept the responsibility.

● (1450)

I sometimes wonder if the system of collective bargaining available today is really suitable to the society in which we live. Collective bargaining has changed a great deal during my lifetime, and I think it is now time for it to change a great deal more. If one looks at the man hours lost by either lockouts or strikes in this nation this year, I suggest to you one must recognize that there is no nation on earth that can afford these losses and survive as a great nation. Sure, we hear of all the labour-management disputes that are settled—and there are many of them—but when we get into a position where we are losing almost two million working days a year, can we afford that? Having regard to the progress that we have made in virtually every other area, surely we can find some other method of settling disputes between management and labour. If I have a dispute with the honourable Leader of the Opposition and we are unable to solve our differences, what happens? We can go to court, and the court solves them for us. We may go before a judge; we may even go before a judge and jury, but the matter is settled. I suggest that some method must be found to settle the differences between labour and management other than the system we are using today. I do not know the answer but, surely to goodness, with progress in virtually every area of the society in which we live, we can find a better system than one which allows a loss of productivity, which is one of the causes of inflation.

I listened with a great deal of interest to the Leader of the Opposition in his criticism of this bill, and, in general, I agree with him. Under collective bargaining, or what is known as collective bargaining today, when the two sides say "Well, we are not going to negotiate," which is almost what was said in this case, in my opinion it is very unwise

for any government to say, "Well, if you are not going to negotiate, we will settle it for you under the terms of some report." If the government meant what they said at that time, then that was the time to have settled the strike—not now.

In my opinion, it was wrong for the Prime Minister, the Minister of Labour and the Minister of Justice to have opened their mouths, because this really meant the end of any possibility of collective bargaining. The employees and the grain handling companies were not very far apart, if the information I have been given is correct—and I have no reason to doubt it. I understand that the companies were prepared to give a 47 per cent increase over two years, and the Perry report called for a 54 per cent increase. Now, 47 per cent and 54 per cent are not very far apart. No one can convince me that that 47 per cent and 54 per cent are so far apart that there was no chance of a little bit of give and take in order to arrive at a settlement. This could never happen, however, when the government was on record as having told the workers, and also the people of Canada, that this dispute would be settled on the basis of the Perry report. Who is going to negotiate after such a statement? I repeat that if it were the intention to take that stand at that time, then Parliament should have been brought into session months ago to settle the matter, not now.

As I understand it, this settlement will give the grain handlers approximately $6.50 an hour. What is the minimum wage in our country? It is $2.25 an hour. Why should one man, who happens to be handling some grain at Vancouver, get $6.50 an hour, while someone else, doing an equally difficult job and requiring as much sleep and as much to eat as the grain handler, gets only $2.25 an hour?

**Senator van Roggen:** There are not very many getting only $2.25 an hour.

**Senator McDonald:** There are not many getting $2.25 an hour? I suggest to you that there are many, many, many thousands more getting only $2.25 an hour than are getting $6.50 an hour.

**Senator Goldenberg:** Do you think that is right?

**Senator McDonald:** No, I do not. That is what I am complaining about.

**Senator Goldenberg:** I mean, do you think it is right to say that many, many, many thousands more are earning only $2.25 an hour?

**Senator McDonald:** No; I am saying it is wrong that so many get only $2.25 an hour when it is proposed to pay others $6.50 an hour. It seems to me that there is no relationship, and we are not going to solve that problem by this bill. I suggest that this is one of the great problems facing not only this country but the world today. I suggest that the amount of energy expended by the grain handler working on the west coast is much less than that expended by many of those who are earning only $2.25 an hour, and that this is not a just society. I am complaining about the fact that some people have to do manual labour for $2.25 an hour while others get $6.50 an hour. It is even worse when the majority of workers are down at the $2.25 level and the few are up at the $6.50 level. Why is this? It is simply because some workers are fortunate enough to belong to very strong, powerful labour unions, or they perform a service without which we cannot get along. This puts them in a very powerful position.



• (1500)

My point is that the average worker should get far more money than he gets today, and perhaps some of those at the top should get a little less. It seems rather strange that we should be called upon to increase the take-home pay of those people employed at one end of the grain handling business. If we are going to pay grain workers on the west coast $6.50 an hour, what should we pay grain handlers who work on the Prairies? They are not getting $6.50 an hour. They are getting about $350 a month, but they are not unionized. Where is the fairness in that?

How is it that we give an increase to grain handlers on the west coast, and at the same time lower the initial payment for wheat to farmers by $1.50 a bushel? What do we say about that? Why do we give an increase to grain handlers on the west coast and tell the farmers who produce the barley that there will be a decrease of 60 cents a bushel in the initial payment for his deliveries at the grain elevator?

Honourable senators, let us be fair. We in this country live in one of the most unfair societies of the world. I am not criticizing the bill. I am criticizing a system that is unfair, and one that should be modernized and brought into the 1970s to meet the conditions and needs that prevail today. At this point in time, we have no option but to pass the bill. It must be passed, and the sooner the better, so perhaps I have said enough.

**Hon. Hazen Argue:** Honourable senators, my contribution to the debate will be brief. Before speaking on this legislation, and since this is the first time I have been on my feet this session, I would like to congratulate Madam Speaker on assuming that position in this chamber. I had the honour for some time to be seated close to her, and I appreciated very much her warm personality and intelligence, and the kind remarks she made to me from time to time. I am certain she will occupy the Chair with fairness, distinction and charm, and in such a manner as to command the respect and admiration of her colleagues in this chamber.

**Hon. Senators:** Hear, hear.

**Senator Argue:** I did not have any particular personal reaction to the appointment of Senator Perrault as the Leader of the Government in the Senate, because while I have known him for some years I have known him in only a very casual manner. I have heard him speak from time to time in the past, when he was on the same platform as the late Premier of Saskatchewan, the Honourable Ross Thatcher. I admired him then, as I do now, for his speaking ability, and for the argument that he made on the subject he was discussing.

I have not had long to see Senator Perrault in action in this chamber or, more privately, in caucus, but I say to him with great sincerity that I am impressed and pleased with the general attitude he has taken, and is taking. It seems to me that there is being breathed into the Liberal Party in the Senate a bit of democracy which I think we can stand—

**Hon. Senators:** Hear, hear.

**Senator Argue:** —and make use of. I think it will show itself in this chamber in the months ahead.

**Senator Grosart:** Come on over.

**Senator Argue:** I believe there will be Senate reform in the best manner possible, resulting in a more active Senate, and more active senators doing a good job in this house. If we are all on the ball, the accomplishments of members of the other place may not compare with what we may be able to do here.

I want also to congratulate Senator Grosart, the Deputy Leader of the Opposition, on his appointment. He has shown over the years a very wide knowledge of many subjects. He brings great devotion and industry to his position—devotion and industry that the Conservative Party has benefited from for many years. His words are always worth listening to.

**Hon. Senators:** Hear, hear.

**Senator Argue:** I could go on naming others, but I shall refrain from doing so. However, I do want to congratulate Senator "Hammie" McDonald on the speech he has just made. I congratulate him also on what is obvious to all of us—his return to good health. The day of miracles is not over. Senator McDonald was quite ill some months ago, and I am tremendously pleased to see him in such excellent health and form in the Senate this afternoon.

**Hon. Senators:** Hear, hear.

**Senator Argue:** I am sure that, following my usual pattern, my remarks will not be particularly learned, nor will they provide any particular insight for honourable senators. However, having had the advantage, or disadvantage, of being on the Prairies for many weeks, operating my farm and doing the work of a farmer, I might be able to express the point of view of Prairie farmers, as I have assessed it, on this subject.

It is true that the grain companies have taken an adamant position on one point, and have continued in that position. They have refused to accept the Perry report. We now have before us this bill, which will undoubtedly become law in a very short time. In my view, the grain companies have good arguments for the position they have taken. I do not say that I agree with all of their arguments, but they have at least a moderately good case. Unfortunately, the leaders of organizations in all parts of Canada are very vocal and they receive great news coverage at home in their own areas, but they fail to bring their message to the place where it really counts—to Parliament.

● (1510)

There has been a great debate on the Prairies for some weeks now as to what to do about the grain handlers' strike. The grain companies, such as the United Grain Growers Limited, the Alberta Wheat Pool and the Saskatchewan Wheat Pool, canvassed their memberships as to whether they supported them in their stand on the Perry report. The reply from the membership showed that over 90 per cent were in support of the position taken by the grain companies—companies which they own and operate. That is the attitude of the farmers. To say that this is the stand taken by a few grain companies does not tell the whole story, because these are large co-operatives, owned by the farmers. I am a member of two of them, and I also haul some of my grain to one of the other companies.

The Saskatchewan Wheat Pool, as Saskatchewan senators will know and as Senator McNamara will know, probably has 800 local wheat pool committees each composed of 10 to 20 farmers. The committees meet regularly—perhaps once a month or every two months—and to some extent at least the management reflects the opinions coming from those wheat pool committees. Some may argue to the contrary, but there is no doubt in my mind that the farmers of the Prairies stand behind the adamant position taken by the grain companies. Rightly or wrongly, they are supporting their own companies, which they own on a cooperative basis and in whose operations they feel they have a voice.

The most common questions being posed by people, of course, are: Why did they take this position? Why did they not simply settle the dispute at a cost of only a cent a bushel? Why wouldn't they settle when markets are being lost because of the dispute?

The reason the farmers supported the grain companies in their stand, as I see it, is that they sincerely believe that it is a very inflationary settlement. Whether it is 61 per cent or 54 per cent, or some other figure, they believe it is inflationary. I made a point of going around and talking to a few of the leaders in this field, some of whom were not at the top, thinking I might get a freer discussion by talking with someone who was not the president but who nonetheless was in a position to know what was going on. The view expressed by those individuals was that the battle against inflation is so important that they were taking a stand against inflation, and by so doing were forcing the federal government to take the responsibility of enforcing this very large settlement.

**Senator Goldenberg:** Would the honourable senator permit a question?

**Senator Argue:** Yes.

**Senator Goldenberg:** I am not talking as an authority on this subject, but I have heard it said that the grain companies and the farmers were rather hoping that this strike would continue for some months because of prospective crop shortages, as a result of which they would be able to sell their wheat at a much higher price. I have no knowledge of that, but I have read it.

**Senator Argue:** That is completely false. One could say it is a lie. I would not suspect any farm group of taking that kind of Machiavellian attitude. I do not believe it is true at all. It seems now that there are adequate markets for more grain than we can produce and export, so one can say we will be able to sell as much grain in the next seven months as we could have in ten or twelve months. But as far as I am aware, that was not a factor at the time they made their decision, and I have not heard it put forward as such.

**Senator Goldenberg:** I simply mention it. As I said, I have read some reports to that effect.

**Senator Argue:** I understand. I am not objecting to the question you have put. It certainly has been said, and perhaps as things unfold this will, in fact, be the case. In other words, while it cost the companies and the farmers a

good deal of money, because of the peculiar circumstances which have arisen, they might very well have a windfall gain. However, I am sure that was not at all in their minds at the time they made their decision to oppose the Perry report. They did not know what the future would bring. Anyone who wants to play the commodity market or the stock market can prove to himself pretty quickly that he cannot guess the future. I do not really think they were trying to guess the future.

As Senator McDonald has pointed out, the people on the Prairies involved in this dispute have said, "Well, if we pay over $6 an hour on the west coast, then the people at home, our own employees, who outnumber the five or six hundred grain handlers by perhaps ten to one, will be wanting parity. They will take the position that since we are paying the grain handlers on the west coast the same as the stevedores are receiving, or close to it, we must now pay all of the people who work for the Saskatchewan Wheat Pool or United Grain Growers $6 an hour. If they establish that, the pattern for Saskatchewan will be set at $6 an hour. And while that may be the greatest measure of equality possible, and something we all desire, I am sure honourable senators will agree that the inflation it would bring about would pale the inflation we have been experiencing to date.

So, rightly or wrongly, the leadership of these organizations, in saying to the country, to the government, that it did not believe in an increase of this size, and in opposing it and leaving it to the government to bring about, was acting not only on behalf of their membership but as good Canadian citizens.

Having said that, I personally feel that the leaders of these organizations on the west coast, the people who have made it necessary to have this bill before us today, should be in Ottawa to present their respective cases. They should have requested to appear before the committee of the other place, or a committee of the Senate. Apparently, they have a great case out west. Both sides have great cases when one reads them in the Regina *Leader-Post*, the Calgary *Herald*, or the Winnipeg *Free Press*. But what do the people of Ontario, Quebec and the Maritimes know about their respective positions, whether they are sound or otherwise? For that matter, what do honourable senators, including myself, know about their respective cases? I am not as well informed as I would like to be. I do not know all the details. What do we really know about this situation? Yet, the leaders are out on the Prairies when they should be here.

Had this legislation been delayed a few days in order to hear what the companies and the union had to say, so that parliamentarians could be informed on their respective positions, I think the time would have been well spent. My regret as a member of one of the biggest, if not the biggest, organizations involved is that the leadership of that organization did not, if my information is correct, put forth a request to be heard so that they might put their position before Parliament. Not all Saskatchewan senators will agree with me in this respect, but I think Senator McDonald will probably agree with the statement I have just made.

In any event, in addition to the reasons I have already mentioned as to why these people on the Prairies felt that this settlement was inflationary and should be opposed, they have other reasons for being terrified at the current rate of inflation existing in this country. Every time they go to buy a gallon of gasoline or diesel fuel, or a few bags of fertilizer, they find spiralling costs. They do not say, as perhaps some of us might say, "Oh well, we can afford to pay that because the price of grain is away up." What they say instead is, "My God, the price of grain is high today, but we know it is not going to stay that way very long and when it gets back down, as it undoubtedly will, how are we going to be able to afford these huge increases in the costs of inputs in our farming operations?" In addition to that, they know that farming itself is a hazardous occupation, and that anything which adds to their cost must be resisted.

● (1520)

This year there were a number of crop disasters, with a number of disasters happening to the same crop. Secretary of State for Agriculture Butz in the United States said the other day that one of the reasons they had to stop a contract for the export of grain was that the American farmers had suffered a triple whammy. He said the spring was so wet that the seeding operation was delayed, which was a disaster. He then said that they had had the driest summer in 30 years, which was another disaster. He added that in the northern United States they had suffered severe frost damage, which was a third disaster to the crop.

On the prairies, at least where I come from, we had, added to these three, two more disasters. We had the greatest outbreak of grasshoppers since the 1930s. They devoured tens of thousands of acres of crop. This was a fourth disaster for us. Just a few days ago where I farm we had eight inches of snow dumped on us, and it is still in the fields. That is the fifth disaster. The weather has improved so that the swathers are mechanically able to cut the grain today, but they cannot be pulled through the fields because they are getting stuck in the snowbanks. This is in southern Saskatchewan. Those are some of the disasters from which farmers suffer from time to time. This is why they dig in their heels, and say that 54 per cent or 61 per cent over two years is just too much.

Another thing that has coloured some of the negotiations is the feeling among farm leaders that in many agriculture policy discussions they and the federal government are somewhat out of tune, to put it mildly, and the government is not agreeing on many things on which the farm organizations would like to see some agreement. I suggest there is a need for the government to regain the confidence of the farm leaders on the Prairies.

The agriculture policies that have been followed here in the last year and a half or two years have in many ways been outstanding and have accomplished a great deal. There have been improvements in transportation. Large contracts have been signed for the sale of grain. We are getting an incomes policy. We have an improved crop insurance policy. However, even in this good framework, there is not the feeling of mutual confidence and respect between farm organizations and the federal government that I would like to see.

During the last year or more there has been in Parliament a great debate about feed grains. Understandably,

[Senator Argue.]

farmers in eastern and central Canada have wanted lower prices for feed grains, so they have fought hard for removal of the marketing restrictions imposed by the Canadian Wheat Board. They have worked hard to make it possible for them to go out on the Prairies and buy one bushel or one million bushels of grain, and now they can do so. The Winnipeg Grain Exchange, which was closed to the marketing of most grains for a long time, is open and doing business, and it is just like the grain exchange of old. Prices are going away up sometimes, and away down at other times. If it has done nothing else, it has confused the farmers on the Prairies.

Today a farmer can bring in a bushel of low grade wheat that is frozen—instead of weighing 60 pounds it weighs 40 pounds and he can sell it on the open market for $3, $3.25 or $3.50, depending on the day's price. If he sells it to the Canadian Wheat Board under the policies that are established, he gets an initial price of about $1.75 and he does not know what more he will get later. He is back in the gambling business once more, whether he likes to be or not. Most of them do not like it, but this is the situation that applies to feed grains.

For those who may wonder what this has to do with the bill under discussion, I would relate it in this way. Farmers are interested in a measure of stability. They are willing to take lower prices in certain years if by so doing they can have some assurance of more reasonable prices in other years. The Canadian Wheat Board is still exporting our wheat. I have in my hand *The Western Producer* of October 3, which gives the prices of grains. It shows, for example, that the Wheat Board selling price of No. 1 Canadian Western Red Spring Wheat on September 26 this year was $5.20. Last year it was $5.65. Since September 26 the price has gone up, so the Wheat Board selling prices for wheat on the export market are about the same now as they were a year ago. In Winnipeg, however, in the futures market and the market for feed grains, we find oats on September 26 at $2.00¾ a bushel. A year ago the price was $1.44½ a bushel. On the same date barley was $2.78 a bushel, compared with $2.21 a bushel a year ago. Therefore, the stability inherent in the Wheat Board system of marketing grain and dealing, as I think it should be dealing, with the Canadian Livestock Feed Board, is basically gone. In my opinion this further uncertainty in the market influences farmers to support what their leaders have done, namely, prevent a settlement and force this legislation before Parliament.

**Senator McDonald:** May I ask a question? Is there any quota restriction on off-board sales?

**Senator Argue:** No. If the farmer brings in all the grain he can, there is no quota restriction. On the other hand, if he brings it in to sell it to the Canadian Wheat Board there is at present a quota restriction of three bushels per acre, as defined in his permit.

**Senator McDonald:** Has this resulted in a large percentage of the capacity of the country elevator system being filled with non-board products?

**Senator Argue:** In my own district it is a little too early to say, but it is bound to happen. I have a piece of land at Drinkwater, close to Regina—some of the best land in Saskatchewan. There was a very severe frost there, and as far as I know 98 per cent of the wheat in that area will be feed wheat. It can be brought in to the elevators, but the elevators will be plugged up, because there is no quota. We are tempted to sell at the higher so-called open market price. There are adverse effects which would seem unfair, namely, filling the system with feed wheat when a good portion of it should contain the higher grades of grain to enable us to continue fulfilling our contracts and obligations to our customers overseas.

I think the Senate might be able to play a useful role in helping to restore the confidence of western farmers in the parliamentary process, and helping to bring about more cordial relations between the farmers, their organizations and the federal government. Perhaps, in the days ahead, when this legislation has been the law of the land for some time, the Committee on Agriculture might hear some of these leaders in a quiet atmosphere. We might prove to be more effective than the person who was appointed to make the inquiry.

● (1530)

I don't think it is tooting my own horn, and I certainly don't want it to sound that way, but I do feel that the Senate as a whole has an improved standing today with the agricultural leaders in this country, owing to the work the Committee on Agriculture has been doing, and because of certain of its recommendations and certain of the responses made by the government to those recommendations.

I am sure that all senators want to see the agricultural producers on the Prairies receive good incomes, more stable incomes, and we all want to see the workers receive an adequate wage, but there are all kinds of facets to this question. It is my opinion that if we were to hear from some of these farm leaders, and the labour leaders also, we could play a useful role in making it more certain that we are not faced soon again with this kind of legislation.

**Senator Walker:** Nice work.

**Hon. Senators:** Hear, hear.

**Hon. Alister Grosart:** Honourable senators, I congratulate the Leader of the Government on his explanation of this bill. I received the impression from his remarks that he thought it would have rather easy passage through the Senate.

**Senator Perrault:** I know you better.

**Senator Grosart:** I knew my own leader would be making some remarks, and I, myself, had prepared some to support him in case he was not getting any support in the house. However, I was glad to hear the position taken by the Leader of the Opposition so thoroughly supported by Senator Argue and Senator McDonald. I hope the evidence of their new leanings, apparent toward the end of the last session and now in this session, will not tempt the Prime Minister to change his mind with respect to his announced decision that in due course, in certain circumstances, he will be appointing Conservative senators. On the other hand, I have already extended an invitation to Senator Neiman, Senator Argue and Senator McDonald; they are more than welcome to join us on this side when expressing the kind of views they have expressed. It is, of course, a healthy thing that from the government side we have those who are prepared to criticize government policy.

I was particularly impressed with the point made by Senator Argue that we are denying ourselves one of the main functions of the Senate at this time, namely, giving to those who are interested in a bill such as this the opportunity of appearing before a committee.

Again we are put in the position of having to react to a cry of urgency, although I don't know why. I don't know why there is any urgency, because four months ago the minister said, "There is no urgency in this at all." He made that quite clear when he refused to call Parliament. But we are told that it is urgent, and for that reason we are going to deny to the workers and the employers in this case the opportunity to come here before we vote on this bill—the opportunity to present their views in a quiet and relaxed atmosphere to the members of the Senate. They are not going to have that opportunity, and I regret it. I hope this situation will be kept in mind when the management of the Senate, the Leader of the Government and others, again face us with these alleged deadlines.

Many of the points that I had intended to bring to the attention of honourable senators have already been covered, but it seems to me we should recognize very clearly that this bill is before us now as a result of a series of unfortunate blunders made by government ministers. The record makes it very clear that the first and obvious blunder was the precipitate intervention by the minister in charge of the Wheat Board, who is also the Minister of Justice. As has been said here, it is apparent that he did not understand what the Perry report was all about.

Perhaps I may be allowed to read one sentence from the covering letter which Dr. Perry wrote when he submitted his report. He said:

> I am therefore submitting for your consideration some suggestions which hopefully might form a basis upon which the two parties could ultimately enter into a 2-year agreement—

The important words are "hopefully," "ultimately" and "a 2-year agreement." Yet, almost immediately, a minister of the Crown said, "We accept that. We don't recognize them as mere suggestions. We think this is an award." It has been suggested that the minister, not being the Minister of Labour and not perhaps having the necessary experience, was confused as to whether this was a conciliation report or an arbitration report. But it was not an award, and he stumbled into this unfortunate situation, this blunder number one which has been steamrollered into a whole series of other blunders.

Not only is it clear that Dr. Perry assumed that there would be ongoing discussions, but evidence has come to light—in fact, Senator Argue introduced some evidence here today—that there are other views, such as the views of the farmers, which have no input whatever in the Perry report. There is evidence now that the workers were prepared to make quite definite concessions. They were prepared—and they have said so to members of Parliament who went out west especially to investigate the situation—they were quite prepared to discuss work incentives, efficiency and productivity increases. But nothing was said about this in Dr. Perry's report. It has been said that it was not in the report because it would have been beyond the conciliation commissioner's terms of reference. Perhaps that is so, but that merely compounds the folly of the minister's intervention in this way.



Certainly, it is clear that the Perry report as such has never been discussed in Parliament, and yet Parliament is now asked to make a decision on it—not a decision as to whether the two sides should get together, not a decision as to whether there should not be a strike or a lockout; but a decision to write a management-labour contract. That is what we are actually being asked to do. That is quite clear from the information which has been given us by the Leader of the Government. It spells it out. We are clearly being asked to translate into binding arbitration the Perry report—the wage increases and all the other recommendations or suggestions in the Perry report.

I want to make it clear that I am not taking any sides in this dispute. There is the clearest evidence that the workers involved are entitled to substantial wage increases. They have not had any for ten months, or since their contract expired on November 30. That delay again is the fault of the government. The government's delay in this matter can be attributed to some extent to the intervention of the election, but there are other reasons as well. In any event, there is no question that, on any comparative examination of the salaries of the grain workers, they are entitled to at least a cost-of-living escalation.

● (1540)

There is also considerable evidence that at times the companies, or, if you like, the co-ops—the farmers or their representatives—were stubborn and perhaps intransigent. We have had an excellent explanation from Senator Argue as to why they took the stand they did. I have read considerably on this subject—for example, all the debates in the other place, many newspaper accounts, and some articles—but this is the first time I have heard the case for the farmers, the employers, in this situation, clearly put before myself as a member of Parliament.

It should be clear, and it no doubt is now, in the Senate that this is not just a position taken by the Conservative Party. One party which has an historic interest in labour matters, the New Democratic Party in the other place, takes very much the same stand as the Conservative Party has taken on this bill. Perhaps I can quote their spokesman for agricultural matters, Mr. Les Benjamin, M.P., who has said this:

> Nonetheless, there is a commonsense way for government to intervene and I do not think this course has been followed. In fact, I am compelled to say that the Minister of Labour—

He then makes a remark, which is not a very nice remark, about another minister, so I will omit it.

> —acted ineptly when they announced publicly that the government would legislate on the basis of the Perry report. What little experience I had on one side or the other of the bargaining table, when a third party appeared to assist, at no time did the third party make public statements which could be construed by either of the other parties, as taking sides.

Here, of course, is another explanation of the blunder, because no matter what the government may say, there is no question but that the government clearly intervened too early, too precipitately, in favour of the claims of one

side to this dispute, and it now has the nerve, if you like—and it is entitled to some nerve after the election—to ask us to follow their lead, and, without any discussion here, without this matter going to committee, without hearing the parties, to decide that the government was right at a time when it was so obviously wrong. Well, as we all know, blunders of this kind usually lead to others.

Blunder number one led very quickly to blunder number two. Blunder number one is the responsibility, we are told, of the minister in charge of the Wheat Board. He had effectively put an end to all collective bargaining. There was no question but that that was the immediate effect of his intervention at this time. There could be no more collective bargaining. On the one hand, as the Minister of Labour himself made clear, it would be almost impossible to expect the workers, the unions, to settle for anything less although, mind you, the suggestions in the report are not a true reflection of what the workers asked for. This is a point that seems to have been overlooked. The employers, on the other hand, were in an impossible position. They had no options. No one had any options except the government, and we know what the options of the government were.

Of course, at this time the crucial thing is that there was an election. An election had been called, and the minister in charge of the Wheat Board had put the Minister of Labour in an impossible spot. Collective bargaining had finished. Strikes and lockouts, because there are five contracts involved, were imminent, and something had to be done. The government took what was a sensible position and decided to sweep the whole thing under the rug for a few months. They invoked section 181 of the Canada Labour Code, and they were quite within their powers in doing it, of course; that is why we made the change in the Code a few years ago. The blunder here was that they said, "This prohibition of strikes and lockouts under the Canada Labour Code will carry on until eight days after the return of the election writ."

The assumption was that they had solved the problem, at least for the time being, but when the writ was returned the way was wide open again for strikes and lockouts. What did the government do? It did nothing, for a long time. In spite of the urgings of many people, the interested parties and others affected very definitely by the conditions that were arising, the government refused to call Parliament. Some of the excuses that have been given are incomprehensible to me, but they refused to call Parliament in spite of an urgent statement from the Chief Commissioner of the Canadian Wheat Board, Mr. Vogel. Mr. Vogel, of course, was greatly concerned about the tie-up of transportation and the movement of grain, and so he had sent this message to the government:

> Canada's grain transportation system has fallen down so badly that the country's reputation as a reliable supplier of grain to the world market is threatened—

When the situation became more catastrophic, when the strikes and lockouts were again imminent, he wrote the minister in charge of the Wheat Board, his own minister:

> Our Board urges every effort be made to effect a quick settlement of the impasse including if necessary the immediate recalling of Parliament—

Now, this was from the Chief Commissioner of the Wheat Board to his own minister. His minister did not act on that recommendation, and we now have the bill which was introduced in the other place on October 7, after an unconscionable delay with resulting strikes, lockouts, picketing, and so on. So the government has clearly allowed the situation to worsen day by day as far as the possibility of bringing the parties together and reconciling their differences is concerned.

At the same time, of course, the cost to the country has been enormous. It amounts to millions and millions of dollars. It is estimated, for example, that the cost to the farmers alone in demurrage in the port of Vancouver will be at least $10 million, possibly $15 million and even more.

As I indicated earlier, one blunder leads to another, and blunder number two led to blunder number three. One who will certainly be regarded as a friend of labour, Mr. Tommy Douglas, has summed it up this way:

> The government should either have kept out of the matter or called Parliament together and ended it, saving the farmers of western Canada the millions of dollars they have already lost in demurrage charges, and also enabling us to meet our commitments to our customers and get grain into the markets of the world.

The latter point, of course, was emphasized, and rightly so, by both Senator McDonald and Senator Argue.

I said that the minister gave some extraordinary explanations of his refusal to call Parliament. One was that this would make Parliament "a scapegoat." It was said that if Parliament was called, and Parliament was told to settle this matter by legislation, we would be a "scapegoat." Well, that is what we are, because that is exactly what we are doing here. I remember when the minister made that statement, I thought, "Scapegoat? Oh, yes." It brought me back to my Bible days. I recalled what a scapegoat was.

Interested senators will find it described in the book called *Leviticus*. To purge the nation of its sins, two goats were brought before the high priest. One was to be killed in sacrifice, but the other was treated rather differently. It became the scapegoat. The high priest laid his hands on the second goat—and I am now looking for the exact words in one of my two Bibles, which I shall explain in a moment. He laid his hands on the head of the scapegoat and "confessed over him all the iniquities and all the transgressions of the community in all their sins." And because I am always careful to check my Authorized Version's accounts and quotations with the Confraternity Douay version, I found that the reference is quite similar there except that, if I may transfer the reference from that goat to this goat, the Douay version is rather stronger. It says that we have accepted, as the goat would, "their sinful defilements and faults."

● (1550)

There is of course a very great difference now between that goat and us, because that goat escaped—that is why it was called the scapegoat, it escaped out to the wilderness—while we cannot escape; we are stuck here until 10 o'clock tonight. So, as I say, we are a scapegoat that cannot escape.

It was a silly thing for the minister to say that Parliament is the scapegoat, because that would mean that

Parliament was a scapegoat a year ago when we did the same thing, legislated a settlement of a labour dispute, and the same thing almost exactly a year before that when we settled another dispute. In fact there have been three in the last three years. I think there has been a total of only five or six in all Canadian history. That is one of the alarming things about what we are being asked to do today, because ahead of us are many similar situations. This kind of handling of labour-management disputes by the government has very serious repercussions. Quite obviously the effect will be, as it has been in the past, for the adversaries to say that the easy way out is to throw the thing in the lap of the government. This means that representatives of the union can go back, if the solution offered is not what they expected, and say, "We did our best, let the damned government handle it." The same thing applies to the employers' side.

So, honourable senators, this is a very serious situation, and there is very recent evidence—even today in the *Globe and Mail*—that this whole business of conciliation commissioners may not work. The evidence is that in many instances it is simply not working at all. As honourable senators are aware, we are now faced with a possible strike arising from the confrontation in Montreal between the Airline Pilots' Association and their employers. The conciliation commissioner is Mr. Stan Hartt, and I am sure honourable senators will be interested in an article which appears in today's *Globe and Mail* describing his failure to bring the parties together:

> —'there seemed to be an unwillingness to reveal in a frank manner the true position of each party' in the hearings before him.
>
> This phenomenon, commonly referred to as crisis bargaining, represents a conscious strategic decision not to deal realistically with the kinds of packages that could bring about a settlement until the backs of the parties are against the wall of economic sanction—
>
> The parties did not make concessions now despite their knowledge that they will have to make them later when a strike is either imminent or after a walkout has lasted for some time—
>
> Mr. Hartt was critical of the appointment of conciliation commissioners or boards when it is apparent the parties are not ready to bargain seriously.

Later on he said that parties may often be induced to realistic bargaining if a commissioner is not appointed.

I am not quoting that, honourable senators, to say that never again should another conciliation commissioner be appointed. Certainly in the past, conciliation commissioners have been effective sometimes, and sometimes not. But surely we can see that if there is one way not to try to solve labour-management disputes it is the way that the government has gone about this particular case. They have precipitously ended collective bargaining; they have confronted both parties with a fait accompli; they have used Parliament as a whip, as a threat, saying, "If one side does not accept a recommendation of the commissioner, we will have it enforced by Parliament without further discussion." There is no mention whatsoever of trying to reach an agreement, and no mention whatever of trying to get any further views other than the views brought out here today. The government is simply saying, "You do it our way or else," and so Parliament is here today writing a labour contract. Never in the whole history of labour disputes has any government gone that far. Never has any government assumed it had the wisdom to write in detail a contract, a union-management contract, in a labour dispute.

Senator Manning has just pointed out what would appear to be an oversight, but then again it may not be.

**Senator Flynn:** It is not.

**Senator Grosart:** Perhaps it is deliberate. I don't know. If it is deliberate, then it is foolish, and if it is an oversight then it is inexcusable.

We have constituted ourselves a court, and there is no evidence that the attitude of the farmer has been considered. We have not been presented with a particle of evidence that the unions were prepared to settle for terms that were different from those now being imposed. Yet, honourable senators, this is the Parliament of Canada, and this is the way that Parliament is being treated by this government.

I do not know whether there are better ways of handling disputes of this kind, and here I am not referring merely to the government's actions but to the whole federal and provincial structure of industrial relations.

Interestingly enough, one of the other reasons that the Minister of Labour gave for not calling in Parliament was that he did not "want to make Parliament into a labour court." But, honourable senators, that is what he has done. We are a labour court in every sense of the word. We are making judgments and enforcing them by law, and doing it without evidence. That is the amazing thing to me. That is what we are doing here today; we are sitting as a court without hearing evidence and then making a decision of this kind. And it is not enough to say that a statement from the Leader of the Government, or a statement from the Minister of Labour, very short statements indeed, is the kind of evidence to put before any court. But that is what has happened today.

It has occurred to me that perhaps the minister was thinking there is a place in our society for labour courts. I have given some thought to this over the years but, not being an expert in this field, I have hesitated in trying to spell it out in any detail.

● (1600)

This particular case, however, seems to me to indicate that one of the reasons for these disputes becoming so tense and so emotional is that both sides tend to get away from the facts and to rely on claims and counterclaims. Very often the facts do not come out; certainly the facts are not before the public in this case, and perhaps a labour court dealing only with the facts of these cases could prove to be a better mechanism than the present ones. The court would have to be, of course, at both the federal and provincial levels. I see such a court presided over, perhaps, by someone with judicial experience, having representatives of labour and management (not just the labour and management concerned in any particular dispute) consumers, perhaps farmers and other producers, and with a panel from which expertise could be drawn depending on the particular nature of the dispute. The value, however, it

seems to me, would be that this court would deal only with the facts; it would pronounce upon the facts; it would give the protagonists the opportunity to state the facts, which they have not had in this case because of the early, sudden, precipitate action by the government. What sanctions there would be for its decisions, I do not know. That would have to be worked out. Perhaps the best sanction would be the authority of such a court. I am not suggesting that it should make awards; perhaps it should. I do not know.

There are, however, similar boards operating, nationally and internationally. One thinks immediately of the International Joint Commission, which has established a very firm authority. Authority, rather than power; authority of the respect for the decisions of that board. Here again it is because it brings together, in this case, Americans and Canadians in matters in which our boundary waters, and other waters now, are concerned.

I make that merely as a suggestion, only to say that if we are going to obtain the co-operation of management and labour we must have in Canada, if we are to reach the productivity levels which we need, we must have better mechanisms than we have now and certainly a better means of handling a strike than the way in which the government has handled this one.

**Hon. Senators:** Hear, hear.

**Hon. Raymond J. Perrault:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, I would inform you that if Senator Perrault speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Perrault:** Honourable senators, we have listened with great interest this afternoon to the thoughtful contributions to the debate from all parts of this house. I do not intend to speak at length, but I do feel a special responsibility to attempt to clarify certain aspects of the proposed measure—considerations which, apparently, are not totally understood by certain honourable senators.

**Senator Grosart:** Hear, hear.

**Senator Perrault:** I know that no honourable senator wishes to be unfair in any of the conclusions which he may have reached with respect to this proposed measure. In this regard, I must say that I have detected a note of criticism, perhaps I am wrong, on the part of some this afternoon.

**Senator Grosart:** You are wrong.

**Senator Flynn:** It was worse than that.

**Senator Perrault:** May I say in a preliminary way that Senator Manning made an inquiry and an observation with respect to the proposed expiration date of the contract, November 30, 1975, to be found in clause 4. During the course of the afternoon I have discussed this matter with officials of the Department of Labour and have been assured that the date was established merely because the former contract expired on November 30. The clause, in fact, is not in dispute by either party. The date is merely a formality.

It should also be pointed out, however, that the port of Vancouver and the ports of British Columbia, happily, are all-weather ports and they are working to peak efficiency year-round. So the fact that the harvest may occur a short time before November 30 and there may be a special urgency to ship at that time of the year really is not in actual fact relevant from a practical standpoint. There is no problem as far as this agreement is concerned.

At this time it may be of value to attempt to summarize briefly the course of this dispute. Allow me to say, honourable senators, that it is the intention of the Government that this type of unfortunate, expensive, totally unnecessary tie-up will never happen again. It has happened before and it has happened too frequently, at too great an expense to the economy of Canada, to the farmers and to the people of this country. This contract expired on November 30, 1973. The employees have been without any agreement for a 10-month period, a totally unsatisfactory situation. We will all admit that.

I can assure honourable senators that a concerted effort was made by the conciliation services of the Department of Labour to bring both sides together in a democratic way, in a fair way, in a rational way in order to have an agreement hammered out. It is therefore not true to suggest that the government was dilatory in its efforts to bring about a settlement, that somehow the government was remiss in its responsibilities to initiate action. There was no initial "blunder," and that word has been used this afternoon.

Finally, after weeks of deadlock, on February 15 the government appointed one of Canada's outstanding authorities in the field of labour-management relations. He was appointed as a conciliation commissioner. Nowhere in the record will it be pointed out that the companies felt that he was inadequate for the job, or labour felt he was inadequate for the work ahead of him. There were no protests issued at that time; no one said at that time, "Dr. Neil Perry is unsatisfactory to us," or, "He is incompetent," or anything else, because he has one of the best track records of anyone in the field anywhere in Canada. He has worked for the Government of Canada, federally and provincially. Indeed, I would ask the Opposition to cite any example where reports prepared under the direction of Dr. Neil Perry have been substantially repudiated in any of the settlements in which he was involved. In other words, he is a man of respected reputation.

**Senator Flynn:** This is not the point.

**Senator Perrault:** Now, let us go through this and find out whether the government has blundered, or whether the government has been unfair.

On February 15, 1974, Dr. Neil Perry was appointed. He spent over two months talking to labour and talking to management; he went to both sides. He said, "Let us find a fair and reasonable answer, let us not have this situation develop into an impasse that may cost millions of dollars." Yes, and he most certainly wrote a letter. There was the letter of April 22, and the report was received by the government on April 29. Probably the one week's delay was a matter of mail service.

● (1610)

**Senator Grosart:** Another government blunder.

**Senator Perrault:** I detect a note of unhappy cynicism on the part of the Deputy Leader of the Opposition. In the letter, Dr. Perry said this:

> I am, therefore, submitting for your consideration some suggestions which, hopefully, might form a basis upon which the two parties could ultimately enter into a two-year agreement.

I agree that the Deputy Leader of Her Majesty's Opposition was absolutely correct when he cited the contents of the Perry letter. He quoted utterly accurately.

**Senator Grosart:** I always do.

**Senator Perrault:** What was the reaction of the government at that time? It was not the attitude that Dr. Perry's report should be enshrined as holy writ. The suggestion has been advanced this afternoon that the government said, "Thank you, Dr. Perry. That is your report and we are going to impose it on management and labour, and that is the way it is going to be." Not at all.

I have before me a statement issued by the minister responsible for the Canadian Wheat Board in connection with the Perry report. This is what he said in his appeal to management:

> A slowdown has already caused losses but now, to prevent a work stoppage, the Companies ought to accept the principle of the Perry report,—

The principle being that there should be a measure of catch-up in any ultimate settlement.

> —go back to the bargaining table and negotiate an agreement. It is within their power and in the national interest to avoid continuing and further losses.

That statement was not a bludgeon by the government. That was the action of a government totally dedicated to the idea of bringing in a fair settlement on behalf of both sides in this dispute.

**Senator Flynn:** The appeal was to one side.

**Senator Perrault:** Not at all. We have the Perry report. That was the basis of an agreement which could have been reached had both sides returned to the bargaining table. But both parties would not come back to the bargaining table.

These are the facts. The recommendations contained in the report were accepted by the union membership on May 5, but were rejected by the companies on May 13. Every effort was made to develop a method of producing a negotiated settlement. I assure honourable senators—because many of us in this chamber are aware of the diligent but fruitless efforts made by people in government, labour relations and in private industry to bring about a negotiated settlement—that the intensity of those efforts has rarely been matched in the history of labour-management relations in this country.

So far as the parties were concerned, the end of the road had been reached. The union said, "We want the Perry report. We want the essence of the Perry report and nothing less." The employers' position, although never precisely specified at that time, was that only something much less than the Perry report would be acceptable. It was very difficult to ascertain exactly what the companies would really settle for.



This is where a responsible government "bites the bullet." The government faced a complete impasse—and more than government faced an impasse. The people of Canada were faced with an impasse—an impasse in which there was no possibility of achieving a negotiated settlement.

The fact that there was no possibility of further negotiations was underlined most forcibly to the government when representatives of the Cabinet met with representatives of the companies a few days after this rejection. The companies indicated to the ministers that the alternative, as they saw it, could well be a work stoppage. The only responsible view for the government to take was that a work stoppage was not only unnecessary, in the view of the existence of a reasonable and viable alternative in the form of the Perry report—a report prepared over eight long weeks by one of the top negotiators in this country—but it would certainly adversely affect the national interest. How, in heaven's name, Canada's interest could be advanced by a $10 million loss—on whatever is the final cost of a protracted dispute—is utterly incomprehensible.

As a result of this view, and because at that time Parliament had been dissolved—and I ask honourable senators to appreciate the fact, as I know they do, that at a time when there is no Parliament, and when a dispute affecting the national interest is hanging over the heads of Canadians, the Governor in Council can take any necessary action—the Governor in Council, having decided that any work stoppage would adversely affect the national interest, made an order pursuant to section 181 of the Canada Labour Code to suspend any work stoppage until the election was over.

The government then received telegrams from the companies involved, in which they expressed concern over what they termed the inflationary consequences of Dr. Perry's report. In a sense they were saying, "Well, we are not that concerned about the financial impact of this, because we are getting a far better price for wheat than we had three years ago; but we feel we have a national responsibility to stand like Horatio at the bridge and protect Canada against inflation. We suggest, with respect, that granting parity to 500 grain handlers in Vancouver is not necessarily the way to stop inflation in this country." But they said they wanted to stop inflation, that they had this responsibility to the nation.

The Prime Minister replied to the company presidents to the effect that the recommendations took into account the parity issue between grain handlers and Vancouver longshoremen, and that it should not set a precedent for wage settlements for other workers.

**Senator Grosart:** But it has.

**Senator Walker:** What was the date of that?

**Senator Perrault:** It was shortly before the election when the special measure was passed. On August 20 the Minister of Labour and the minister responsible for the Canadian Wheat Board, together with senior officials of the Department of Labour, made a pilgrimage to Saskatoon to meet personally with the four company presidents. It has been very difficult, as Senator Argue has said, to get the presidents down to Ottawa on any occasion.

The same difficulty was experienced in 1953. On that occasion the heads of grain companies refused to come to Ottawa, so much so, that the late respected Prime Minister of Canada, the Right Honourable Louis St. Laurent, said, "Unless you show a more constructive attitude, we must consider taking over the companies.

**Senator Argue:** May I ask the Leader of the Government a question?

**Senator Perrault:** Yes.

**Senator Argue:** Can he inform us whether or not the leaders of the grain companies were asked to be in Ottawa this week?

**Senator Perrault:** I cannot tell the honourable senator whether a specific invitation for a meeting was issued, but I can say that every effort was made to move the mountain to Mahomet.

**Senator Flynn:** Mahomet is the government, I suppose?

**Senator Perrault:** Perhaps I used an unfortunate analogy, but I think honourable senators know what I mean.

**Senator Walker:** I know what you meant, but it sounded pretty good.

**Senator Perrault:** The four company presidents were in Saskatoon with the federal government representatives. Three days later the government was advised that almost all the grain elevator companies had posted layoff notices, affecting about half their work force, effective August 23 and 26. Do honourable senators really think that posting layoff notices is the way to negotiate a constructive settlement of any dispute in this country? Of course not. It further exacerbated the situation and made the union representatives apprehensive.

I hardly think it was in the fine tradition of labour-management relations in Canada, at a time when the Government of Canada was earnestly trying to find a solution, for the four grain companies unilaterally to post layoff notices and say, "We are going to shut down." As a direct result, the union saw fit to withdraw the services of the four operations.

**Senator Grosart:** Would the Leader of the Government tell us what had been the action of the workers prior to the posting of the layoff notices? My understanding is that they had started a slowdown. There were also acts of sabotage, and that was the reason for the posting of the notices.

**Senator Perrault:** The honourable senator has said he is a great friend of the labour movement. It is obvious that in this matter he has not discussed the problem with both sides. I suggest that he do so.

**Senator Grosart:** You have not answered my question.

**Senator Perrault:** I suggest that the duration of this dispute, extending from well before November 30, 1973—weeks before that—perhaps caused certain actions to be taken by both sides which were not really conducive to a negotiated settlement.

● (1620)

**Senator Grosart:** That is a fair statement of the situation.

**Senator Perrault:** Between September 13 and September 30 a number of private discussions were held between the parties and departmental officials, both in Ottawa and Vancouver. This, in part, answers Senator Argue's question as to whether meetings were held in Ottawa. Yes, there were meetings, but whether all four grain company presidents were present, I am unable to say.

Following these discussions, the government was satisfied that only two items were separating the parties—the pension issue and the cost of living allowance formula. As a result, on September 30 the government made a proposal for settlement of these two items, a settlement that would have cost considerably less than the 61 per cent figure which has been widely referred to by management, and a great deal less, had the dispute been settled then, than the ultimate cost of this dispute to the farmers of Saskatchewan, Manitoba and Alberta.

**Senator Flynn:** That is interesting.

**Senator Perrault:** The union accepted the government's proposal, but the grain elevator companies rejected it.

**Senator Flynn:** The union accepted?

**Senator Perrault:** The union accepted the proposal. These are facts which are not generally known.

**Senator Flynn:** That is interesting.

**Senator Perrault:** As I said, the union accepted the proposal and the grain companies rejected it. Issue should be taken, as well, with those who consider that by endorsing the commissioner's recommendation the government has not acted impartially, and is, in effect, encouraging so-called inflationary settlements. It should be made clear that the companies and the union, in the view of the government, had ample time to engage in genuine good faith bargaining during the months that followed the expiration of the old contract, almost a year ago. It was not until the parties reached a deadlock that the Department of Labour became involved, offering expert mediation and conciliation services. Any government, whether it be Liberal, Conservative, Social Credit or NDP, would have acted in the same way, and have so acted in the past. It was only after all other efforts had failed that a conciliation commissioner was appointed.

I should like to come back to Dr. Perry's report very briefly. During the course of the debate in this chamber, the suggestion was made, "Well, why are we accepting any conciliation report? The government was wrong in the first place in suggesting that the conciliation report should be the basis of settlement." Dr. Perry is a skilled, reasonable, impartial expert. In fact, he served the very same parties in 1965 as an industrial inquiry commissioner, negotiating between the grain companies and grain handlers.

**Senator Grosart:** But he failed.

**Senator Perrault:** His wide experience in labour relations also includes chairmanships of federal conciliation boards and being an industrial inquiry commissioner at the provincial level. It is neither surprising nor unusual that the government should accept his report as a basis for settlement. The presumption behind the appointment of an outside adjudicator in any labour dispute is that the government will give credence and weight to his findings.

Can honourable senators really conceive of any situation where a government, regardless of political stripe, after appointing a conciliator or an industrial inquiry commissioner, takes the position, "Very well, you brought your report in, but we think only 50 per cent of that should be given; we think that would be the ideal situation"?

**Senator Grosart:** That has often been done.

**Senator Perrault:** Any government taking that kind of extreme measure would be laughed right out of court.

**Senator Flynn:** It should have stayed out of it. It was none of the government's business at that time.

**Senator Perrault:** So, it was neither surprising nor unusual for the government to accept his report. To do so was certainly not to undermine the bargaining position of either of the parties, or to sabotage the negotiations. Not to have done so would have been unreasonable and unrealistic. To do otherwise would have been to undermine the respective positions of both parties. The government, in accepting the report, took the position that the report was the basis of negotiation. It took the position, "Here is the report. Put it on the bargaining table and see whether you cannot arrive at a settlement around that report." But they would not meet. They would not come together to discuss the report. It was rejected out of hand by one side.

The fact of conciliation does not rule out further bargaining. It simply means that subsequent discussions have to take place within the new parameters of the conciliation report. No union in this day and age is likely to accept less than a conciliation report recommends, but there is flexibility in every report. Every honourable senator is aware of that, and no democratic government prevailed upon to enforce a settlement would even think of imposing terms lower than those advocated by a neutral expert. If any honourable senator disagrees with that statement, let him cite one instance where a government of any standing in this country has repudiated completely the terms of a report of this type.

In this case there was no real bargaining between the grain companies and the union once the Perry report was released. You could not get them to sit down at the same table to discuss it—not because the government accepted the report as a basis of settlement, but because the union accepted it and the companies did not. Attitudes hardened on both sides. Many strenuous efforts were made to get the parties back to the bargaining table, but with no success. The Minister of Labour travelled to the west coast for further meetings, but again his efforts were to no avail.

The government has by no means sided with the union, as has been suggested in some quarters. It has simply recognized that any eventual settlement, however reached, would have to be based on the conciliation commissioner's recommendations. It is obvious that the companies would be aware of that.

Some have said that the settlement is too high. Reference was made to the fact that it calls for too much money. The Perry report calls for a two-year total wage increase of $1.52 an hour on a base rate of $4.96. I do not intend to go into those details again. We do know that the wage component of the Perry proposals averages fractionally above 15 per cent a year, exclusive of the cost of living adjustment. It should be noted that the preliminary figure

[Senator Perrault.]

for the second quarter of this year shows an annual average increase in British Columbia of 15.7 per cent, so the Perry proposals are certainly not out of line with prevailing levels on the west coast.

The introduction of a pension plan fills a long-standing gap in the grain handlers' employment benefits, and the terms of a cost of living allowance are by no means unreasonable or unique in today's labour-management agreements.

It is not argued by the government that the total cost of settlement based on the Perry report is trivial. It is going to be substantial. Much of it—and this has been overlooked by some honourable senators—amounts to a catch-up in relation to wages and pensions which workers doing comparable work on the waterfront in Vancouver receive. However high the settlement may appear to be to some honourable senators, much of it amounts to catch-up in relation to those other workers.

The Perry findings may not be perfect. I certainly do not know whether they are perfect, as no other honourable senator can know. The government was not an independent third party injected into this dispute. It was not there to study the briefs that were submitted, or to hear the rationale on both sides. Dr. Perry was. His is the expertise; his is the knowledge; his, the eight solid weeks of endeavour. We believe his report must be viewed as the most reasoned and reasonable basis for a final settlement.

Throughout this dispute the Department of Labour and the government have acted scrupulously within the framework and the confines of the Canada Labour Code and the public interest. The government exhausted every avenue to bring about a peaceful settlement to this dispute.

Reference was made to the calling of Parliament. The question was asked: Why was Parliament not called earlier? To have called Parliament for a special emergency session to deal with this dispute would simply have turned Parliament into an easily accessible court of last resort. If labour and management are confident habitually that if they wait long enough their disputes will end up in Parliament, then we will effectively destroy the collective bargaining process in this country.

● (1630)

**Senator Flynn:** This is exactly what happened in this case.

**Senator Perrault:** It should be made extremely tough to get any labour-management dispute into Parliament.

**Senator Flynn:** What difference does it make if Parliament is dealing with this legislation today rather than two months ago?

**Senator Perrault:** Because two months ago that route would have been all too easy. Because then there was hope that at some time during the two-month period sanity would prevail and labour and management would see that delaying a settlement would cost the Canadian people countless millions of dollars unnecessarily.

**Senator Flynn:** In what way?

**Senator Grosart:** Will the Leader of the Government agree that the decision so to do it was a costly way?

**Senator van Roggen:** It is the companies' decision.

**Senator Grosart:** I am speaking about the delay in calling Parliament.

**Senator Perrault:** The Deputy Leader of the Opposition is quite aware of the problems of government, of timing, judgment and so on.

**Senator Grosart:** A good answer.

**Senator Perrault:** I believe that in every labour-management dispute every effort ought to be made to get the parties to sit down—voluntarily—to look after their own problems without looking to the government. And that view applies to many other areas of human activity as well.

Parliament cannot be transformed into a labour court. Such an action, in these particular circumstances, would have been irreconcilable with the government's stated position of supporting the free collective bargaining process by giving it every opportunity, every encouragement and assistance to make it work, and everyone would have been far better off if this thing had been worked out between management and labour. The Canadian people would have been saved millions of dollars. It is the height of folly that the dispute has had to come to this costly state.

To say this dispute is disturbing is to understate the case. It marks yet another labour relations fiasco in an industry that for years has been characterized by confrontation, and even hostility. It is a doleful history that includes frequent rejection by management of third-party conciliation reports as a basis for settlement of disputes, although this is not intended to infer that the union has always been blameless.

Perhaps just one illustration of how long governments have had to contend with the rather ridiculous crises inspired in this industry will be of interest to newer members of this house, and may refresh the memories of some senators who have served here for a number of years. In April 1953, when a work stoppage had closed the elevators for two months, the Prime Minister of the day, the late Right Honourable Louis St. Laurent, hinted strongly that the government would, if deemed necessary, seize the elevators. He was understandably aroused by the refusal of the company presidents to come to Ottawa, sending their lawyers instead. Twenty-one years and six months later the attitudes and the situation remain very much the same, and the government is not going to continue to tolerate this kind of thing.

Honourable senators, we all know that good will and reasonable attitudes cannot be legislated. At the same time, there has to be an improvement in this poisonous labour relations situation; the government and the country cannot and must not endure the continuing disruptive and damaging consequences of disputes of this kind.

Therefore, it is the government's intention to appoint an industrial inquiry commission. This commission will have broad terms of reference, and will, among other things, conduct a thorough examination of the history of this industry's labour relations, and its impact upon efficiency and productivity. Hopefully, this commission will bring forth recommendations that will lead to a reasonable, acceptable industrial relationship. In the meantime, to meet the immediate problem with which all of us are confronted, I urge your support of this measure this afternoon.

**Senator Flynn:** Before the motion is put, may I ask the Leader of the Government about this last announcement of the appointment of an industrial commissioner? Will the mandate be in reference to this specific case, or what exactly are the terms of reference? I have not heard that this announcement has been made in the other place. If the terms of reference have been indicated, I would be interested in knowing more about them.

**Senator Perrault:** I can assure the Leader of the Opposition that this matter has been the subject of full discussion by the government, and the terms of reference will be broad enough to include the difficulties that have developed during the recent dispute, but they will go beyond that and apply to the entire grain-handling system. We must ensure that the grain products of this country find their way to world markets without this kind of disruption. We must act to save the Canadian taxpayers a great deal of money, and in the process save Canada's reputation abroad.

Motion agreed to and bill read second time, on division.

THIRD READING

**The Hon. the Acting Speaker (Senator Bourget):** Honourable senators, when shall this bill be read the third time?

**Senator Perrault:** With leave of the Senate and notwithstanding rule 45(1)(b), I move that the bill be read the third time now.

**The Hon. the Acting Speaker (Senator Bourget):** Honourable senators, is it agreed?

**Senator Flynn:** Before leave is granted, may I ask the Leader of the Government if anyone in this house has indicated a desire to have this bill sent to a committee?

**Senator Perrault:** There has been no indication of that.

**The Hon. the Acting Speaker (Senator Bourget):** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

**Hon. Jacques Flynn:** Honourable senators, I should just like to tell the Leader of the Government that I listened with great attention to his rebuttal of the criticism that was levelled at the government on the handling of this dispute that we are now trying to settle, or that I think we are now settling.

I want to say that his speech was well prepared. But I do not think it was entirely his. I listened to it very attentively and noticed that he was speaking out of both sides of his mouth on many aspects of the problem. I do not intend to analyse his speech in depth, because I do not want to delay the proceedings. If the situation were not as pressing as it is, I would have asked that third reading be put over until tomorrow so that I could point out to the honourable leader these blatant contradictions of which he was guilty in his speech today.

To sum up the situation, I think the case has been made; the facts are there to show that the government has put the gun to the head of the companies by saying, "These are

the conditions you will have to accept, otherwise we are going to go to Parliament," and the conditions were the mechanics of the Perry recommendations.

I was also interested to note that the Leader of the Government mentioned that at one point the department submitted counter proposals that were accepted by the unions. He said that if a settlement had been reached on that basis it would have saved the companies and the employers many millions of dollars. If the unions were willing to accept terms inferior to those of the Perry report, I cannot understand why the government would not have imposed those minimum conditions as a settlement on the unions. Had the unions accepted those terms it would not have mattered whether the employers refused them, because more always includes less. It seems to me that it is entirely unrealistic to say that, "If you don't accept less, we'll force you to accept more." I don't know if the Leader of the Government wants to correct the impression that I got, but I think that is clearly what he said. I will give him a chance to explain.

● (1640)

**Hon. Raymond J. Perrault:** Honourable senators, I appreciate the comments of the Leader of the Opposition. It gives me an opportunity to clarify my meaning. I meant "country," not "company." I am thinking in terms of the demurrage charges, the cost to the farmer, not the company, in talking about early settlement of this dispute and the saving to the country.

**Senator Flynn:** I can appreciate that an earlier settlement would have saved money, but I understand that with respect to two items in the Perry report a solution on the basis of less cost to the companies had been proposed to the unions by the Minister of Labour, or by the Minister of Justice, and that this had been accepted by the unions, but, because the companies had not accepted totally the Perry report, this was just pushed under the rug and forgotten.

**Senator Perrault:** May I further clarify my position by saying that during this particularly difficult series of negotiations involving cost-of-living and pension proposals, the Department of Labour, in discussing the matter with the companies, felt that the companies had misinterpreted the financial impact of these two clauses, and as a result meetings were held with labour to determine their actual interpretation of the so-called "COLA" clause and the pension section, and the information was then conveyed to management that their estimate of the cost was at considerable variance with the union's own lower cost interpretation.

In that sense, then, there was an earnest effort by the officials of the Department of Labour to clarify one party to the other on the real financial impact of these two clauses.

**Senator Flynn:** That is quite interesting. It would prove the last point I want to make, namely, that Parliament and the Senate are not in a position really to assess the terms, the conditions, of the collective agreement which are embodied in the legislation we are called upon to pass today.

As I have said, the government has put the gun to the head of the companies and said, "You accept this or else!"

[Senator Flynn.]

Now it is putting the gun to the head of Parliament and saying, "You accept this or else!" We are not in a position, as I have said before, to appreciate really what it means in a practical way. The only thing we can appreciate is that, if we do not pass this legislation now, the economy of Canada will be gravely hurt. I repeat once more that Parliament is put in an awful situation, and I express again the hope that this will not serve as a precedent for handling other problems that lie ahead of us. I hope the government will be wiser in future with respect to problems of this kind.

Motion agreed to and bill read third time and passed, on division.

## ADJOURNMENT

Leave having been given to revert to Notices of Motion:

**Senator 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 next, October 15, 1974, at eight o'clock in the evening.

Motion agreed to.

## ROYAL ASSENT

NOTICE

**The Hon. the Acting Speaker (Senator Bourget)** informed the Senate that the following communication had been received:

GOVERNMENT HOUSE
OTTAWA

10 October 1974

Madam,

I have the honour to inform you that His Excellency the Right Honourable Bora Laskin, P.C., Administrator of the Government of Canada, will proceed to the Senate Chamber today, the 10th day of October, at 5.45 p.m., for the purpose of giving Royal Assent to a Bill.

I have the honour to be,
Madam,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

The Senate adjourned during pleasure.

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At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

## ROYAL ASSENT

His Excellency the Administrator of the Government of Canada, having come and being seated upon the Throne, and the House of Commons having been summoned, and being come with their Speaker, His Excellency the Administrator of the Government of Canada was pleased to give Royal Assent to the following bill:

An Act to provide for the resumption of grain handling operations on the west coast of Canada.

The House of Commons withdrew.

His Excellency the Administrator of the Government of Canada was pleased to retire.

———

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, October 15, at 8 p.m.

## APPENDIX

(*See p. 76*)

### FIRST REPORT OF THE COMMITTEE OF SELECTION

Thursday, October 10, 1974.

The Committee of Selection, appointed to nominate Senators to serve on the several Standing Committees during the present Session, makes its First Report, as follows:—

Your Committee has the honour to submit herewith the list of Senators nominated by it to serve on each of the following Standing Committees, namely:

#### JOINT COMMITTEE ON THE LIBRARY OF PARLIAMENT

The Honourable the Speaker, the Honourable Senators Bélisle, Cameron, Choquette, Côté, Forsey, Fournier (*de Lanaudière*), Grosart, Heath, Hicks, Macdonald, McIlraith, O'Leary, Quart, Riel, Rowe and Yuzyk. (16)

#### JOINT COMMITTEE ON PRINTING OF PARLIAMENT

The Honourable Senators Asselin, Beaubien, Bonnell, Duggan, Eudes, Fournier (*Restigouche-Gloucester*), Gouin, Greene, Heath, Macdonald, McGrand, Michaud, Neiman, O'Leary, Riley, Sullivan and Williams. (17)

#### JOINT COMMITTEE ON RESTAURANT OF PARLIAMENT

The Honourable the Speaker, the Honourable Senators Carter, Fergusson, Forsey, Inman, O'Leary and Quart. (6)

#### JOINT COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

The Honourable Senators Cottreau, Flynn, Forsey, Godfrey, Lafond, Riel, Robichaud and Walker. (8)

#### THE COMMITTEE ON STANDING RULES AND ORDERS

The Honourable Senators Argue, Asselin, Boucher, Bourget, Choquette, Connolly (*Ottawa West*), Cook, Desruisseaux, Everett, *Flynn, Forsey, Fournier (*de Lanaudière*), Grosart, Lang, Langlois, Macdonald, McElman, Molgat, Molson, *Perrault, Smith and Stanbury. (20)

*Ex officio members.

#### THE COMMITTEE ON INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

The Honourable Senators Argue, Basha, Beaubien, Bélisle, Benidickson, Bourget, Buckwold, Davey, Deschatelets, *Flynn, Grosart, Hayden, Langlois, Lapointe (*Speaker*), Lefrançois, McDonald, McElman, Molson, *Perrault, Petten, Quart and Smith. (20)

*Ex officio members.

#### THE SENATE COMMITTEE ON FOREIGN AFFAIRS

The Honourable Senators Aird, Asselin, Bélisle, Cameron, Carter, Connolly (*Ottawa West*), Croll, Deschatelets, *Flynn, Grosart, Hastings, Lafond, Laird, Macnaughton, Martin, McElman, McNamara, *Perrault, Rowe, Sparrow, van Roggen, and Yuzyk. (20)

*Ex officio members.

#### THE SENATE COMMITTEE ON NATIONAL FINANCE

The Honourable Senators Barrow, Benidickson, Carter, Côté, Croll, Desruisseaux, Everett, *Flynn, Giguère, Graham, Grosart, Hicks, Langlois, Manning, Neiman, O'Leary, *Perrault, Prowse, Robichaud, Sparrow, Welch and Yuzyk. (20)

*Ex officio members.

#### THE SENATE COMMITTEE ON TRANSPORT AND COMMUNICATIONS

The Honourable Senators Blois, Bourget, Burchill, Davey, Denis, Eudes, *Flynn, Forsey, Graham, Haig, Langlois, Lawson, McElman, Molgat, O'Leary, *Perrault, Petten, Prowse, Riley, Smith, Sparrow and Welch. (20)

*Ex officio members.

#### THE SENATE COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS

The Honourable Senators Asselin, Buckwold, Choquette, Croll, Fergusson, *Flynn, Godfrey, Goldenberg, Hastings, Hayden, Laird, Lang, Langlois, McGrand, McIlraith, Neiman, *Perrault, Prowse, Quart, Riel, Robichaud and Walker (20)

*Ex officio members.

#### THE SENATE COMMITTEE ON BANKING, TRADE AND COMMERCE

The Honourable Senators Beaubien, Blois, Buckwold, Connolly, (*Ottawa West*), Cook, Desruisseaux, *Flynn, Gélinas, Haig, Hayden, Hays, Laing, Laird, Lang, Macnaughton, Martin, McIlraith, Molson, Perrault, Smith, Sullivan and Walker. (20)

*Ex officio members.

#### THE SENATE COMMITTEE ON HEALTH, WELFARE AND SCIENCE

The Honourable Senators Argue, Bélisle, Blois, Bonnell, Bourget, Cameron, Carter, Croll, Denis, *Flynn, Fournier (*de Lanaudière*), Goldenberg, Inman, Lamontagne, Langlois, Macdonald, McGrand, Neiman, Norrie, *Perrault, Smith and Sullivan. (20)

*Ex officio members.

#### THE SENATE COMMITTEE ON AGRICULTURE

The Honourable Senators Argue, Benidickson, Blois, Côté, *Flynn, Fournier (*Restigouche-Gloucester*), Haig,

Hays, Inman, Lafond, Laing, McElman, McGrand, McNamara, Michaud, Molgat, Norrie, *Perrault, Sparrow, Welch, Williams and Yuzyk. (20)

*Ex officio members.

All which is respectfully submitted.

William J. Petten,
Chairman.

# THE SENATE

Tuesday, October 15, 1974

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

## TEAM CANADA

### PRESS REPORT OF SENATE SPEECH—QUESTION OF PRIVILEGE

**Senator Godfrey:** Honourable senators, I rise on a question of privilege. Last Tuesday I made some remarks about Rick Ley of Team Canada which were widely reported in the press. In the same report I was quoted as saying that Canada should apologize to Russia over the incident. As everyone who was present or has read *Hansard* will know, I said nothing of the kind and, furthermore, there is nothing I said from which you could even faintly draw such an inference. I have been criticized for these remarks, which I never made, by some columnists, some of my friends, and many members of the public who can hardly be blamed after reading the papers for believing that I actually said something as foolish as that.

In case there is any doubt in anyone's mind, not only did I not say that Canada should apologize to Russia, I most emphatically don't believe so, for reasons so obvious I don't need to take up the time of this chamber by stating them.

In the same newspaper reports, Senator Buckwold is reported to have said that my remarks were "inexcusable." While Senator Buckwold felt that my remarks were a "very unfair and unjustified attack on Team Canada," he did not use the word "inexcusable." I don't think I am nitpicking when I say that there is a difference and that reporters should not substitute their own words, when quoting an honourable senator, for those actually spoken in this chamber.

At the end of last week I did call the Canadian Press office in Ottawa to draw their attention to the error they made in reporting my speech. I got a sympathetic response from a nice person who answered the telephone. While Canadian Press may very well have made the correction, I have not seen it published in any newspapers. It has certainly not been published in the Toronto papers.

In the Capital Report program broadcast by the CBC last Sunday morning, reference was made to the members of Team Canada being called "hooligans." I stated last Tuesday night as emphatically as I could that I was criticizing only Rick Ley and not any other member of Team Canada. To say, therefore, that members of Team Canada were called "hooligans" is a complete misstatement of what I said.

**Senator Sullivan:** Honourable senators, I am afraid that the verbatim report sounds a little different from the written report.

If I may be pardoned for a moment, I would like to pay my respects to you, Madam Speaker, on your elevation to the high office of Speaker of this august body.

It has been my practice during my years in this chamber to speak on subjects in which I have some background, or where my qualifications allow me to do so. I would have preferred to have been able to participate in the Throne Speech debate to enunciate a new phase of medical science in relation to a common prevailing condition in the world today, namely, violence. It would not have been a report compiled by sociologists, psychologists—or psychiatrists. I must get them in. God willing, if my health permits, I may be able to do this in the future.

Having said that, I come to my point. A week ago this evening, remarks were made which were singularly unfitting for this chamber. I would have thought that the remarks of all speakers should have been addressed to the ever-prevailing rampant inflation that besets our country. I therefore wish to qualify myself before enunciating a few conclusions that I feel are necessary.

It was my privilege as a young man to have been a member of the Canadian Junior Hockey Champions, and Memorial Cup winners, the University of Toronto Schools, when the Memorial Cup was first played for in 1918-19. It was also my privilege to have played on three Allan Cup teams, and on the Olympic Gold Medallists of 1928, the famous Varsity Grads, picked in 1954 as the greatest team of the first half of this century.

**Senator Walker:** And you were the greatest Canadian goalkeeper of all time.

**Senator Sullivan:** That was an era when passing, stickhandling, speed and team play predominated. This style of play did not originate with the Russians—they have their own questionable code—and the goalkeeper stayed on his feet. I immediately go on record to refute with all the emphasis at my command the unwarranted and unjustified remarks made by the senator who just preceded me, not only about Rick Ley—I do not accept that—but about Team Canada. To me it was an insult, not only to the game of hockey in Canada, but to Team Canada, the hockey officials and all those associated with that gallant endeavour of our fellow Canadians.

● (2010)

I would draw the attention of Senator Godfrey to two outstanding features of the play of the Russian hockey team. They are past masters in the art of spearing, and they have no equal in wounding or offending their opponents by kicking with their skates, witness the incident involving Bruce MacGregor. What is preferable, honourable senators—a man to drop his gloves or to deliberately kick someone with the point of a skate? All who watched the 1972 series between Russia and Canada caught that episode.

I suggest to Senator Godfrey that when he looks at a hockey game of this nature he should forget the puck carrier, and concentrate on the individual checking him while the referee has his back to the play, and he would

see the amount of spearing and kicking that goes on. It was all too evident, and I join with Senator Buckwold in his remarks.

As young Rick Ley stated when he was informed that he was called a hooligan, "I don't think any true Canadian would criticize me for that. A politician has his battlefield where he is protected, and a hockey player has his on the ice. Kharlamov gave me a bit of the stick so I fought him, and by 'a bit of the stick' you know exactly what I mean." What was he to do? Get a game misconduct from that incompetent official and be out of the next game? Very shortly before the end of the game, this same man speared Gerry Cheevers, the Canadian goaltender, in the groin. It is rather coincidental that Scott Young observed those instances as well.

An apology to Russia? No, I do not accept that, but an apology is owed to Team Canada, the hockey officials associated with that team, to the good name of hockey in this country, to Rick Ley himself and, above all, to this chamber where such remarks constitute, in my opinion, a breach of privilege of the Senate. I resent it; I refute it.

**Senator Norrie:** Honourable senators, I should like to speak on this subject as well. The hockey fans of my home town in Nova Scotia are very angry at Senator Godfrey's comments regarding what he felt was poor sportsmanship on the part of Team Canada. For my part, I am proud of Team Canada for their magnificent play, and, on the whole, their restraint in the entire series. Senator Godfrey's denunciation of Rick Ley in particular, and the Canadian officials in general, for their conduct is deplorable. Rick Ley is not a hooligan. I have spoken with Billy Harris, the coach of Team Canada, and he told me that Rick Ley is a fine athlete and a man of principle. His praise of Rick Ley was unlimited.

Senator Godfrey apparently has no conception of the tensions, the trauma and the harassment that Team Canada endured while in Moscow. The frustration of deliberate, unfair refereeing was almost unbearable.

Perhaps Senator Godfrey is not aware that Ralph Backstrom played 14 seasons in the National Hockey League without receiving a major penalty. Yet, he received one in Russia, which all observers from Canada agree was not deserved. The honourable senator may not know that Bruce MacGregor took six punches, without retaliating, from a Russian player who hit him so hard he could not play in the final game because of an injured knee.

In the words of Senator Godfrey, "A fine Canadian hockey team lost to a superb Russian team on the ice, and nowhere else." I contend that they did lose somewhere else, because they were so harassed and so tired outside the games, off the ice, that they could not play their best on the ice.

The Russians were superb skaters and players, but so were our men. If we had not had so many jabs from hockey sticks in the ribs and groin, the results could have been different. Unfortunately, the cameramen were elsewhere at these times, but hundreds of Canadian eyes are just as good as any cameraman's. Also, our goalie, Gerry Cheevers, could count on the Russians poking him in the ribs with a hockey stick every time there was an attempted goal by them.

In Russia everything that could be done before the games to lower the morale of our team, or inconvenience our players, was done, while in Canada every courtesy was extended to the Russians. It must be realized that in Moscow good accommodation as we know it is not available. This our players from Canada could understand and accept, but not the loss of several hours' sleep at five o'clock in the morning, when their bags had to be searched by customs or security officers.

Senator Godfrey opened the door for slurs and degrading remarks to be flung at senators in general. The honourable senator apparently did not remember that the Senate is a place of "sober second thought."

## RESTAURANT OF PARLIAMENT

### JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Lawrence has been substituted for that of Mr. Skoreyko on the list of members appointed to serve on the Standing Joint Committee on the Restaurant of Parliament.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Unemployment Insurance Commission for the year ended December 31, 1973, pursuant to section 130(2) of the *Unemployment Insurance Act, 1971*, Chapter 48, Statutes of Canada, 1970-71-72.

Report of the Unemployment Insurance Advisory Committee for the year ended December 31, 1973, pursuant to section 109(3) of the *Unemployment Insurance Act, 1971*, Chapter 48, Statutes of Canada, 1970-71-72.

Report of the Canadian Film Development Corporation, together with the Report of the Auditor General on its accounts and financial statements, for the fiscal year ended March 31, 1974, pursuant to section 20 of the *Canadian Film Development Corporation Act*, Chapter C-8, 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, 1974, pursuant to sections 75(3) and 77(3) of the *Financial Administration Act*, Chapter F-10, R.S.C., 1970.

## PRIVATE BILL

### BRITISH COLUMBIA TELEPHONE COMPANY—FIRST READING

**Senator Petten, for Senator Heath,** presented Bill S-11, respecting British Columbia Telephone Company.

Bill read first time.

**Senator Petten, for Senator Heath,** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

● (2020)

## HEALTH AND WELFARE

### PRODUCTION OF INSULIN—QUESTION

**Senator Buckwold:** Honourable senators, I should like to direct a question to the Leader of the Government. I have just read in the newspapers, as I am sure many of you have, the rather disturbing statement by Dr. Albert Fisher, the President of the Canadian Diabetic Association. Dr. Fisher said that he believed there was a serious hoarding of cow and pig pancreases by at least one packer, and perhaps others, and that it was having the effect of raising the cost of pancreases because of the resulting shortage.

This is a serious matter, honourable senators, because it does involve the life and death of hundreds of thousands of Canadians and others around the world who are, in fact, kept alive by insulin, which is produced from these pancreases. Therefore, I would ask the Leader of the Government to place this matter before the government department concerned, and determine whether this statement can be justified. If it is justified, then I would like the leader's reply to indicate what action the federal government is taking to prevent or halt such an occurrence.

**Senator Perrault:** Honourable senators, I share with Senator Buckwold a concern about this news report, which I am sure has troubled members in all parts of the Senate. I will take his question as notice, and undertake to obtain as full an explanation as possible for the next sitting of the Senate.

## FEDERAL TRUST COMPANIES AND LOAN COMPANIES BILL

### SECOND READING

**Hon. Salter A. Hayden** moved the second reading of Bill S-7, to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes.

He said: Honourable senators, this bill is not very long, but it is complex. I think it is complex because it follows the current practice, which is almost invariably followed these days, of providing amendments to acts by repealing the section intended to be affected by the amendment. And that is the case with respect to the present bill.

This bill deals with both the Trust Companies Act and the Loan Companies Act. Section 70 of the Trust Companies Act is repealed by this bill, and yet for quite a number of the subsections the wording that appears in the bill is in substance the wording that appears in the original section 70. But then there are amended subsections, and for that purpose the theory nowadays seems to be to repeal and substitute. It is supposed to be less confusing than simply providing in the amending bill the amendments by reference to certain sections, or subsections of a section, of the act. Other than that, I can state to you in not too many words—although don't hold me to that—the purpose of the bill.

[Senator Petten.]

The purpose of the bill is to amend the Trust Companies Act and the Loan Companies Act. Those acts provide for federally incorporated trust companies and loan companies respectively. The public funds for trust companies come by way of accepting deposits and by way of selling guaranteed trust certificates. So far as the loan companies are concerned, the source of their money, which they gather from the public, is by way of selling debentures and by way of accepting deposits.

Under the law as it presently stands, there is a maximum limit on the borrowing power of trust companies and loan companies. We established that borrowing limit in 1970, and the limit of borrowing in the case of the trust company and the loan company is 20 times the excess of assets over liabilities, but borrowings up to that limit are subject to the approval of the minister. This bill, in its essential and basic feature, is designed to increase the maximum limit of borrowing of both trust companies and loan companies.

The provisions that are contained in the bill—and I shall tell you about them shortly—are designed to protect the public, the creditors and, I suppose you might even say, the shareholders. The increase in the borrowing limit is justified according to certain tests or certain standards, the first of which is that the minister may not permit an increase in the borrowing limit above 20 times the excess of assets over liabilities unless he is satisfied that the financial condition of the company complies with the standards which are established by regulation.

The other provision involves the introduction of a new element into trust companies and loan companies. This element we put into the Bank Act at the last revision, when we permitted banks to issue what are called subordinated debentures. Here, in both the Trust Companies Act revisions, which run from page 1 to page 7, and the Loan Companies Act revisions, which run from page 7 to the end, you will find the definition of a "subordinated note" and a "subordinated shareholder loan". The subordinated note is part of the rule which governs the determination of whether the borrowing limit will be raised above 20 times the excess of assets over liabilities. This is the way it works. If you look on page 4, you will find there subsection (10) of the proposed new section 70 of the Trust Companies Act, under which the minister must satisfy himself that the financial conditions meet the standards established by regulation. Then subsection (11) provides:

> Where the Minister approves or prescribes a limit greater than twenty times the excess of the company's assets over its liabilities, the company shall maintain outstanding subordinated notes issued by the company and having more than one year to run to maturity, in an amount not less than such proportion, if any, as the Minister may from time to time specify of the amount by which
>
> (a) the aggregate of the amounts of money borrowed and the guaranteed trust money held by the company
>
> exceeds
>
> (b) twenty times the excess of the company's assets over its liabilities.

These are the criteria by which the minister will determine the borrowing limit in relation to trust companies—and I can say that the same borrowing limit is prescribed in the sections that deal with loan companies. These are the tests that must be applied.

● (2030)

The increase in the borrowing limit of trust companies is found on page 5, where there is a long formula that is continued on page 6. The effect of it is that the aggregate of the amounts of money borrowed and the guaranteed trust money held by a trust company may at any time exceed the limit otherwise imposed by or under this section—and that is up to 20 times—by an amount not greater than the amount by which the cash and other elements which secure the liquid assets of a trust company exceed 20 per cent of the liabilities of the trust company. In other words, if I might use an expression which I have made a note of here, it is the extent to which the highly liquid assets of the company—in this case the trust company—exceed 20 times the present minimum under the act of the excess of assets over liabilities.

Honourable senators, I hope I have not been too free in my paraphrasing of this page, but I am satisfied that I have given a correct interpretation of it, and of what the plan is in order to support an increase in the lending limit above 20 times the excess of assets over liabilities.

There is an alternative provision that is applicable to both the trust company and the loan company. It is an alternative to the choice I have just explained, and it is set out at the bottom of page 5, where it says:

> (b) subject to such terms and conditions as the Minister deems appropriate, by an amount not greater than the sum of
>
> (i) the amount calculated under paragraph (a), and—

That is the formula I just talked about, the highly liquid asset comparison.

> (ii) the product obtained by multiplying the outstanding amount of subordinated shareholder loans by the limit approved or prescribed by the Minister under this section—

What this does is to import the subordinated shareholder loans; it makes them part of the capital base in arriving at the top limit of the borrowing power of the trust company, and in the same degree, as you will see later in subsequent sections, this applies in the case of loan companies.

I have not referred to the definitions of "subordinated note" and "subordinated shareholder loan", but they are there and they are quite simple to read. In the order of priority, when it comes to their ranking against the assets of the company, the subordinated note ranks second to last, and the subordinated shareholder loan ranks last, in the order of any claims, if such a situation should develop, against the assets of a trust company. The same rule applies in relation to loan companies.

That, honourable senators, is a brief explanation of what I call the core of this bill. There are other clauses that I might refer to briefly, but the purpose of the bill is to increase the borrowing limit of trust companies and loan companies. The reason for that, as I understand it, is that many of the loan companies, which up until 1970 operated under the 15 times rule, have since 1970 been operating in a period of expansion, in a period of substantial availability of money, but also in a period of high cost money, and the problem of meshing all those together is quite considerable.

I have deliberately not referred to the other sources of incomes which trust companies have. As you know, they have sources of income due to the infinite variety of services that they perform—trusts that they carry on and administer, and their functions as transfer agents. They also act as trustees in connection with sinking fund administration, and that sort of thing, which also produces money. I saw a statement recently—I think it was in the *Financial Post*—which indicated the almost infinite variety of functions involved in the operation of trust companies. For instance, for one trust company a substantial part of its income may be derived from these various services I have enumerated and from the collection of interest on the moneys they invest. So far as other companies are concerned, a substantial part of their income may come from straight mortgage investment. The attempt here is to arrive at a plan that will meet all these situations.

In representations made to the Department of Finance and the Superintendent of Insurance, many of the trust companies are now asking that the borrowing limit be increased, because they have expanded up to that 20 times limit, and in the public interest this should be given some attention. I say this because the moneys of the trust companies and the moneys of the loan companies are an important source of funds for residential mortgages, and it is expected that these amendments may enable these companies to expand their lending facilities while still maintaining their stability, by reason of the tests which have to be applied, and permit them to move up above the 20-times limit.

I have here an item of information which may be of interest to you. There is at the present time a total of 17 federally incorporated trust companies in Canada, and their assets have a value of $3½ billion. There are also in Canada today federally incorporated loan companies to the number of 14, and their assets at this time total $3¼ billion. So in both cases there is a very substantial pot of money. If it can be given the proper direction, so as to be permitted to continue in the direction in which it is going, in an area that is much needed today—that is, in the financing of private residences—it is felt that this is in the public interest.

● (2040)

There are several points on which I have not touched, and perhaps I should do so very briefly. I have commented on the core of the bill, in informing you of its purpose. I have read and re-read this bill a number of times, and have gone back to the "bible," the Loan Companies Act and the Trust Companies Act, which forms the governing base to which these amendments are added. I believe, therefore, that I have a fair understanding of the law in that regard and the scope of the act, its purpose and how it works.

In my opinion, however, the real test is that which must be followed before that 20 times limit can be increased at all. Mind you, even if it is desired to increase borrowings

to the 20 times limit, the minister must approve. First, the directors must pass a by-law, then three-quarters of the shareholders must vote and pass such by-law, which can provide under this bill for any borrowing limit, and the directors, if the by-law is so drawn, can raise the limit seriatim. The basic limit for trust companies is 13½ times the excess of assets over liabilities, and for loan companies it is four times the excess of assets over liabilities.

**Senator Walker:** Excuse my interrupting, but may I ask what it is for banks?

**Senator Hayden:** I am sorry, I do not have that information. I will obtain it and pass it along to you.

I was about to say that in the case of both trust companies and loan companies the directors may attempt to increase the borrowing limit in the by-law by the full permissible amount, and trust that the minister will approve. If he does not approve, then it is not effective for any purpose. Remember also that the minister has the power to lower the 20 times limit, if that is the figure contained in the by-law, but he cannot lower it below 13½ times the excess of assets over liabilities. Whatever the directors may do in the way of stipulating what the borrowing limit should be, it cannot become enforced without the approval of the minister.

Secondly, the minister cannot recognize an increase of more than 20 times the excess of assets over liabilites without meeting the criteria which I have just described to you.

It would appear, therefore, that from all the different angles the situation has been well covered in relation to checking on the stability of these financial institutions, and ensuring that their financial state is such that will permit these increases, within limits all the time, where the minister himself, on the recommendation of the Superintendent in some cases, will have a hand in the determination before it can really become effective.

This may be a good time to sit down, but the—

**Senator Walker:** May I ask my friend one further question? How will the bill affect the borrowing powers of the provincially incorporated trust and loan companies?

**Senator Hayden:** It does not.

**Senator Walker:** It does not at all?

**Senator Hayden:** No, it deals only with federally incorporated companies, because the Trust Companies Act and the Loan Companies Act are federal statutes. So they do not step over the line here. It is hoped that by persuasion or by the need to be at a proper level of competition with the federally incorporated companies, the provincially incorporated companies will move up in the same fashion. In my opinion, that is a fair assumption to make. I do not believe you could describe it as just a pious hope.

I should tell you that there is a provision enabling the Governor in Council to make regulations respecting the establishment of standards for the purpose of the minister's determination as to whether the financial condition of the trust company or the loan company meets certain standards of financial worth. The only thought I have in that regard is that we do not know what standards will be established by regulation. I did presume to have a chat with the Superintendent of Insurance, who I believe is most highly regarded by all the committees and by everyone in this house and outside. His explanation to me was that the rules which the department applies annually in assessing the status and the real financial worth of these companies will not necessarily be those which will be incorporated into the regulations. This bill and the provisions to increase the borrowing limit are designed to produce some flexibility. It is expected that the condition that would make the application of this increase in the borrowing limit advisable is to govern the situation where suddenly a trust company or a loan company finds itself crushing against the top limit of its borrowing. How does it meet that, and how much time does it have to meet it? In the financing of these days, you know, it could take three, four or five months to prepare all the necessary material, the prospectus, and obtain clearances.



The design of this bill, therefore, is to provide the means, or a vehicle, however you wish to express it, by which the trust company can stay on base while it is searching for and perfecting whatever machinery is required in order to raise more capital, or to secure more in the way of subordinated shareholder loans, because the subordinated shareholder loans, being at the base of the ladder and having everything else up above them, are the closest thing to share capital.

This is a question which, in my opinion, we should discuss with the Superintendent in committee. We should have the details of the rules which are followed ordinarily in the examination of the returns of trust companies and loan companies. We should also have some indication from him as to the direction and the extent to which he feels these standards, for purposes of determining the financial condition of a trust company or a loan company, should be applied by the minister in making that determination. I can readily see how it would be, I would say, an impossibility to include this in a bill, because to do so would defeat the flexibility.

I suppose we should be thankful for small favours. Instead of providing in this bill that the minister may establish regulations, it does say that the Governor in Council may do so, so I suppose in that way we escape from what we have been calling ministerial discretion. It is rather the discretion reflected in the regulations passed by the Governor in Council. So if there is discretion, it is the discretion of the combination of all the ministers, to the extent that they apply themselves to this particular question.

I have not attempted to give you the details, the terms and conditions of the subordinated notes, because they are set out clearly in the bill before you. In relation to loan companies, you will find those definitions set out on page 9; in relation to trust companies, you will find them set out on page 2. Whoever reads them will easily get an understanding of the terms and conditions.

● (2050)

I note that the denomination of a subordinated note cannot be less than $25,000. The reason for that, perhaps, relates to the places which they hope will provide a market for the securities. It is not the sort of thing that would appeal to Mr. Average Investor. The institutional market may be the one they are looking to; I do not know. That is just speculation on my part.

Other than that, there are things which, while they may be important, are not really matters of substance. I think I have dealt with what might be called matters of substance. This is an important bill, and we should get the benefit of the evidence of the Superintendent of Insurance in relation to it. Of course, if any of the trust companies or loan companies wish to have their officials appear before the committee, we shall be very happy to hear from them.

**Hon. David Walker:** Honourable senators, before making some remarks, may I assume that after second reading this bill will be referred to Senator Hayden's committee, the Standing Committee on Banking, Trade and Commerce?

**Senator Hayden:** Well, it will be referred to that committee, but as of this moment the First Report of the Committee of Selection has not been approved, so it is not my committee.

**Senator Walker:** Senator Hayden never leaves himself open. That was such a simple and yet explicit and understandable resumé of this bill, it ill behooves me to take the time of the Senate to go over it again. We will have an opportunity in committee to conduct a clause-by-clause examination of the bill. It seems to me that the overall pattern of this bill, making provision for increasing the borrowing limits in an amount exceeding the present maximum of 20 times the excess of the company's assets over its liabilities, is justified, particularly with all the safeguards and conditions set out in the bill. It is long overdue. That is really the be all and the end all of this bill. Certainly, under all the circumstances prevailing in the marketplace at the present time, it is necessary. I think we on this side are in favour of it. There are some details which we do not understand at the moment, but this is not the place to keep pestering Senator Hayden with questions. He has given the chamber a very clear and satisfactory explanation of the bill. It is very, very seldom that I agree with him, but I do tonight.

**Senator Hayden:** I can now provide my friend with the information he requested as to the limit in relation to banks. There is no statutory limit with respect to borrowing on the part of banks.

**Senator Walker:** But they are subject to the Bank of Canada Act, are they not?

**Senator Hayden:** I am referring now to subordinated debentures.

**Senator Walker:** Yes. The other thing I wanted to say in relation to this bill is that the safeguards are manifold and, I would think, very satisfactory.

**Senator Buckwold:** Honourable senators, I find I am a member of an advisory board of a federally incorporated trust company. This may be considered a possible conflict of interest. I therefore want my fellow senators to know that I am declaring myself as such and, as a result, I shall not participate in this debate.

**Senator Hayden:** Honourable senators, as soon as the First Report of the Committee of Selection has been adopted, I intend to move that this bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to and bill read second time.

**The Hon. the Speaker:** When shall this bill be read the third time?

**Senator Hayden:** Later this day.

Motion agreed to and bill placed on the Orders of the Day for third reading later this day.

## SUPREME COURT ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. John J. Connolly** moved the second reading of Bill S-2, to amend the Supreme Court Act and to make related amendments to the Federal Court Act.

He said: Honourable senators, before I come to the bill itself I should like to say to the Leader of the Government (Senator Perrault) how delighted I am, as I am sure all senators are, at the number of bills he has been able to secure for introduction in the Senate at this stage. It is an extremely good practice. We are a legislative body, and the more we practice the art of legislating and the more opportunities we have to introduce bills in this chamber in the first instance, the greater will be the efficiency of Parliament and the quality of the legislation that is produced by Parliament. I want to add my tributes to those that have already been paid to the Leader of the Government for his efforts in this regard.

Honourable senators, Bill S-2 proposes to amend the act which is known as Chapter S-19 of the Revised Statutes of Canada, 1970, as amended by Chapter 44 of the 1st Supplement to the Revised Statutes of Canada, 1970. The purpose of the bill is threefold. First of all, it is to allow judges of the Supreme Court of Canada and the Registrar and Deputy Registrar of the court to reside either within the National Capital Region or within 25 miles thereof. Honourable senators will remember that originally the judges of the federal courts had by statute to reside in the City of Ottawa. That seems to be an impractical kind of proposal to have in a statute of this kind. This gives a little more leeway to judges and to the Registrar and Deputy Registrar as to where they might buy property in which to live. Probably some of the outer limits are a little impractical. A judge could live in Renfrew, Perth, Cornwall, Alfred, Montebello or Gracefield. But the practical application of this is that he is not required to live within the city limits of Ottawa.

● (2100)

The second purpose of the bill is to allow interest on judgments in the Supreme Court of Canada in respect of certain awards of money. These are awards made in the Supreme Court of Canada in appeals from lower courts where no award of money was made—where the award of money was denied. This simple section provides that interest will run on judgments issued by the Supreme Court of Canada in such cases from the time of the original application to the lower courts.

The third and most important of the amendments to be made is to restrict appeals to the Supreme Court of Canada to cases in which leave to appeal has been granted. May I draw the attention of the Senate first of all to the fact that this amendment, restricting appeals to cases where leave to appeal has been granted, applies to civil cases only. It does not apply to criminal appeals and it

does not apply to references. The rules with respect to criminal appeals and references which have been in force heretofore will continue to apply.

I think in the first instance one should ask why this particular amendment is being sought. A number of years ago it was discovered that there was an excessive case load in the Supreme Court of Canada. There was an overload of work for the court and for the judges who composed the court. There was a tremendous carryover of cases from one session of the court to another, and as a result there was great delay in getting judgments in cases that had to be heard.

In 1972, the Honourable John Turner, when he was Minister of Justice, asked the then President of the Canadian Bar Association, Mr. John Farris, now Chief Justice Farris, and the son of one of our former colleagues here, to have a committee of the Canadian Bar Association appointed to study, and to advise the minister on, the problems of the case overload and the delays in the Supreme Court of Canada. I think I should put on record the fact that the committee was composed of eminent Queen's counsel from many parts of Canada. The chairman was B. J. MacKinnon, Q.C. of Ontario; from British Columbia there was G. S. Cumming, Q.C.; from Alberta, J. H. Laycraft, Q.C.; from Manitoba; Keith Turner, Q.C., from Quebec, François Mercier, Q.C.; and from New Brunswick, D. M. Gillis, Q.C. Mr. Norman Smith of the Ottawa *Journal* was also appointed a member of this committee. The research director was Professor W. R. Lederman of Queen's University, formerly the Dean of Law at that university. The committee reported some time late in 1973, and I shall outline briefly what it had to say about the problem.

On the question of the establishment and the production of the courts they had a good many things to say. For example, honourable senators know that the court is composed of nine judges. What everybody does not know is that they sit an average of 208 days a year in three sessions—the winter session which begins in January, the spring session which begins in April, and the fall session which begins in October.

Under section 25 of the Supreme Court Act the court is required to have a quorum of five, but the court sometimes sits with a panel of seven, and sometimes, in very important constitutional and other cases of that order, with a panel of nine. The average number of judgments issued by the court each year is approximately 120. For example, between 1961 and 1971, the low was 101 judgments in 1961; the high was 134 in 1968.

This establishment and this production compares very much with the establishment and production of the Supreme Court of the United States, where there are also nine judges, and where the number of judgments issued every year is approximately 120. It compares favourably, too, with the highest courts of appeal in the United Kingdom, namely, the House of Lords and the Privy Council, where some 60 to 80 judgments on average are released each year.

Of the 120 cases upon which judgment is pronounced in the Supreme Court of Canada each year, and particularly between the years 1961 and 1971, 20 per cent, or approximately 24 of the judgments, were before the court because the court had given leave for the case to be there. Otherwise, it would not have qualified as there would not have been an automatic right of appeal. If the court gave leave, then the appeal would lie. This means that 80 per cent of the cases, or some 96 of the cases heard by the court, were there because the case could be appealed as of right. Later, I will outline some of the conditions for appealing as of right heretofore. All of that 80 per cent, of course, would not be civil appeals; some would be criminal appeals and there would be a few references, as references were proposed for consideration of the court.



Referring again to the report of the Canadian Bar Association, I should like to say something of what they found about the kind of congestion that was beginning to develop in the court. Remember, the average number of judgments issued each year, as I have said, has been about 120. In 1973, for the spring term, a term that would be about 65 days in length, 200 appeals had been lodged—had been before the court at the opening of that term—of which 100 were ready, 77 were set down, and 40 to 50 were heard.

The committee also commented that starting in 1970 the overload of cases inscribed was beyond the reasonable maximum. The average carryover per session at that time was approximately 34 cases. In 1972 the actual carryover for each session—winter, spring and fall—was, respectively, 62, 52 and 43 cases. The only control the court had over the volume of work submitted to it was in cases where leave to appeal was required.

● (2110)

Honourable senators, particularly those who are lawyers, might wonder where these delays developed. The committee found that from the date that a notice of appeal was prepared and issued until the date of hearing, some two years would have to elapse. There would be emergencies, of course, in which the delays would be shortened—and they were shortened—but the average length of time required to have a case before the court for hearing was two years. The committee also found that, between the date of hearing and the date of judgment, in the majority of cases less than six months would elapse. This meant that the court was very assiduous in getting out its judgments. Honourable senators who are acquainted with these judges know that that is because a good many of their reasons for judgment are prepared during the holidays—the long summer vacation and the Christmas and Easter vacations.

The committee found that the root of the trouble, or the reason for the congestion in the court, was that under section 36 of the act there were too many appeals being launched.

I have said already that 80 per cent of the cases heard by the court were cases which were there as of right under section 36. Under section 36, any case in which the amounts or the value of property in controversy exceeded $10,000 automatically could go to the Supreme Court; and cases of *habeas corpus* and of *mandamus* could also go there as of right without leave.

The committee found that the offending cases, the cases which were causing the congestion, were the appeals—too great in number—which were based on cases in which the money or value of the property involved was at least

$10,000. Frequently these cases involved disputes about the quantum of damage in negligence cases. These matters may be of great interest to the litigants themselves, but they are not considered to be matters necessarily of public importance.

The argument made by the committee of the Canadian Bar Association was that cases involving quantum of damages and money amounts—if those are the principal matters at issue—have already had the benefit of at least two judicial reviews—one by the court of first instance, the other by the court of appeal in the province.

This bill, of course, does not preclude cases involving $10,000, or involving even greater property value than that, from getting to the Supreme Court. If an important principle of law is involved, or of mixed fact and law, the litigant concerned can apply to the court for leave. And he could succeed.

The rule which is proposed in this legislation was adopted by the House of Lords in England as long ago as 1934. Appeals to the highest court of the land, which is the House of Lords, were restricted to appeals for which leave had been given. Appeals as of right were abolished. I should say that the problem in the United Kingdom in 1934, when this was done, was not one of case overload, as is the situation in the Supreme Court of Canada today. It was one of abuse. Perhaps, to illustrate that, I might refer to a speech in the House of Lords made by Lord Atkin, which is reported in the House of Lords Reports, Volume 92, June 5, 1934, at page 794. Honourable senators who are lawyers will know that Lord Atkin was one of the most eminent jurists of his time in the United Kingdom. He said:

> The great importance of this reform is this, that a rich corporation—or perhaps I might say a strong government department—will not for the future be able in any way to terrorize the person with whom they may have a dispute by a threat that the case will certainly be taken to the House of Lords. I think it is a great advantage that a case will not now come to your Lordships' House unless there are substantial grounds for so taking it either in the opinion of the Court of Appeal or of your Lordships' House.

A similar view was expressed by the Vice-Chairman of the Bar Council of that time in the United Kingdom, Sir Walter Greaves-Lord.

The rule proposed to be adopted by this measure has been in force in the United States since 1925. They have had nearly 50 years of experience with it. There, the appeals which are heard by the Supreme Court of the United States from lower courts, either federal or state, are heard only after leave. It may be of interest to know that in 1972 the nine judges of the Supreme Court of the United States, in addition to the 120 cases upon which they issued judgments, dealt with 4,500 applications for leave.

Honourable senators, what were the remedies available to the committee of the Canadian Bar Association? First of all, they might have been able to solve the problem by increasing the monetary amount from $10,000 to some rather substantially higher amount. That suggestion was rejected for the reason given by the committee that today money or property value alone is no real criterion for a right of access to Canada's highest court.

A second tentative solution was to increase the number of judges so that the work could be more widely dispersed. However, the experience in the United States—where there are only nine judges on the Supreme Court despite the fact that they have so big and populous a country—seemed to mitigate against the proposal that our court should be larger than nine.

I believe the same reasoning applies also to the establishment in the United Kingdom. Honourable senators do know, of course, that in the House of Lords there are 12 or 14 law lords and there are other jurists who are qualified to sit in the Privy Council. Our appeals do not go there any more, but there are appeals to the Privy Council from other countries of the Commonwealth They have a good many judges available both for the House of Lords and for the Privy Council. It is perhaps a little easier for them to deal with a situation like the problem in Canada.

The third alternative, the one which the committee of the Bar Association came to, was to require all appellants in civil cases to secure leave to appeal before they could come to the Supreme Court of Canada.

The test that was to apply on an application for leave gave the committee considerable concern. It came down upon one standard, one test, one criterion, which it simply announced as "the public importance" of the case. This expression is not defined in the committee's report. In a sense it is really not defined in the bill, although it is somewhat expanded.

● (2120)

Generally speaking, the leave is a matter of discretion in the House of Lords, and also in the United States Supreme Court. Both courts have issued reasons which are helpful, not only to the profession but as well to the litigants. A good deal of jurisprudence has been built up in both the United Kingdom and the United States setting out what are good grounds upon which an application for leave to appeal will succeed. This is also true of the converse—of the grounds upon which leave can be refused, and the grounds upon which a motion to quash can succeed.

I suppose that if one were to ask one of the judges what class of case he would describe as a case of public importance, he would say, generally, constitutional issues, conflicting judgments of lower courts with respect to the interpretation of federal statutes and provincial statutes, and perhaps different approaches by courts in different provinces as to the interpretation of the common law with respect to, for example, crown liability in a case of tort.

The procedure proposed is to have the court sit in panels for the hearing of applications for leave, and indeed that practice has been established for a number of years and is enshrined in section 45. The quorum of the panel is three. So at the present time, theoretically, there could be three panels of three judges sitting simultaneously if the number of applications for leave to appeal should grow to any great extent.

Honourable senators, I have taken too long in my explanation of this bill, but I am about to finish. However, I thought it would be useful if I highlighted one or two clauses.

Clause 3 abolishes appeals to the Supreme Court of Canada as of right.

Clause 5 spells out the main recommendation of the committee of the Canadian Bar Association, and it sets out the criteria to be applied by the court in applications for leave to appeal.

I said a moment ago that the question of what is an important public matter upon which the court should give its decision to allow an appeal to be taken or not is spelled out a little bit better in the proposed legislation. In cases in which the Supreme Court is of the opinion that any question involved in the application for leave is, by reason of its public importance or the importance of any issue of law or any issue of mixed law and fact involved in such question, one that ought to be decided by the Supreme Court or is, for any other reason, of such a nature or significance as to warrant decision by the court, then leave can be granted. The discretion is very broad, and I think it must be read in conjunction with the considerable body of jurisprudence that has been built up in the area.

Clause 9 provides that the rules proposed for appeals from the provincial courts are to be the same in cases of appeals from the Federal Court of Appeal to the Supreme Court of Canada.

The last clause I would comment on is clause 10. This clause provides that the new law shall come into force on proclamation, but with regard to existing cases ready for the Supreme Court of Canada, or cases not ready but in which a notice of appeal has been filed in the lower court, or has been served on any of the parties involved in the litigation, or has been deposited with the Registrar of the Supreme Court of Canada, or cases which have already been removed from the provincial courts to the Supreme Court of Canada under section 62 of the Supreme Court Act—these are cases in which action of the provincial government is involved—in all of these cases the rules will be the rules that have applied heretofore. In other words, this legislation will not be retroactive.

Honourable senators, if the bill receives second reading I shall move, when the committee is established, that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

**Senator Flynn:** Honourable senators, I intend to move the adjournment of this debate. Before doing so, however, may I put a question to the honourable sponsor of the bill. He mentioned that the United States Supreme Court had heard in 1972, 4,500 applications for leave to appeal. I was wondering if he had any such figures for the Supreme Court of Canada. Can he tell me how much time the court took in, say, 1972 or 1973 in hearing these applications, and what the proportion is of leaves granted to the number applied for.

**Senator Connolly (Ottawa West):** Unfortunately I do not have any figures on the number of applications that were refused. The report says 20 per cent of the cases heard—which would be about 24 cases a year on an average—were cases in which leave was granted. Such appeals were before the court because leave had been granted but the committee did not have any comment on the number of applications for leave that had been refused. I have no information, but I shall certainly see to it that when the committee deals with those bills the officials provide that information.

There was another part to Senator Flynn's question, I believe.

**Senator Flynn:** How much time was spent—

**Senator Connolly (Ottawa West):** On the applications for leave? I do not think that is covered in the report of the committee of the Canadian Bar Association. I think we shall have to get that information in committee.

**Senator Walker:** May I ask the senator a question? How many judges in the Supreme Court of the United States sit on applications for leave?

**Senator Connolly (Ottawa West):** I understand that the panel is the same as it is here, namely, three.

**Senator Flynn:** I heard that the whole court was hearing the applications but, in any event, this is one question we may deal with in committee.

**Senator Connolly (Ottawa West):** Frankly, I am not an expert on the Supreme Court of the United States. I have been in that court only as a spectator. I do remember, however, an application before the whole court for leave to appeal, a restricted amount of time available for argument, a big brief filed and a very short argument made, and no reasons given from the bench. They just adjourned and handed their judgment down later. I think, though, they can sit in panels of three. Again, we can get that information in committee.

**Senator Hicks:** Before this debate is adjourned, may I ask the honourable senator a question? Is the "public importance" aspect new to this bill, or does this exist as part of the *ratio decidendi* in relation to leave to appeal in the House of Lords or in the Supreme Court of the United States?

● (2130)

**Senator Connolly (Ottawa West):** Honourable senators, I shall not take the time of the Senate now to go into them in detail, but I have a number of references from both the House of Lords and the Supreme Court of the United States. Indeed I have one from the Supreme Court of Canada, where Mr. Justice Nesbitt, as he then was, wrote a judgment back before World War I. I think it was in the *Lake Erie* case when he laid down pretty well the proposition that is contained in clause 5 of the bill. This was one of the few cases available both on an application to quash an appeal that was taken as of right, or an application for leave to appeal. I remember being before the court as a very young man, when Sir Lyman Duff was Chief Justice, and he used to say, "We still rely on Nesbitt for our decision in the case of application for leave." There is a considerable body of jurisprudence on this point.

On motion of Senator Flynn, debate adjourned.

## CANADIAN WHEAT BOARD ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Sidney L. Buckwold** moved the second reading of Bill S-6, to amend the Canadian Wheat Board Act.

He said: Honourable senators, we have heard speeches in relation to two very important and involved bills this

evening, S-7 and S-2. I guess it is due to the cost of paper that the bill assigned to me consists of one page. It is relatively simple. Perhaps there are other reasons also for assigning this to me.

I should like to remind honourable senators who may not be aware of it that we have an expert on the Canadian Wheat Board in this chamber in the person of Senator McNamara. This provides me with an opportunity to pay tribute to him as a great Canadian who has made an outstanding contribution to the marketing of grain and to the benefit of farmers in western Canada, where his name is long remembered and very much honoured. I am sorry Senator McNamara is not in a position to sponsor this bill himself, but you will find some of his advice very much in evidence in my remarks.

Honourable senators, this is a bill to amend the Canadian Wheat Board Act. As most of you are aware, the Canadian Wheat Board markets wheat, oats and barley handled by that board on an annual crop year basis which starts on August 1 and ends on July 31 the following year. The producer on delivering his grain receives what is known as the "initial price." This initial price is usually announced in March, and it is at that time that the farmer or the producer learns what the initial price will be. The initial price is set on the basis of what is known as a "safe price." Historically this has been followed at a later date by a final payment, and this normally has been a very modest one.

For the present crop year the initial price is set at $2.25 a bushel for wheat, $1.65 a bushel for barley and $1.10 a bushel for oats. I would like to suggest at this stage that those payments should be higher, and I think Senator Argue spoke about this in his address to the Senate on Thursday last. Last year, after some adjustments, the initial prices were $3.75 per bushel for wheat, $2.25 per bushel for barley and $1.10 per bushel for oats. May I say here, and I know I am going a little beyond the particular subject under discussion, that I am hopeful the Wheat Board will see fit to raise this initial price relatively soon.

The amendment we have in front of us tonight is intended to be for the benefit of farmers and for their financial planning. For example, on June 10, 1974, the Wheat Board gave an estimate as to what the final payment would be for the crop year ending July 31, 1974. For top-grade wheat it would be 72 cents per bushel, for top-grade barley, 76 cents per bushel, for No. 1 feed barley 26 cents, and for No. 1 oats 50 cents. Here let me emphasize, as it is always emphasized to the farmers, that these are not the final figures, but are estimates so that the producer may have some idea of what he is likely to get as a final payment.

Traditionally the final payment is made in the following calendar year, but in 1973 it was made in the same calendar year as the initial price. This was because of the great demand which resulted in the pool being sold out early. So, as I have said, the final payment was made in the same year as the initial price, and that greatly added to the difficulties facing the farmer in his financial planning because of the resultant income tax burden.

The Canadian Wheat Board is required under the act to close its pool accounts for wheat, oats and barley as soon as it has sold the grain which it has acquired in each pool during the crop year and proceed with the necessary audits and procedure leading to the actual distribution of the final payments to producers. In other words, as soon as the pool is closed, they have to pay out and this is what creates the need for this legislation.

In 1973 producers received two sets of final payments as a result of the above requirement and consequently a much higher than anticipated income tax assessment for that taxation year. This amendment will ensure that final payments for any pool periods will not be made before January 1 of the calendar year commencing after the end of the pool periods and will thus prevent the recurrence of a situation where more than one set of final payments is made in a single taxation year.

Therefore, honourable senators, the farmer delivering grain now would know that there would not be a further payment made to him, that is to say a final payment, this year. The deferring of such payments as provided for in Bill S-6 will enable the farmer better to organize his financial planning. This is an attempt to stabilize and equalize farm income to some degree and to give producers a better indication as to when final payments will be made. This change is required because of the very heavy demand for grain products, and because it is likely that the grain pools will be ready for final payments earlier now than when demand is poor.

Honourable senators, I would ask for your favourable consideration of this bill, and in due course, when the committee is appointed, it is my intention to move that the bill be referred to the Standing Senate Committee on Agriculture for further consideration.

On motion of Senator Grosart, for Senator Yuzyk, debate ajourned.

● (2140)

## STANDING COMMITTEES

### FIRST REPORT OF COMMITTEE OF SELECTION ADOPTED

The Senate proceeded to consideration of the first report of the Committee of Selection which was presented Thursday, October 10, 1974.

**Senator Petten:** Honourable senators, the report was presented on Thursday, October 10, and I move its adoption now.

Motion agreed to and report adopted.

## FEDERAL TRUST COMPANIES AND LOAN COMPANIES BILL

### REFERRED TO COMMITTEE

On the Order:

Third reading of the Bill S-7, intituled: "An Act to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes.—(*Honourable Senator Hayden.*)

**Senator Langlois** moved that the bill be not now read the third time but that it be referred to the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

## THE ESTIMATES

### NATIONAL FINANCE COMMITTEE AUTHORIZED TO EXAMINE AND REPORT

**Senator Langlois**, 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 the 31st March, 1975, tabled in the Senate on Tuesday, 8th October, 1974.

**Senator Grosart:** Is this a reference to the main estimates only?

**Senator Langlois:** The main estimates, yes.

**Senator Grosart:** Will there be a similar motion respecting supplementary estimates (A)?

**Senator Langlois:** Yes. That is my next motion.

Motion agreed to.

### SUPPLEMENTARY ESTIMATES (A) REFERRED TO NATIONAL FINANCE COMMITTEE

**Senator Langlois**, 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 (A) laid before Parliament for the fiscal year ending the 31st March, 1975, tabled in the Senate on Tuesday, 8th October, 1974.

**Senator Langlois:** Before the question is put, probably I should answer the question that my honourable friend was about to ask of me. My purpose in moving these two motions is to pave the way for a meeting of the Standing Senate Committee on National Finance which is scheduled for Thursday of this week at 10.30 in the morning, when the new President of the Treasury Board will be in attendance. As I have said, it is in order to pave the way for this important meeting of the committee that I have referred these estimates to the committee tonight. I felt that honourable senators would be interested in having this advance information. The notice will be in the mail, I suppose, some time tomorrow.

**Senator Grosart:** I wonder, honourable senators, if I could ask the Leader of the Government or his deputy if there is any urgency in the report back from committee? In the corridors we heard rumours that there may be a very definite deadline in the matter of the government's meeting its expenditures and having at least the supplementaries approved.

**Senator Langlois:** I have no knowledge that there is any special urgency. There is always urgency in connection with fiscal matters and the provision of funds for the administration of the Public Service, but beyond that I cannot go. As I said, I thought that honourable senators would like to have this advance information regarding the sitting which is scheduled for Thursday morning.

**Senator Grosart:** Honourable senators, I raise the question because it is rather unusual for us to have the main estimates before us together with a supplementary (A) under those estimates.

**Senator Langlois:** Both are now tabled.

**Senator Grosart:** I thought you might want to speak about the warrants.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, October 16, 1974

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Capital Budget of the Farm Credit Corporation for the fiscal year ending March 31, 1975, 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. 1974-1290, dated June 6, 1974, approving same.

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, 1974, pursuant to section 17 of the *Medical Research Council Act*, Chapter M-9, R.S.C., 1970.

## LIBRARY OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

**Senator Langlois** moved:

That a Message be sent to the House of Commons by one of the Clerks at the Table to inform that House that the Honourable Senators Bélisle, Cameron, Choquette, Côté, Forsey, Fournier (de Lanaudière), Grosart, Heath, Hicks, Macdonald, McIlraith, O'Leary, Quart, Riel, Rowe and Yuzyk have been appointed a Committee to assist the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as Members of a Joint Committee of both Houses on the said Library.

Motion agreed to.

## PRINTING OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

**Senator Langlois** moved:

That a Message be sent to the House of Commons by one of the Clerks at the Table to inform that House that the Honourable Senators Asselin, Beaubien, Bonnell, Duggan, Eudes, Fournier (Restigouche-Gloucester), Gouin, Greene, Heath, Macdonald, McGrand, Michaud, Neiman, O'Leary, Riley, Sullivan and Williams have been appointed a Committee to superintend the printing of the Senate during the present Session and to act on behalf of the Senate as Members of a Joint Committee of both Houses on the subject of the Printing of Parliament.

Motion agreed to.

## RESTAURANT OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

**Senator Langlois** moved:

That a Message be sent to the House of Commons by one of the Clerks at the Table to inform that House that the Honourable the Speaker, the Honourable Senators Carter, Fergusson, Forsey, Inman, O'Leary and Quart have been appointed a Committee to direct the management of the Restaurant of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as Members of a Joint Committee of both Houses on the said Restaurant.

Motion agreed to.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

**Senator Langlois** moved:

That a Message be sent to the House of Commons by one of the Clerks at the Table to inform that House that the Honourable Senators Cottreau, Flynn, Forsey, Godfrey, Lafond, Riel, Robichaud and Walker have been appointed to act on behalf of the Senate as Members of a Joint Committee of both Houses on Regulations and other Statutory Instruments.

Motion agreed to.

## INTERNAL ECONOMY

**Senator Langlois**, 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 internal economy of the Senate, and that it report the result of such consideration to the Senate.

Motion agreed to.

## COMPETITION POLICY

BANKING, TRADE AND COMMERCE COMMITTEE AUTHORIZED TO EXAMINE AND REPORT UPON COMPETITION LEGISLATION

**Senator Hayden** moved, with leave of the Senate and notwithstanding rule 45(1)(e):

That the Standing Senate Committee on Banking, Trade and Commerce be authorized to examine and report upon any bill relating to competition in Canada or to the Combines Investigation Act, in advance of the said bill coming before the Senate, or any matter relating thereto;

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; and

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

**The Hon. the Speaker:** With leave of the Senate and notwithstanding rule 45(1)(e), it is moved by Senator Hayden, seconded by Senator Macdonald—

**Senator Flynn:** Dispense.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

**Senator Flynn:** No comment.

Motion agreed to.

## FOREIGN AFFAIRS

### PALESTINE LIBERATION ORGANIZATION AT UNITED NATIONS—POSITION TAKEN BY CANADIAN DELEGATION—QUESTION

**Senator Molson:** Honourable senators, I should like to ask the Leader of the Government whether in the United Nations the Canadian Delegation, in speaking against the seating of the Palestinian Liberation Organization and then abstaining from voting, were acting on the orders of the Secretary of State for External Affairs, or whether this was as a result of their assessment of the situation as they saw it?

I ask that question because it seems a rather extraordinary performance, when one reads the background of the application to seat that group, which certainly we would not call peaceful.

**Senator Perrault:** Honourable senators, as one who has represented Canada on the United Nations committee concerned with the Palestinian refugee situation, I can only suggest that the spokesman for the Canadian position during that debate would have been under instruction from the Secretary of State for External Affairs and the government. I do not wish to comment further at this time. However, if the honourable senator would like a more complete report, I shall endeavour to communicate with the minister.

**Senator Molson:** I would be grateful if we could have further information, if possible.

## PARLIAMENT BUILDINGS

### USE OF SENATE ROOMS BY MEMBERS OF HOUSE OF COMMONS AND OTHERS—QUESTION

**Senator Molson:** Honourable senators, I should also like to ask the Leader of the Government, in view of the shortage of space for the Senate in this building, whether the giving up of the committee room 263-S for House of Commons use was approved by the Standing Committee on Internal Economy and Contingent Accounts?

**Senator Perrault:** Honourable senators, I do not believe that any formal alienation of space has occurred, although the committee room in question is, I understand, used occasionally for deliberative purposes by the House of Commons and by the Cabinet. I shall take the question as notice and endeavour to provide a more complete reply at a later date.

**Senator Flynn:** Perhaps I could ask a supplementary to Senator Molson's question. At the same time would the Leader of the Government inquire as to whether we have been able to make some acquisition?

### PROPOSED USE OF EAST BLOCK BY SENATORS—QUESTION

**Senator Croll:** The Department of External Affairs now has a very extensive office complex which was specially built for it. That department had been partly housed in the East Block. I can understand that the Cabinet Room and some of the immediate offices, including that of the Secretary to the Prime Minister, shall remain there, but what are the rest of the personnel doing in the East Block when they now have this large complex, one of the best available? Perhaps the East Block could now be made available to the Senate.

● (1410)

**Senator Perrault:** Honourable senators are aware of the inexorable pressure of space posed by an expansion of the activities of government on Parliament Hill. It is a continuing concern of the government to provide adequate accommodation, not only for members who serve in the other place but for members who serve in this place. I assure honourable senators that efforts are currently under way to improve the space situation for those who serve in this chamber.

## THE ESTIMATES

### NOTICE OF COMMITTEE MEETING

**Senator Langlois:** Honourable senators, may I be permitted to make a slight but important correction to a statement I made in this house last evening. I announced the sitting of the Standing Senate Committee on National Finance, which was scheduled then to sit tomorrow morning at 10.30. I was informed this morning that the time has been changed to 9.30, and this will be confirmed by the notices for that meeting which are presently in the mail.

## HEALTH AND WELFARE

### PRODUCTION OF INSULIN—QUESTION ANSWERED

**Senator Perrault:** Honourable senators will recall that at yesterday evening's sitting a question was posed by Senator Buckwold with respect to an alleged shortage of insulin. The office of the Minister of National Health and Welfare has supplied me with certain briefing material on the shortage of beef pancreas tissue, which was prepared by the Health Protection Branch of the department. I

believe this briefing information will answer Senator Buckwold's question and the questions in the minds of other members of this chamber. It is a short statement, and with your indulgence I shall read it.

The Health Protection Branch has been alerted to the concerns of the Canadian Diabetic Association with respect to both the price and the future supply of insulin in Canada. We have been informed by Dr. A. Fisher, the President of the Canadian Diabetic Association, that there will soon be an approximate increase of 10 per cent in the price of insulin in Canada due to increased production costs. Most of the insulin sold in Canada is manufactured from beef pancreas by Connaught Laboratories Limited and sold at a price which is generally lower than that of most other countries.

Present domestic and international market uncertainties in beef production have created strong demands for beef pancreas tissue. Dr. Fisher has intimated that some meat packers, in anticipation of short supplies, heavy demands and increased costs, may in some instances be stockpiling pancreas tissue. At least one major meat packer, Swift Canadian Company, has denied that it is stockpiling pancreas tissue.

Initial contacts with Connaught Laboratories Limited have indicated that there is no immediate shortage of insulin, but officers of the company have indicated some concern about long-range prospects for insulin supply.

We have been informed by officials of the Department of Industry, Trade and Commerce that at present meat packers are not allowed to export beef pancreas tissue without an export permit. For the past two years all domestic supply has been available to Canadian processors. Connaught Laboratories Limited could obtain more of this supply if they were more competitive. A portion of the supply of this tissue is being utilized to make pancreatic enzymes which are used in the treatment of cystic fibrosis and other digestive ailments.

At present there are no similar controls over the export of pork pancreatic tissue. For purely economic reasons, which relate to the size of the organ, it has not been extensively utilized in the production of insulin.

Officers of the Health Protection Branch presently are investigating the situation and will be meeting in the near future with representatives of the drug industry, meat packers, the Canadian Diabetic Association, and the Department of Industry, Trade and Commerce to discuss the matter further.

## SPEECH FROM THE THRONE

### MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Wednesday, October 9, consideration of His Excellency the Administrator's Speech at the opening of the session, and the motion of Senator Neiman, seconded by Senator Cottreau, for an Address in reply thereto.

**Hon. Henry D. Hicks:** Madam Speaker, may I at the outset associate myself with the words of compliment and congratulation which have been expressed by those who have preceded me in this debate in relation to your accession to the Speakership. In referring to you, may I also say how pleased I was to have entered this chamber two and a half years ago when it was presided over by your predecessor, another gracious lady who came from my own part of Canada and with whom I had had long associations as a Regent of Mount Allison University and in other activities that drew us together. It is indeed fortunate for us that the Senate will on successive occasions be presided over by members of the fair sex, who, I am bound to say, are not doing too badly for themselves these days, notwithstanding some expressions of opinion to the contrary.

I also want at the outset to congratulate the Honourable Senator Perrault on having been chosen as government leader. It seems to me that he has gotten off to a good start, and I am sure all of us in this chamber look forward to working with him and to making his leadership of the government activities in this house as productive and useful as possible.

I listened with interest to the speeches made by the mover and seconder of the motion for an Address in reply, and I congratulate them. I mention particularly my colleague Senator Cottreau, whom I welcome to this chamber as a new senator from Nova Scotia. He has come along with Senator Barrow who has been a lifelong friend of mine. I am sure that their advice and sound judgment will be of use to this chamber and to the Parliament of Canada.

The previous government leader, the Honourable Paul Martin, who, I think it is safe to assume, is now going as an ambassador to the Court of St. James, is a person with whom I, like many in this chamber, have had a long association. It is not necessary for me to refer at any length to his distinguished career as a Canadian public servant, parliamentarian and minister of government. I would like to comment briefly that Senator Martin is a politician who did not succeed in achieving the ultimate goal, which at least on some occasions during his career he set for himself, when he sought the leadership of the Liberal Party of Canada. It may be a remarkable thing that he did not attain the leadership of the Government of Canada, because certainly a man of his quality would easily and ably carry that mantle, but the remarkable thing about Senator Martin is that, although he did not succeed in becoming leader of his party, he never hesitated to continue to support the chosen leader of his party, on at least two occasions, with what I must describe as undiminished loyalty and great enthusiasm. He thereby contributed not only to the success of the party which he supported but to the success of the governments under at least two Prime Ministers of Canada, who might not have succeeded so well had Senator Martin chosen to take a different position, a less generous position, than the one which he did take. This always has impressed me. It is an example to persons who give themselves to public life, that we know we do not always get our own way, that we do not always succeed in landing in exactly the place where we would like to land.

**Some Hon. Senators:** Hear, hear.

**Senator Hicks:** Honourable senators, this afternoon I want to refer to only three or four items in the Throne Speech. Quite properly, prime importance was given in the Throne Speech to the problems of inflation and control of the economy of our country. I noticed with interest that one of the chief devices that the government relied upon,

to enable it to control inflation, was an increase in the supply of goods and services.

● (1420)

I am not an economist, and I know that the views of economists differ substantially and widely as to how one goes about this; but it has seemed to me for some time now that one of the chief elements in inflation in our country—one of the chiefest elements—which may have had the effect of slowing down the increase in the supply of goods and services—is the high cost of money itself. I do not know why our bankers and economists always feel that you control inflation by increasing the cost of money, because when you increase the cost of money it seems to me that you increase the cost of everything you need money to do: to manufacture, to buy, to provide services, and so on. I am wondering if some economists, far better qualified than I, should not take another look at the question of the high cost of money and the influence that it is having in encouraging inflation and perhaps in contributing toward what we all hope will not amount to a runaway in our national economy.

I could not help but note with interest that in the great country to the south of us this same proposition was put to President Ford, according to an Associated Press dispatch which was published in the Halifax *Chronicle-Herald* on September 6. I will read from it:

> President Ford heard more than a dozen of the United States' leading economists urge Thursday that the federal government ease its tight-money policy in a move to bring down record-high interest rates.

The article then goes on to develop to some extent the very theory that I have postulated before you this afternoon. I am not at all satisfied, myself, that the high cost of money is a healthy factor in our economy. I am not at all satisfied that we would not do better to control inflation by increasing the supply of goods and services, and, in order to do that, make the money necessary to effect this desired result more readily available, or at least, not so intolerably expensive as it has become in the last year.

A second factor which flows naturally out of concern for inflation led to a reference in the Throne Speech to the high price of oil and the difficulties attendant upon its production and distribution. They proposed, in relation to this, that there should be established a national petroleum corporation. I shall await with interest the legislation referring to this, because it is not quite clear to me at this stage how a national petroleum corporation is going to achieve the desired results in respect to oil prices and fuel prices generally that have risen so fantastically during the past two or three years in our country.

I do feel, however, that there is one element of national policy in relation to oil that is deserving of the continued and urgent attention of the Government of Canada, and that is the completion of our pipeline structure across the whole country. It seems to me that it is of vital national importance that we, as one of the few countries in the world that at least at the present time is self-sufficient in supplies of oil, ought to put ourselves in the position where that oil can be moved about the country where it is needed, and that we ought not again to be placed in the kind of condition of dependence which seemed to threaten us a year or so ago when difficulties with Arab and off-shore oil supplies were of such great concern to all of us. We in Canada can supply our own oil in quantities that would appear to be capable of looking after our needs for at least the next decade, and hopefully, with further discoveries, for much longer than that. I think it is in the national interest that we should make certain that we can transport that oil within the country wherever it is needed. On the other hand, if large off-shore oil reserves should be discovered off the coast of Nova Scotia and the other Atlantic provinces, or even if a turndown in the price of other off-shore oil should occur, it might very well be in the interests of our country that that oil could be pumped in the other direction, from the Atlantic ports to Montreal and Toronto, and even to points farther west. I noted the other day that, according to reports in the *Globe and Mail* of October 10, the President of Interprovincial Pipelines questioned the usefulness and the economic feasibility of the extensions of the oil pipelines in Canada. He suggested, I think, that a guaranteed minimum revenue of something like $25 million per year would be necessary to justify the continuation of a pipeline from Sarnia to Montreal. The only thing I can say is that these points of view ought to be examined very, very carefully. I would hope that the Government of Canada would not make its final decision on the basis of short-term economics but would look at the long-term point of view of protecting our resources and ensuring their continued use by Canadians in all parts of Canada.

Honourable senators, there is another aspect of energy and the supply of power which is of great interest to me and indeed to a great many people in the province I come from. I speak of the potentially enormous reserve of power that could be made available if the tides in the Bay of Fundy could be harnessed. I do not consider this to be a pipe-dream; I think it is a project deserving of continued study by economists and engineers. The last complete study of the question of tidal power from the Bay of Fundy was completed in 1969, and I should like to read a few extracts from a paper which was read by George C. Baker, P. Eng., M.E.I.C., to the Atlantic Region Technical Conference of the Engineering Institute of Canada, held in Moncton, New Brunswick, on April 20 of this year, 1974.

George Baker has spent a great deal of time and effort in studying the question of tidal power, and his paper sums up the situation as it appeared in April of 1974. He starts off by saying:

> After two years of study, the Tidal Power Programming Board in 1969 rendered a verdict on tidal power from the Bay of Fundy. It was declared technically feasible, but economically unattractive. In the five years since that time, little has changed in a technical sense, but the economic climate has altered almost beyond recognition.

He then points out that at that time, making certain assumptions in relation to one initial development of Fundy tidal power, that power could have been produced at a cost of 5.6 mils per kilowatt hour at site. Today, only five years later, that figure looks exceedingly attractive. He then goes on:

> Yet as early as 1970, some of the assumptions implicit in the comparisons had become a bit shaky. The interveners and lengthening construction periods

for new generating plants in the United States had started to undermine utility reserves. Displacement energy was becoming scarce. Environmental regulations had started to put up the cost of thermal generation. Suitable fuels were no longer abundant.

● (1430)

Then Mr. Baker deals with the inflation in fuel costs, which has been far greater even than that in construction cost of tidal power or nuclear plants today. He says—upgrading the 1969 report on the assumptions which I referred to before, which would have provided power at about 5.6 mils at site—it would appear that in 1974 the figure moved up to something like 15 mils per kilowatt hour. His paper states:

If inflation is applied to oil prices at the same rate, from a $7 base—

Elsewhere Mr. Baker has said that he thinks the higher bases of $12 and $13 for oil prices were only devised to justify royalties on oil and were not real base prices of oil from which he should work. However, I do not think we can accept that assumption today and I do not think we will see oil prices at a $7 base again in the future. In any event, he says:

If inflation is applied to oil prices at the same rate, from a $7 base, then thermal displacement energy in 1982—

Which is the earliest that you could get a plant going, or get a tidal plant going.

—would cost about 13.6 mils at a heat rate of 9,000 British thermal units per kilowatt hour. However, these figures cannot be directly compared, because year by year the cost of thermal energy would creep upward, while the cost of tidal energy would be more or less fixed by the actual construction cost and interest rate. For the example given, the single equivalent price of tidal energy over a 25-year period—

Now, these are based on figures which might have been applicable in the spring of 1974.

—with inflation at 4 per cent per annum is 15.6 mils. The single equivalent price of thermal displacement energy is 19.45 mils. After the 25-year period, for another half-century, the gap would continue to widen dramatically.

The economics would all fall in favour of the tidal power, because it would not be affected by the inflated fuel costs that will apply to both nuclear power and, more particularly, to conventional fossil fuel power, such as oil.

To continue with another quotation:

Inflation would, of course, affect costs of successor nuclear plants. A tidal plant completed in 1982 might be producing energy for 36 mils in the year 2050. If a nuclear plant were built instead, its third generation successor would probably be producing energy for 145 mils!

Honourable senators, all I can say is that if we had gone ahead with the tidal power proposition and had commenced construction of the plant in 1969, we would have been very pleased indeed, in view of today's prices, to have had that energy. I do not know that there is any change in the trend, and I just hope that we will not continue to lag behind for generation after generation so that we never get the benefit of this great energy. It could be translated into electric power by a cooperative effort of, at least, the governments of Nova Scotia and New Brunswick, in addition to the federal government of course. Concerning distribution, sale and marketing, it would almost certainly require the cooperation of the hydro authorities of the province of Quebec and, perhaps, even of the province of Ontario. I am not referring, of course, to the quick sale that could be made, as soon as we have it ready, to the New England States.

Again, we should be more concerned with respect to the value of an asset such as this in the Canadian economy, and we ought to be able to justify it on the contribution it can make in Canada alone, without depending on arrangements with our great neighbour to the south.

I wish, finally, to quote the conclusion of Mr. Baker in his paper. He says this:

Further work is needed:

(1) Because of the commodity aspect, to make further market studies;

(2) On the technical level, to fine-tune some of the design work. Under present conditions, even relatively minor improvements would go far to enhance the prospects;

(3) On basic research, because, although the matter has been studied often, the studies have not in general pursued the development of tidal technology.

Finally, further work is justified because of the long-term benefits to these provinces which a successful development would confer. We would be happy today to have some of that 5.6 mil energy offered in 1969. Development now, if it could be made to just break even over the first 15 or 20 years, would make coming generations happy in a completely analogous way.

Let us hope that the federal government will be willing to give serious thought and consideration to the development of the tidal power resources of the Bay of Fundy, which may be one of the great sources of electrical energy left in North America today.

I wish now, honourable senators, to deal briefly with science policy and, particularly, with the granting agencies that support research in our country. The Throne Speech which opened the Second Session of the Twenty-ninth Parliament dealt at some length with the changes which it was proposed to make in the National Research Council, the Canada Council, the Medical Research Council and the Defence Research Board. I believe that honourable senators are generally familiar with the nature of those changes, which were the subject also of a substantial news release by the Ministry of State for Science and Technology.

If I may remind you, generally speaking many of these proposals were attributed to the recommendations made by the Senate Special Committee on Science Policy, and had the effect of separating the granting functions for supporting research in universities and other agencies in Canada from the basic research capability of the National Research Council itself, and making similar changes in relation to the Canada Council. The justifications for

doing this, as expressed in the paper of the Ministry of State for Science and Technology distributed to us earlier this year, make interesting but not convincing reading. They state, first of all:

> Generally, the councils have been successful in achieving their major objectives. However, the disciplinary approach to financial assistance, has not produced sufficient balance among the various research disciplines. Further, the increasing importance of inter-disciplinary research demands increased financial assistance to this field of endeavour.

Increased financial assistance, yes, but not necessarily a splitting up of the National Research Council in order to do it.

I wish to quote one or two more passages. Elsewhere in the paper this is said:

> The granting function of NRC is highly respected in the science community and the agency has performed its task well. However, there is an increasing interaction among scientific disciplines and activities and, therefore, a need for better co-ordination with other granting bodies.

I do not see how the splitting off of the granting function from the National Research Council and the Canada Council has anything at all to do with disciplinary-oriented research as opposed to inter-disciplinary-oriented research. In my opinion, this is a complete non sequitur into which the authors of this paper, and perhaps to some extent the authors of Senator Lamontagne's report on Science Policy, were drawn because they became infatuated with the popular talk about inter-disciplinary research. There is nothing so different about inter-disciplinary research that it requires a different handling technique than other kinds of research. It may mean more money, it may require individual institutions, such as universities, where the research is being carried out, to see that a greater measure of cooperation and coordination is assured among their biologists, chemists, medical doctors and those who carry on the research. It seems to me, however, that this will not be furthered one bit by breaking apart these councils.

● (1440)

I hope we are not about to downgrade the role of the National Research Council, which, it seems to me, has served Canada so well and has been an example for more than 50 years—indeed, for nearly 60 years—to many other countries.

It seems to me that our sophisticated scientific community in Canada is still a relatively small one. Whoever is going to do the evaluation work on research projects in Canada will have to be chosen from the same pool of adjudicators, panelists or judges which is now used to evaluate the proposals that are supported by the National Research Council.

I do not think it is wrong for the National Research Council to claim, as it has done, that:

> NRC is the one Federal organization with an operating but non-regulatory role across the interfaces of research in the three sectors of government, industry and universities. With the NRC Laboratories as the essential core, a coordinated set of programs has been developed with close links in universities and industry through the use of research support programs, Associate Committees and a variety of other scientific activities. These interactive elements in NRC's structure and programs make it a unique research agency which is flexible and responsive to national needs and opportunities. Evolving national strategies and priorities will undoubtedly create an even greater need in future for a national scientific organization with the range and capabilities of NRC to serve the nation.

Honourable senators I have developed the case with respect to the National Research Council somewhat more, but one could also develop the same case in respect to the Canada Council and, to a lesser extent, in respect to the other granting agencies.

On October 5 the *Globe and Mail* carried a report from the Director of the Science Council of Canada, Dr. P. D. McTaggart-Cowan, in which he is quoted as saying:

> The reorganization of the federal Government's research and science funding establishment recommended in the last two reports of the Special Senate Committee on Science Policy "has the potential of inflicting serious, long term damage on Canada's scientific community."

I think we should give sober second thought to this situation when we have been party to a proposal which is opposed by the National Research Council itself and the Canada Council—perhaps that is not surprising—by the Science Council of Canada, or its director, in the report I have just referred to, and by the Association of Universities and Colleges of Canada, virtually without exception, in representations they have made to the Prime Minister and to the Minister of State for Science and Technology.

Perhaps, before leaving the subject, I should say one more thing about the Defence Research Board. It is proposed that the National Research Council would continue with its laboratories and its research, and that there would then be another council, perhaps to be called the Natural Sciences Research Council, to look after the granting function. The Canada Council would continue to support the arts and there would be created a new granting agency for the social sciences and the humanities.

It was proposed to remove the granting function entirely from the Defence Research Board without replacing it, the assumption being that research relating to national defence would be supported, where appropriate, by the Natural Sciences Research Council or by the new granting agency for the social sciences and humanities.

Honourable senators, if we feel that an effort is necessary in relation to the defence of this country to keep abreast of modern scientific developments in warfare and defence, I for one do not believe that as responsible citizens we can leave that to the kind of agencies and the kind of people who are apt to make up the granting and adjudicating committees, either in the Natural Sciences Research Council or the granting agency for the social sciences and the humanities.

For one thing, if it is left to academics, in the traditional sense of the term, too many of them will turn their back on the whole effort and say, "We do not believe it is

necessary for Canada to maintain any effort in research in relation to national defence."

I do not happen to believe that myself, honourable senators, but I can assure you, from my experience both within and outside the academic community, that in my judgment it would not be safe to leave research for our national defence in the hands of the kind of academic bodies that are quite capable of directing basic research in the natural sciences, the medical sciences, and the humanities and social sciences.

Therefore, I view with some alarm the removal of the research-granting function from the Defence Research Board. This is a matter to which careful consideration or, as it is popular to say in the Senate, sober second thought should be given by us and by the Government of Canada.

Finally, honourable senators, in relation to science policy, all these activities are going to be coordinated by a committee which has been called the Inter-Council Coordinating Committee.

Really it seems to me that all we are doing, in an effort to try to integrate research by promoting inter-disciplinary research in the sciences, is to fragment the agencies that are going to have to support and coordinate this research. I think we are taking a wrong step.

As for the interposition of the Inter-Council Coordinating Committee, I fear that we are adding yet another layer of bureaucracy which will place more people, more bureaucrats, between the granting agencies, the source of funds for scientific and other research, and those who are going to do the work in the universities and the other institutions of Canada. Therefore I would hope that we would look at this very carefully.

● (1450)

It has been suggested that the Inter-Council Coordinating Committee would merely consist of a few government officials and the chief executive officers of the councils concerned, those being the National Research Council, the Medical Research Council and the Canada Council, I presume. This, again, seems to be removing all the influence which has been so valuable in both the National Research Council and the Canada Council which has been brought to those bodies by Canadian citizens from all walks of life and from different backgrounds who have been able to take a broad, general view of the support of the activities of those councils in the past and their relationship to the welfare and the lives of the people of Canada. I, for one, do not believe that this input will be received from the Inter-Council Coordinating Committee comprised only of senior public servants and bureaucrats.

It is the intention of the government to separate the granting function from the National Research Council and the Canada Council while leaving it, incidentally, with the Medical Research Council. I should interject here that I am glad that the Minister of State for Science and Technology did not adopt the suggestion of the Lamontagne committee that research in biology should be removed from the Natural Sciences Research Council and put into the Medical Research Council. That takes altogether too narrow a view of modern biology, particularly as modern biology relates to our great interest in the oceans and the development of marine sciences. I hope that is not going to be done.

If the government does go ahead with an Inter-Council Coodinating Committee, in any event, I hope it will put representatives of the universities on that committee. The universities will be the chief users of the services provided by the granting agency. This, by the way, has been recommended to the Minister of State for Science and Technology, not only by the Association of Universities and Colleges of Canada, but also by the National Research Council and, I think, by some other agencies as well.

In summary, I am glad to take note of the interest and involvement of the federal government in research in our universities and other institutions, and I am glad to know this interest is to continue. I am also glad to know—and I do not think that the appearances in this respect are deceiving—that the support will continue to be given directly to the institution which does the research and to the individuals who do the research, by federal government agencies. I note that these funds are not going to be channelled through provincial governments, which was the request that had been made by the Council of Ministers of Education, largely, perhaps, because of the influence of the Western Ministers of Education, who, I think, are wrong in wanting to have as much control as they have asked for in connection with federal funds going to universities and other institutions. I am not against proper consultation and coordination with provincial-granting agencies where such agencies exist for the support of scientific and other research, although I must say that no such agencies exist in my home province or in any of the other Atlantic provinces, with minor exceptions—usually the kind of research that is mission-oriented, as we call it, towards the solution of problems of direct interest and concern to the government.

To repeat, I am concerned at the addition to the level of bureaucracy that seems to be inherent in this proposal, and particularly to the creation of the Inter-Council Coordinating Committee which, it seems to me, is bound to add to the frustrations of scientific and other workers in getting the support they need to keep this country's efforts in research and in all fields on a par with the reputation which Canada deserves and, indeed, largely has in the world today.

Let me repeat once again, these changes have been opposed by the National Research Council itself, by the Canada Council, by the Science Council of Canada and by the Association of Universities and Colleges of Canada, speaking for all the universities of our country.

It seems to me that this is an area to which sober second thought ought to be given, even in reviewing our own previous position, in the light of the additional information and in the light of what we know about the attitudes of the people who have to work under these arrangements. I also hope that the Government of Canada will be willing to give sober second thought to this. I note, with satisfaction, that no reference to these matters was contained in the Speech from the Throne which opened the 30th Parliament. I hope that means that the government is reconsidering its policies in this regard.

Having referred to these few items in the Speech from the Throne, I think I have had my say. Most of the items

contained in the Speech are obviously sound and sensible, and I hope that the legislation and governmental action in relation thereto will improve the economy of Canada and enhance and enrich the lives of our people.

**Hon. Chesley W. Carter:** Honourable senators, at the outset I should like to compliment all those who have preceded me in this debate on the excellence of their contributions. I want to associate myself completely with all the good wishes that have been tendered to our new Speaker, Senator Lapointe, and to our new government leader, Senator Perrault, and also with the well deserved tributes that have been paid to our former Speaker, Senator Muriel Fergusson, and our former Leader of the Government, Senator Paul Martin. I fully endorse everything that has been said about their talents, their charms, their devotion to duty, and the great service they have rendered to the Senate and to Canda. I shall not try to gild the lily by adding further comments of my own. I should also like to congratulate Senator Grosart on his appointment as Deputy Leader of the Opposition, and my colleague, Senator Petten, on his appointment as Government Whip. I wish them both well in their new positions.

Special compliments are due to the mover and seconder of the motion for an Address in reply to the Speech from the Throne, not only on the excellence of their presentations, but also on the manner in which they discharged their respective assignments.

The Speech from the Throne is nothing more than a general outline of the government's legislative program for the new Parliament.

**Senator Flynn:** Pious hopes.

**Senator Carter:** As a matter of course, it naturally contains legislative items left over from the previous session, as well as new proposals arising out of commitments made during the election campaign. The general theme running through the Speech from the Throne now under debate is that inflation is the number one problem, not only in Canada but throughout the world, and unless it can be brought under control there is grave danger that the world's economies might collapse. It is, therefore, in a global context that the Speech from the Throne should be considered.

Along with national security, the most important responsibility of the government of any country is to protect the value of its currency. To do that, all countries must try to keep their trade balances within reasonable limits. Every country must export to obtain the foreign exchange necessary to pay for imports. The quadrupling of the price of oil has thrown everything out of gear. Oil, like air and water, is one of those basic commodities that no country can do without. It not only provides the energy which turns the wheels of industry and powers the farm machinery, but it also provides raw material for such essential products as fertilizer, plastics and other commodities.

● (1500)

To find the extra money to pay the increased cost of oil, every oil importing country is practically forced to try to increase exports as much as possible, while at the same time keeping imports from other countries at a minimum. This can only result in a restriction of world trade at the very time when trade expansion is absolutely necessary.

[Senator Hicks.]

The very fact that the oil bill of the Western World and Japan has risen from $15 billion or $20 billion to $80 billion or $100 billion per year means a reduction of $65 billion or $80 billion per year in world trade in other commodities, and that in itself is a heavy damper on the world economy.

Our Minister of Finance, Mr. Turner, has said that the world economy is fragile. That is a very apt description, because it has to be handled very carefully or it could be damaged beyond repair. To keep the world economy from breaking down some way must be found to recycle the surplus dollars of the oil producers to those countries who must have credit on easy terms to keep their own economies from disintegrating. In addition, there must be the closest cooperation and collaboration between oil producing countries and oil consuming countries, not only in the sharing of oil and other sources of energy, but also in the sharing of raw materials and other matters. The world has become a global village where persons and nations alike are dependent on one another.

As we look out over the world today the sight is not very encouraging. Of the nearly four billion people inhabiting this globe, more than half are undernourished and one billion are on the brink of starvation, while millions have actually starved to death.

Droughts in Africa and India, floods in Bangladesh, and southeast Asia coupled with a shortage of fertilizer due to the excessive price of oil, and early frosts in western food producing countries have combined to curtail food production, thus making the situation much worse than had been expected. Knowledgeable people are now predicting that in the months ahead the number of people who will die of starvation in Africa, India and southeast Asia will be even greater than last year.

Under those circumstances there is bound to be a worldwide shortage of food, which will keep food prices from coming down and may well drive them higher. In Canada we are fortunate to be able to produce more basic foodstuffs than we need to feed ourselves and therefore can export to others. It is heartening to note from the Throne Speech that the general policy of the government in dealing with inflation is to increase the supply of goods and services and that the measures to increase food production include:

> —incentives to farmers and fishermen including the stabilization of incomes and markets;
>
> —continued international action to ensure that Canada has the right to manage its coastal resources and environment, including the conservation of fish stocks.

Here I should like to congratulate the Honourable Eugene Whelan, the Minister of Agriculture, on the stand he has taken on behalf of the farmers. He is on the right track, and I hope the new minister responsible for fisheries will take a similar stand on behalf of fishermen.

Primary producers are very important people in any society, because without them there would be no secondary industry at all. This is particularly true of farmers and fishermen, on whom we depend for the very sustenance of life itself.

Surely our priorities are all wrong when those employed in secondary industry get the lion's share of the wealth

produced, while the primary producers get the smallest share, although they work the longest hours, take the gravest risks—often risking their very lives—and at the same time make secondary industry possible. By producing the food that keeps us alive the farmer and the fisherman make an essential contribution to society, and are therefore as valuable and important as the business executive or the labour leader who receive $40,000 or $50,000 a year for their efforts.

I fully support the government's policy of increasing food production and Mr. Whelan's efforts to increase farmers' income to the point where they can stay on the farm producing food and be guaranteed a standard of living equal to that of those who work in industry and live in an urban environment. That is not only wise but essential, because it is the only way we can assure ourselves of a continuous food supply in the future at reasonable prices, and at the same time discharge our moral obligation to do everything possible to feed our starving brothers and sisters in other parts of the world.

As for the fishermen, in my province they have always been the lowest men on the totem pole. In spite of the dangers and risks attendant on his occupation and his long, arduous hours of work, the fisherman has had to be content with what was left after all the others had taken their cut out of the wealth he produced. Fortunately, there are signs that this is beginning to change as the fishermen organize themselves to fight for a better deal.

This year the Newfoundland fishery has been greatly curtailed due to ice conditions on the north and east coasts, and by trawlermen strikes on the south coast of the province. This year on the northeast coast and the Labrador coast easterly winds kept the ice pressed on the shore for six to eight weeks longer than usual, thus the already short season was rendered six weeks shorter than normal. Fishermen receiving unemployment insurance had their benefits expire long before the fishing season began, and their families suffered severe economic hardship. When the ice eventually began to move off, the fishermen, impatient at the long delay, put out their nets, traps and trawls, only to have the ice move back in again and destroy all their gear. Individual losses were valued in the thousands and, in many cases, in the tens of thousands of dollars, and the fishermen found themselves without any means of production at all.

Both the provincial and the federal governments were extremely slow in recognizing the plight of the fishermen and in coming to their aid. When they did start to do something it was, as usual, too little and too late, as by the time gear had been replaced the fishing season was just about over. It is to be hoped, therefore, that the federal government will lose no time in bringing in the legislation on fishermen's income support which was intended to be passed at the last session of Parliament.

● (1510)

There is general disappointment in my province that the three-month Law of the Sea Conference in Caracas last summer did not make better progress towards an international agreement with respect to the extension of the limits of jurisdiction and the better management of marine resources. Foreign fleets are still depleting our fish stocks and destroying our fishermen's gear. This is true not only of Newfoundland but of Nova Scotia fishermen as well. Several Nova Scotia operators engaged in the deep sea lobster fishery have had their traps destroyed, resulting in losses valued in the hundreds of thousands of dollars. Aerial photographs of Russian trawlers with those traps on their decks leave no room for doubt as to who are the culprits, and, since the traps themselves are apparently marked in accordance with international requirements, it appears this wanton destruction was deliberate rather than accidental.

The slow progress of the Caracas Conference and the fact that critical decisions have had to be postponed until the Geneva Conference scheduled for next spring or summer have caused a great deal of pessimism in my province with respect to the future of the fishing industry. The prevailing opinion is that by next summer any agreement will be too late, because, at the current rate of depletion, by that time there will not be sufficient fish stocks left to manage. It is generally agreed that the extension of jurisdiction to the continental shelf—and in any case not less than 200 miles offshore—is an absolute necessity and that to save our fish stocks from complete destruction Canada should take unilateral action immediately instead of waiting another year or more. However, in view of the present disregard of international agreements by the trawlers of certain countries, a 200-mile limit, even if established, will not likely make much difference anyway because we have no means of patrolling such a vast expanse of ocean. We cannot even patrol our present 12-mile limit. More, better and faster patrol boats are urgently needed, together with better means of surveillance.

The world political and economic picture is just as bleak and gloomy as the world food picture. Crime, violence, terrorism and blatant disregard for law and order are increasing everywhere at a rapid rate. A recent article in the *Christian Science Monitor* stated that in the United States the increase in crime is becoming as serious a problem as inflation.

Political and economic stability are so interwoven and interdependent that it is futile to consider them separately. The key to the situation is in the Middle East, particularly the oil-producing countries, but Arab-Israeli relations remain so precarious that the Middle East must still be considered a powder keg which could explode at any minute.

In Europe, Italy is on the verge of political and economic collapse, and for the first time in history fears are being openly expressed that the same might happen in Britain, the mother of parliamentary democracy—a thought that would have been not only unutterable but unthinkable even two years ago. France is grappling with serious economic problems arising out of severe inflation and increased energy costs, and in Portugal there is growing economic and political upheaval. The Communist Party has openly declared that its prime goal is to destroy capitalism in Britain, to convert Britain completely into a socialist state and to use it as a bridgehead for the destruction of capitalism in Europe and throughout the world.

On our side of the Atlantic, the new government in Chile, though apparently stable, seems to be making little progress towards a solution of that country's economic

problems, while in Argentina the situation, both politically and economically, is becoming more precarious every day Regarding our great neighbour to the south, the Watergate nightmare has receded somewhat into the background.

Nevertheless, nobody seems to have any clear idea as to what should be done about inflation and the economic situation generally, either in the United States or throughout the world. The proposals put forward by President Ford and Mr. Kissinger to bring down the price of oil have not met with much enthusiasm from the other oil-consuming nations; on the other hand, the proposal of those nations to recycle the revenue of oil-producing countries has, in turn, been received most coolly by the United States.

Apart from Canada, the brighter spots in the world economic picture are West Germany, Japan and Brazil. In West Germany the rate of increase of inflation has been kept at a relatively lower level than in the rest of Europe; Japan has recovered from the initial panic and is now making good progress towards adjusting to the exorbitant increase in oil prices; and Brazil has managed to coexist with runaway inflation by indexing prices, wages, salaries, profits, taxes, interest rates and other types of costs and incomes.

Here in Canada we have more to be thankful for than any other people on earth. We have a stable government and free democratic institutions. We have plenty of good food at prices much lower than in other industrialized nations. We have adequate supplies of oil and other forms of energy at a cost which is about 40 per cent lower than the world price and, by and large, inflation, though high by previous standards, has been much less severe and has caused much less hardship than in other countries, with the possible exception of the United States.

That is not to say that there are not some dark spots in the Canadian picture. Crime and disregard for law and order seem to be on the increase in Canada, as in other parts of the world. Illegal strikes are commonplace, court injunctions are disregarded with impunity, and the absence of fines and penalties amounts to condonation of such tactics and can only encourage their use. One cannot help being concerned about the growing tendency of both labour and management to try to turn Parliament into a labour tribunal to settle their disputes instead of trying to find a just solution to their differences by bargaining with each other in good faith. Of even greater concern is the growing militancy of labour unions led by leftist leaders and their tendency to consider themselves above the law or a law unto themselves. When we compare ourselves with other countries on this basis, we must not allow ourselves to become complacent and think it cannot happen here. As Senator Desruisseaux pointed out in his excellent speech on October 3, the shocking revelations brought to light by the provincial inquiry into the construction industry in Quebec are proof not only that it can happen here but that it actually is happening here already.

The Throne Speech makes note of this situation when it refers to consultation with business, professions, farmers, labour and provincial governments. It states:

> They will be asked if improvements can be made to the basically adversarial nature of the collective bargaining system, leading toward a joint search for solutions to mutual problems.

[Senator Carter.]

It should be apparent, however, that what is really needed is a new spirit in all Canadians, and that unless Canadians can be inspired with a new sense of responsibility, purpose and discipline, ideas resulting from such consultations, however good in themselves, are not likely to work.

● (1520)

There is a great tendency in Canada today to condemn the Speech from the Throne for not providing instant solutions to the problem of inflation. The press generally, and intellectuals who ought to know better, by utilizing their access to press, radio and television, all propagate this idea that government should come up with some instant solution, or, at least, should do something new, but no one says what the government should do.

On the Sunday following the opening of Parliament, the CBC carried an open line program discussing the Throne Speech and conducting a poll for or against it. The anchorman, or one of the anchormen, on this program, a member of the Press Gallery, also propagated this idea of instant solution and condemned the government for not taking action. He was very careful, however, not to say what action should be taken. His brand of thinking can be gauged by his own statement that he was in favour of the Throne Speech when it was brought down, but turned against it because the Prime Minister did not make any extended reference to inflation in his leaders' day speech in the house. How anything the Prime Minister said or left unsaid could change the Throne Speech which he originally favoured he did not explain. This kind of activity is a disservice to Canada.

Nobody in the world knows what to do about inflation. A week or so ago President Ford called a summit meeting of all the top economists in the United States. They could not come up with any new ideas, and could not even agree among themselves as to what should be done. A couple of weeks ago the President announced some measures, many of which our government has already taken. Inflation is rampant in Japan, Italy, Britain, France and other European countries, and is much worse than it is in Canada. There are very clever people in those countries, but the most brilliant minds among them have not been able to find an answer to inflation. If they could, they would certainly lose no time in putting it into operation. Why should Canadian cabinet ministers be expected to succeed where all others in the world have failed?

I said earlier such broadcasting was a disservice to Canada. It is a disservice because it hides the real truth from the people, and the truth is that the government's policy to fight inflation was announced in the last session of Parliament and is already being implemented. That policy is to encourage increased production of food and other commodities and services and to lessen the impact of inflation on low and fixed income groups, first, by increasing and indexing family allowances, pensions and other social security payments; secondly, by subsidizing certain basic food items along with oil, gas and fuel; thirdly, by increasing the stabilizing effect of the unemployment insurance program and higher income tax exemptions for low income groups.

These policies were all announced and put into effect at the last session of Parliament. The Speech from the Throne confirms the continuation of these policies, and lists a number of extensions and refinements. Furthermore, these policies are working reasonably well. The proof of the pudding is in the eating; and inflation in Canada, though high, is among the lowest in the world. Why should the government change a policy that is working fairly well and go off half-cocked in some unknown direction just for the appearance of taking action without knowing what the end result will be? Surely it is wiser "to leave well enough alone" than to do something that might make the problem worse instead of better. Most economists agree it is impossible for any country to have a rate of inflation significantly lower than that of the United States of America.

It is now generally conceded that it will take at least four or five years to bring inflation under control in the world at large, and that is based on a number of assumptions that may not materialize. Those who advocate instant solution, or action for action's sake, either are deliberately misleading the people or they don't know what they are talking about.

Actually there are three main kinds of inflation: demand-pull inflation caused by a surplus of money chasing a scarcity of goods; cost-push inflation which results when wage increases are higher than productivity increases; and structural inflation due to scarcities caused by droughts, floods or early frost, and caused also by arbitrary price fixing by monopolistic cartels of oil, energy, steel and other basic commodities.

The standard remedy for demand-pull inflation is to increase the supply of goods and reduce the money supply through high interest rates and restraint of credit. In so far as high interest rates contribute to inflation by increasing production costs, as Senator Hicks pointed out earlier today, this remedy does not work too well. For that reason the government must restrain its own spending and help prevent interest rates from going higher than necessary by curtailing its own demands on the money market. The Throne Speech says that the government intends to do this, but as Senator Perrault pointed out in his excellent leaders' day speech, provincial and municipal spending now greatly exceeds expenditures by the federal government.

The real remedy for cost-push inflation is higher productivity. The government has encouraged this by incentives brought down in the last budget. If productivity increases remain below wage increases, the next best remedy is voluntary wage and price restraints. Honourable senators will recall that in 1969/70, Prime Minister Trudeau and his government made an all-out assault on inflation and set up a Prices and Incomes Commission which called for voluntary restraints, but although management indicated its willingness to comply, labour flatly refused to co-operate in any way whatsoever.

Mr. Trudeau, however, persisted in his war on inflation with the only other means at his disposal—fiscal and monetary measures—but when unemployment began to increase there was a trememdous hue and cry from the very people who are now howling because they say the government is not doing enough about inflation.

Had there been more co-operation on the part of labour in 1969/70, unemployment might not have been so high, inflation would certainly not have been so severe, and the Canadian economy would have been in a better position to cope with the unexpected exorbitant increase in the price of oil.

As for structural inflation, what can anybody do about drought, floods and early frosts, or for that matter about multinational cartels and monopolies? I have already mentioned the lack of unanimity in dealing with the oil cartel, OPEC. There are, however, some other causes of inflation which we conveniently prefer to ignore. They are greed, selfishness and dishonesty, and to the extent we indulge in these vices we each make our own contribution to inflation.

The problem of inflation is, therefore, in some respects a measure of our morality as a people. Millions of dollars worth of goods are stolen in transit to the retail stores, and many more millions of dollars worth from the stores themselves. I was staggered when a garage owner told me the cost of parts, tools and materials stolen from his repair shop and the damage caused by his employees which could not be recovered. It ran into many thousands of dollars, and besides that other thousands were lost through absenteeism, carelessness, shoddy workmanship, and failure to give an honest day's work for an honest day's pay. The construction, plumbing and electrical industries have the same experience. On the other hand, greed and selfishness on the part of management result in dishonest prices and unconscionable profits. While we have no satisfactory way of measuring it, there is no doubt this dishonesty, this irresponsible "don't care" attitude on the part of both employers and employees, makes a significant contribution to inflation.

● (1530)

I see no hope of solving our problem unless we can first develop a new spirit in Canada based on a new sense of responsibility resulting from a higher level of morality, and I believe that, as senators, we should impress this upon our people and do all we can to bring it about. In this way we can give real leadership to the nation.

It is apparent now that the world cannot go on, as it has in the past, wasting precious energy and resources with reckless abandon. The industrialized world cannot go on doubling its consumption of energy and water and raw materials every 10, 15 or 20 years. Rich countries cannot go on piling up their own wealth while the rest of the world gets poorer. Sooner or later a change in our life styles will be forced upon us whether we want it or not. The longer it is postponed the more drastic and violent will be the adjustment.

The sensible thing is to start now to adjust our life styles on a voluntary basis and to change our present wasteful "throw-away," "built in obsolescence" society into a responsible society that will take into consideration the needs of humanity as a whole, as well as a more equal distribution of the wealth we produce ourselves. The world seems to be heading towards economic disaster. But it may not happen and it need not happen. The problems we face are beyond man's capacity to solve. Unless we recognize that, I see no grounds for hope. We will go the way we see other nations going now. An outbreak of

honesty and unselfishness in Canada can go a long way towards solving our own problems, and if we Canadians humbly seek divine aid to see ourselves honestly as we really are and to discipline ourselves to put our own house in order we can greatly help to bring about a better world for all mankind.

**Hon. Margaret Norrie:** Honourable senators, before taking part in the debate on the motion for an Address in reply to the Speech from the Throne, I wish to express my delight at hearing the news that the Governor General is making such a good recovery from his recent illness. I am sure that all honourable senators feel as I do when I say that I look forward to the day when His Excellency and Madame Léger will be able to continue their official functions.

[*Translation*]

To you, Senator Renaude Lapointe, I wish to convey my most sincere congratulations for your recent appointment as Speaker of the Senate.

You may be assured of my fullest support and I wish to extend my best wishes for the years to come.

[*English*]

Since I have been in the Senate I have been impressed by your quiet dignity, strength, ability and intelligence. Our Prime Minister has made a wise choice, and has appointed a worthy successor to our former Speaker, the Honourable Muriel McQueen Fergusson, who carried out her duties so graciously and confidently. Needless to say, having two such outstanding and capable woman senators in this office will have a lasting and beneficial effect on the status of women not only in Canada, but indeed in the democratic world.

To the new Leader of the Government in the Senate, Senator Perrault from British Columbia, I extend my sincere welcome. May your term of office be strong in constructive legislation for the good of all Canadians, strong in wisdom to tackle the complex problems of inflation, and strong in terms of the inspired and courageous leadership needed to help our countrymen to avoid the pitfalls in today's business and social world.

To the former Leader of the Government in the Senate, Senator Martin, I say: You will be greatly missed. Your fame as a statesman is well known in Canada as well as abroad, and we know you will fill any new appointment with honour and distinction, as you have filled so many other posts while serving Canada.

Senator Joan Neiman is worthy of much praise for her scholarly speech in moving the motion for an Address in reply to the Speech from the Throne. Congratulations, Senator Joan.

I am delighted by the appointment of my new brother colleagues from Nova Scotia. Senator Cottreau in seconding the motion for an Address in reply to the Speech from the Throne, made an excellent maiden speech. During my life I have been closely associated with Acadian French people from Westmorland County, New Brunswick. They are a fine, intelligent segment of our society, and I am happy that you are here, Senator Cottreau, to present the problems of this minority group of our Nova Scotia population at the federal level. They will be well served, I know.

[Senator Carter.]

I have known Senator Barrow for a long time. His guidance many years ago helped me in my work with women's groups in Nova Scotia. He is a distinguished citizen of Nova Scotia in the educational and business world. I know that he will offer a great deal to our deliberations in the Senate.

Honourable senators, we in the Senate are very much aware of the outstanding ability of Senator Grosart. May I say to you, Senator Grosart, that you have a heavy task, but we know that you will carry out your new duties with dexterity. Your vast knowledge of parliamentary protocol as well as national and international affairs will mean a great deal to us all on both sides of the house in the conduct of our business.

Senator Petten's appointment as Government Whip in the Senate was formally announced a few days ago. This is a well-earned position for our Newfoundland senator, and I extend my best wishes and congratulations to him.

The celebration of the twenty-fifth anniversary of the entry of Newfoundland into Confederation is an important event for Canadians. This island, rich in history and unexcelled in beauty, is virtually unexplored by most Canadians. This year has been educational as well as revealing to tourists who visited the island, and it is hoped that as a result there will be an acceleration of tourism which will benefit all concerned.

Honourable senators, we are all suffering from the ravages of inflation. We are told that we in Canada are in a more favoured position than that of any other nation in the world. This may be comforting in one sense, but the fact that world-wide inflation is raging is much more ominous and foreboding. The other factors involved I will leave to the monetary and fiscal experts to puzzle over.

Honourable senators, I wish to refer to a national issue, not mentioned in the Speech from the Throne, but, in my opinion, nevertheless an urgent one. I hope that we can prevail upon the present government to remove all references to abortion from the Criminal Code. It is high time for us to bring this deplorable practice to a safe and honourable end. Let us go further in our legislation and give to women of all classes, ages, races and creeds a chance to choose according to their consciences whether they wish to bear the child already developing within their body. This is an urgent matter because every day that we postpone a decision on this issue, women and girls are going to unqualified sources for help, and risking their lives in obtaining an obortion.

● (1540)

I commend the National Action Committee on the Status of Women for their humane and broadminded approach to this controversial problem. I quote from the June 1974 issue of their publication *Status of Women News*:

> We the members of the National Action Committee on the Status of Women wish to call your attention to the convictions of more than a million women in the matter of abortion and to request immediate action.

There are problems with the present law.

> Abortion is a moral issue which must be resolved by individual conscience in a pluralistic society.
>
> Abortion is an issue on which our society is divided. All affirm the worth of human life, but there is strong

disagreement as to when it begins, how to define human life, and how to weigh priorities when the interests of mother and foetus are in conflict. Since there is no unanimity on these questions, we are convinced that the morality of abortion is an issue for private conscience and not public decision-making.

The function of law should not be to reinforce one particular view of morality, but to protect the right of every citizen to choose a moral view according to his or her own conscience and in relation to the best interests of society . . .

Therefore, the National Action Committee on the Status of Women urges the Government of Canada to put an end to interference by the law in a decision which should be made between a patient and a doctor.

The present law is unfair, discriminatory, and unworkable . . .

In fact, the present law is being interpreted very differently from region to region, and financial circumstances heighten these differences . . .

The result of the present discriminating law is that women in desperation try to circumvent it in whatever ways are possible. They have difficulty in obtaining appointments, suffer delay between the initial appointment and final procedure and this often leads to unnecessarily late abortions with a higher risk of complications. Rural women, poorer women, and new Canadians who do not know how to use medical services are at a special disadvantage. They go to other parts of Canada or out of the country, they sustain severe emotional stress in order to have their application approved by the hospital committee, or they seek abortion from illegal and incompetent people. Even more important, they continue the pregnancy and have unwanted children. All of this is because of a law which, although liberalized, is unjust and denies many women their basic right to make the most reasonable and personal decision in accordance with their own values, needs, and situation, and in consultation with their doctor and hopefully their male partner.

The following appears under the heading: "Priorities for Government Action."

We believe that the Government of Canada must:

1. remove all reference to abortion from the Criminal Code . . .

3. act on the recommendations of the 1972 First National Conference on Family Planning, convened by the Department of National Health and Welfare which reads as follows:

"Family planning policy, programs and services should encompass the full range of birth control methods . . ."

4. give high priority to the allocation of much larger amounts of money than have previously been stipulated for research, training, and services related to conception and fertility in Canada.

I quote Pierre Berton and June Callwood on only one of several items in a telegram they sent to the Minister of Justice, the Honourable Otto Lang:

We believe that medical facilities where abortions can be performed in maximum safety should be available to all Canadian women, even if they live in areas without such facilities, even if they are poor, even if they are young. A law which provides access to abortion only to a few and only in some locations is unjust.

Let women and their consciences decide their own destiny with regard to abortion. Due to the abhorrent circumstances which usually confront women who are contemplating abortion, I wish to urge that this unfair, discriminatory and unworkable law be removed from the Criminal Code. I hope we can urge the Government to remove all reference to abortion from the Criminal Code.

The Throne Speech states that one way to battle inflation is to try to increase the supply of goods and services. A large supply of goods slows down rising prices. Then the Speech goes on to propose an increase in food production. Now, this sounds very logical. One has only to be a farmer working with limited capital to make one very cautious as to how much to produce. He is confronted with many risks such as rising costs of fuel to run his equipment, slow service in replacing broken machinery parts, bad weather—too much rain, too little rain, early frost—and pests. The list is very long and the guarantees of a market, if one has lots of produce, is uncertain.

Last week I heard on the news the startling fact that the world is running out of food. I ask, what is new? What has been going on in Bangladesh and in parts of Africa for the last few years? We farmers have been shouting this warning for several years, and it is true. Even in the grocery store where I shop I see empty shelves more often than I care to admit. I do not see this in Toronto or Ottawa, but I do see it in Nova Scotia. The farmers are not producing, because they cannot afford to supply the public at below cost prices. The Honourable Eugene Whelan only yesterday, October 15, said if he does not get a better deal for farmers we are all going to be out of luck, paying higher prices than ever for food, if we can get it. Farmers want some security.

The provincial governments first of all must prevent our farm land from disappearing under asphalt and urban sprawl. The forces ignoring this encroachment are gigantic and selfish beyond belief. We need stringent laws, both federally and provincially, to save this farmland for food production. The federations of agriculture in our provinces are trying hard to win this battle of conservation of our farmland. Encroachment of urban sprawl also causes unending harassment to the farmer by those ignorant of the work and problems of farmers. This usually becomes so bad that the farmer has no choice but to pull out and move to a more isolated area. I am looking forward with eagerness to the implementation of the methods proposed for stabilization of incomes and markets for farm produce, as stated in the Throne Speech.

When the Senate Agriculture Committee toured the Kent Country region of New Brunswick last year, we were shocked to find no replacements for retired French-speaking agricultural representatives. The farmers on the east coast are reluctant to go to the west side of New Brunswick to meetings for discussing agricultural problems at the experimental station. This is too far to travel, and means a day away from work, apart from the fact that all

the discussions are in English, which they would not understand. I would like to recommend at this point that an experimental station be set up in the Kent County area to service the French-speaking people employed in agriculture. They need an experimental station near at hand for it to be of any use in revitalizing the farming industry in this depressed region.

● (1550)

The Faculty of Agriculture of Laval University was also made aware of their lack of contact with this area when they met last year at the invitation of the Senate Agriculture Committee. Under the leadership of Principal Lavoie, they have now made a real effort to attract French-speaking students from New Brunswick, and their enrolment has increased this year from two to 24. Senator Michaud was inquiring about them recently, and learned that the students have made fine adjustments and are working very well with the department in Quebec.

The Nova Scotia Agricultural College in Truro has in the past interested many students from eastern New Brunswick. However, that college is not bilingual. This is a step in the right direction, but the benefits will be revealed slowly. We still need stimulating incentives of a quicker and more urgent nature.

I wish now to say a few words about the beef industry, which in particular has been very hard hit. A farmer invests heavily in good breeding stock and then, a year or two later, finds that for his calves he can get only half the sum he needs to make ends meet, and is facing a disastrous future.

This is happening all across Canada. At present beef sells at sales in Nova Scotia from 30 cents to 52 cents per pound, but beef at the counter has not come down one cent. There remains no incentive for farmers facing such hazards, to continue their operations.

Transportation is still a major problem. The government must come to grips with it and find a solution, to save both eastern and western farmers from certain extinction.

The Most Reverend Bishop Power of Antigonish, Nova Scotia, when speaking at Vatican City on world food problems—this was reported in the Toronto *Star* a day or two ago—voiced his alarm at the world shortage of food for the starving millions. "Food or war" was the theme of the article headlined in the Toronto *Star*. We are all aware of this vast problem which faces us today.

**Hon. G. Percival Burchill:** Honourable senators, I did not intend to make a speech when I came into the Senate this afternoon, and I promise that I shall not detain you very long.

Despite the fact that when I first came to the Senate almost 30 years ago I was advised never to tell a story, because a story did not go down well in the Senate, I want to tell this very brief tale about a gentleman who went to bed one night in a highly inebriated state.

**Senator Grosart:** Careful.

**Senator Burchill:** In fact, he was so far gone that he could not remember the words of the Lord's Prayer. When he got down on his knees he started off all right, but could not continue. He finished by saying, "Them's my sentiments."

[Senator Norrie.]

I have listened with great pleasure to the gracious compliments paid by numerous speakers to the Governor General, to you, Madam Speaker, to our distinguished former Speaker, to the Leader of the Government, and to the Deputy Leader of the Opposition. I shall not repeat what has already been said. All I shall say is, "Them's my sentiments."

I want to make just one or two observations. Some years ago a distinguished president of a university in the West visited my home community. One of my friends who, with me, was invited to meet him, told me afterwards what a delightful gentleman he found the president to be. "He is," he said, "such a good listener."

Listening today has become a lost virtue among our generation. There are all kinds of speakers. We have television and radio, and, God knows, there are all kinds of books written. Everyone seems to be able to read and talk. However, looking around this chamber this afternoon, and seeing the vacant seats, I have come to the conclusion that one of the graces we have lost is that of being a good listener. Certainly we are not good listeners in the Senate.

This afternoon we have been privileged to hear three excellent speeches. They were all by senators from the Atlantic provinces. Nevertheless, they were excellent speeches. But, my goodness, I have sat here for one or two hours and looked at empty benches across the way, and regretted very much that more senators could not have found the time to enjoy what I have enjoyed listening to this afternoon.

● (1600)

I want to make one or two further observations. I enjoyed Senator Carter's speech about Newfoundland, and I join him in saying that it would be a grand thing if we could cultivate more camaraderie among Canadian citizens and perhaps combat inflation by a better spirit. The province of New Brunswick exports lumber, but it is becoming more and more difficult to do so. The people who buy our lumber—our plywood, particle board and other exportable products—are now unable to pay for them. We are having to tear up our contracts with various countries because they simply do not have the money to pay for our lumber. The result, of course, is that our factories and plants are being closed down, leaving more and more of our citizens without employment.

In spite of all the good we can do here in Canada by arousing a spirit of morality, promoting less wasteful habits, and that sort of thing, we simply cannot do anything about the course of events in other countries. That is the problem with which we in New Brunswick are faced. The process is just now starting. We have had only two or three instances of what I have just described, but I am afraid it is going to get much worse. We are dependent, as is Newfoundland and other provinces, on the export trade. Canada cannot survive without exporting. I have been preaching that all my life. We have to build up export markets. That is one of the reasons why we are feeling the pinch of inflation today.

On motion of Senator Macdonald, debate adjourned.

## AGING

### THE ANATOMY OF A SPECIAL SENATE COMMITTEE REPORT—INQUIRY STANDS

On the Inquiry of Senator Croll:

That he will call the attention of the Senate to the anatomy of a special Senate committee report, and in particular to

(a) its evaluation,

(b) its beneficial results, and

(c) as a follow-up, to a suggested future course of action for the Senate.

**Senator Croll:** Honourable senators, the inquiry standing in my name was on the Order Paper in similar terms in the last days of the last session. However, the election intervened. It has now been on the agenda for 14 days, and I intend to proceed with it on Tuesday next.

Inquiry stands.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, October 17, 1974

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

Prayers.

[*Translation*]

## DISTINGUISHED VISITORS IN GALLERY

### THE PRESIDENT AND THE AMBASSADOR OF BULGARIA

**The Hon. the Speaker:** Honourable senators, I should like to direct your attention to the presence in the gallery of the distinguished President of the General Assembly of Bulgaria and His Excellency the Ambassador of Bulgaria.

We extend to them our most cordial welcome.

[*English*]

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Company of Young Canadians, including accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to section 25 of the *Company of Young Canadians Act*, Chapter C-26, R.S.C., 1970.

Addendum to the actuarial report on the operation of the *Canada Pension Plan* as at December 31, 1973, *tabled* in the Senate April 22, 1974, pursuant to section 116(3) of the said Plan, Chapter C-5, R.S.C., 1970.

## BUSINESS OF THE SENATE

On the Notice of Motion for Adjournment:

**Senator Langlois:** 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 next, October 22, at 2 o'clock in the afternoon.

I would like to tell honourable senators what is in store for us next week. On Tuesday afternoon we will resume the debate on the Address in reply to the Speech from the Throne, and Senator Croll will likely proceed with the inquiry standing in his name. On Tuesday evening we will revert to legislation, and we will also deal with legislation on Wednesday and Thursday. Of course, next week we will have several committee meetings to deal with whatever legislation is ready for referral to the committees.

**Senator Flynn:** I take it the Deputy Leader of the Government is referring to government legislation?

**Senator Langlois:** Yes.

**Senator Flynn:** What bills are we going to consider today and next week, and what is the relative urgency of these bills being adopted by the Senate, or at least being referred to a committee of the Senate?

**Senator Langlois:** As far as the agenda for today is concerned, my honourable friend has a copy of the scroll, on which is listed the legislation for consideration this afternoon. With respect to next week, except for Bill S-5, the other pieces of legislation will be in the hands of my honourable friends, who I suppose will today adjourn the debates on them until next week. The answer to the question is more in the hands of honourable members opposite than in mine.

● (1410)

So far as the urgency is concerned, we have before us now some ten pieces of legislation. Committees have been set up and the sooner we can get them to work on that legislation the better. Without putting pressure on anybody, I think it is our duty to deal with legislation as soon as it reaches us or as soon as we are in a position to deal with it, and that is what I am suggesting. I suggest that we deal with the legislation next week and revert, if need be, to the debate on the motion for an Address in reply to the Speech from the Throne as soon as we finish with the legislation.

**Senator Flynn:** Honourable senators, we are, of course willing to proceed as quickly as is reasonable with respect to all legislation, but may I point out that having before us ten pieces of legislation at the beginning of a session is somewhat unusual and, as a result, presents certain difficulties. Naturally, I am very much in accord with the decision taken by the government, probably at the suggestion of the Leader of the Government here, to initiate legislation in this place, but the difficulty is that in this chamber we do not have available the type of research facilities available in the other place. As a result, we have to choose, on the basis of its urgency, which legislation we are going to give priority to in the matter of research.

As I mentioned to the honourable deputy leader yesterday, I adjourned the debate on Bill S-2, to amend the Supreme Court Act, but I am not prepared to deal with it today. Most probably I will be next week, but, not having the facilities which are available to the members of the other place, the task becomes more difficult, the work becomes much heavier. For these reasons I would urge the government side to help us to establish certain priorities in order to facilitate our tasks as well as the work, generally, of the Senate.

**Senator Langlois:** If I may add a word to what I have said already, I would submit that the sooner we refer these pieces of legislation to the appropriate committees the sooner we will be in a better position to arrange for the orderly disposal of the legislation and the work of our committees.

As I said earlier, there is no intention on our part to put pressure on anybody to deal with legislation, but the fact is that, logistically, we cannot have more than two or three committees sitting at one time, and I think my honourable

friend is not insensible to the difficulties resulting from the shortage of members on his own side of the house. The point is that, if we can avoid that difficulty by spreading the committee work over a number of days, we will have more leisure in which to consider the legislation fully.

Incidentally, I omitted mentioning that there is a strong likelihood that some time next week we will have before us for consideration the appropriation bill from the other place. As the President of the Treasury Board pointed out in our National Finance Committee this morning, it will be necessary for us to deal with this bill before the end of the month. All in all we will have some twelve bills before us, counting the private bill scheduled for second reading later on today.

**Senator Grosart:** I should like to add a word or two to what the Leader of the Opposition has said. We are, of course, anxious to cooperate and to expedite passage of these bills. However, I have to point out that we cannot do that unless we are given adequate notice of what is going to come up from day to day. In the absence of the Leader of the Opposition I was given assurance that there would, from day to day, be prior consultation with respect to forthcoming legislation. My understanding is that this has not happened. Indeed, when Bill S-7 was introduced yesterday or the day before we had no idea it was going to be. I inquired as late as noon today if we would be given any indication of what bills would be coming up today and I was told that there had been no consultation.

I suggest again to the Leader of the Government and his deputy that it would help us expedite matters if we could be notified as soon as possible just what bills are coming up on a particular day. We would like to deal with them as expeditiously as possible, but we cannot do it if we do not have some warning.

I might add this to what the Leader of the Government has said: Not only do we not have the facilities here that are available to members of the House of Commons, but we do not have the facilities that are available to honourable members opposite.

**Senator Perrault:** I assure the Leader of the Opposition and his deputy that we are cognizant of some of the problems faced by Her Majesty's Opposition here, and we shall continue to attempt to schedule proposed government activities in conjunction with the Opposition in order to assist their situation.

Motion agreed to.

## PRIVATE BILL

BRITISH COLUMBIA TELEPHONE COMPANY—SECOND READING—ORDER STANDS UNTIL LATER THIS DAY

On the Order:

Second reading of the Bill S-11, intituled: "An Act respecting British Columbia Telephone Company".—(*Honourable Senator Heath.*)

**Senator Heath:** Stand until later this day.

Order stands.

## MOTOR VEHICLE TIRE SAFETY BILL

SECOND READING—DEBATE ADJOURNED

**Hon. Joan Neiman** moved the second reading of Bill S-8, respecting the use of national safety marks in relation to motor vehicle tires and to provide for safety standards for certain motor vehicle tires imported into or exported from Canada or sent or conveyed from one province to another.

She said: Honourable senators, if it seems, in the words of an old song, that you have heard these words before, you will be quite right. This bill, which is to receive second reading today is, in essence, almost exactly the same bill which was introduced in the Senate during the last session of our previous Parliament. It was moved for second reading on March 21, 1974, and honourable senators who were here at that time may recall that it was then referred to our Standing Committee on Transport and Communications. On April 4 of this year the committee considered the bill in detail in the presence of officials of the Ministry of Transport and of representatives of the Rubber Association of Canada. I will refer to this in detail later on. Subsequently, on April 8, the bill received third reading in this chamber, but it died on the Order Paper of the other place when Parliament dissolved. So the bill has come back to us in substantially the same form, in fact in exactly the same form, as it was presented during the last session. Therefore I feel it is not necessary to deal with the substance of the bill in the same detail as I did last time. I shall simply refer honourable senators to Senate *Hansard* of March 21, 1974. However, for the information of those senators who did not happen to be here at that time or who did not have the opportunity of attending the committee meeting, I shall recapitulate briefly some of the chief points, the more important points, in the bill itself.

● (1420)

Honourable senators may recall that this bill is also quite similar in substance to another bill passed in 1971, which was called the Motor Vehicle Safety Act. That was some years after the federal government had assumed jurisdiction over all aspects of motor vehicle safety and it was done, of course, in conjunction with and with the full agreement and cooperation of all the provinces.

The Motor Vehicle Safety Act really pertains to all features governing the safety of new motor vehicles, including the tires which came with the original equipment. It was only after the passage of that act that the federal government as well as the provincial governments realized that there was a hiatus as far as safety requirements were concerned in that what is known as replacement tires or after-market tires were not covered in the original bill.

I noted from comments made in committee that there are approximately 20 million tires sold each year in Canada, of which six million fall within the description of original equipment. That means that about 14 million replacement tires are sold each year in Canada. It is towards this market that the present bill is directed to ensure that the same standards are applied to the manufacture, distribution and sale of these replacement tires as are applied to original equipment tires. I might also add that for a number of years now the department has been testing replacement tires as part of their duties although

they were not required to do so. The federal government was the only governing body that had the equipment to do this. This was another reason that the provincial governments asked the federal government to assume jurisdiction in this area as well.

I shall recite just briefly some of the provisions of the Motor Vehicle Tire Safety Bill. It, of course, establishes a national tire safety mark as a trade mark which must be used on all tires in order to comply with the regulations. This is comparable to the type of mark placed on new vehicles. There will be prescribed classes covering not only motor vehicles but also types and sizes of passenger car tires, motorcycle tires and heavy-duty highway vehicle tires. All requirements for type of mark and standards of safety, of course, will be prescribed by regulation, of which we do not as yet have copies. I checked with the department again today and was informed that Dr. G. D. Campbell, Director of the Road and Motor Vehicle Safety Branch, happens to be out of the city at the moment. I was informed, however, by his deputy, that until such time as this bill is passed they plan to rely chiefly on the regulations, which are similar in content, under the parent Motor Vehicle Safety Act. I believe, however, that they will be making amendments as they are more pertinent simply to tires.

The bill, of course, also provides that the government will have powers of maintaining and enforcing standards. I recall that at the meeting of the committee a considerable discussion also took place about the power of recall. Some representatives of the Rubber Association of Canada who were present felt that, perhaps, these powers were a little too stringent or too onerous. It was felt that they would involve a greater expenditure of money which, inevitably, would be passed on to the consumer, than the efficacy of this section would warrant. However, it was decided by the members of that committee that it would be preferable to leave the wording of this section as it was and rely on the regulations to interpret it in such a way as not to be too onerous on the manufacturers and distributors who would have to comply with that particular section.

As I said earlier, during the testimony given at that meeting, several representatives of the department were present as were all the major members of the Rubber Association of Canada. Included among these were the presidents of Uniroyal Ltd., Goodyear Tire and Rubber Company of Canada Ltd., Firestone Tire and Rubber Company of Canada Ltd., and B.F. Goodrich Canada Ltd., together with a number of their technical advisers. They did observe during the course of the committee meeting that they supported the bill in general and were thoroughly in agreement with its objectives. Their few objections were directed to minor amendments in wording which, together with most of the problems they foresaw, we hope will be resolved when the regulations are drafted.

● (1430)

If it is the wish of honourable senators, this bill can be referred to the Standing Senate Committee on Transport and Communications.

On motion of Senator Haig, debate adjourned.

[Senator Neiman .]

## PROPRIETARY OR PATENT MEDICINE ACT TRADE MARKS ACT

### BILL TO REPEAL AND TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. M. Lorne Bonnell** moved the second reading of Bill S-9, to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act.

He said: Honourable senators, Bill S-9, to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act becomes effective January 1, 1976, and marks another milestone in the development of the Canadian drug legislation. In taking this step, some thought should be devoted to the development and history of the Proprietary or Patent Medicine Act as paralleled with the Food and Drugs Act and its regulations. With the repeal of this act there will be one statute and one set of regulations governing non-prescription drugs in Canada. It is also necessary to examine whether the proposed regulations replacing the act retain the best features of the Proprietary or Patent Medicine Act while discarding those features which are out of date.

The Proprietary or Patent Medicine Act came into effect in 1908, and was amended in 1919. Provision was made in the act for regulations, but no such regulations were made. The act has remained virtually intact since 1919. The word "patent" as it applies to medicines had its origin in England in the early part of the 18th century. At that time many people had secret formulae for medicines, and because they did not want anyone else using their formulae, they had them patented for their own use. Once patented, these formulae were put into the *British Pharmacopoeia* so that the medical people of that day would know what the ingredients were. However, once patented, no one else could use a formula.

I believe the time has now come when we should do away with secrecy in medicine. When this act is repealed it will be the intention of the government to bring in regulations under the Food and Drugs Act which will necessitate the listing on every label of each and every ingredient contained in the medicine. At the present time anyone can manufacture any drug, as long as it meets the requirements of the Food and Drugs Act. Under the Proprietary or Patent Medicine Act as it exists now, you can mix up a secret formula, have it registered with the Health Protection Branch of the Department of National Health and Welfare, and retail it as a patent medicine.

Generally, the products that are registered under the Proprietary or Patent Medicine Act offer relief for minor ailments. The act, in keeping with the philosophy that some medication for minor ailments is necessary, states that only a limited number of drugs can be involved. In other words, it is the feeling of the Department of Health and Welfare that medication for minor ailments should be available to the general public without the necessity of having to obtain a prescription from a physician, but that these medicines, when compounded, must not be made up of too many complicated drugs. In other words, the amount and type of drugs used in patent medicines are regulated by the Department of National Health and Welfare.

The Proprietary or Patent Medicine Act provided a valuable service. Prior to 1908 there were some 5,600 dif-

ferent patent drugs on the market. Since the introduction of the Proprietary or Patent Medicine Act that number has been cut down to 2,000.

By way of explanation, drugs are divided into two categories, those requiring a prescription and those which are sold over the counter. All medicines under the Proprietary or Patent Medicine Act can be sold over the counter. The pharmacy acts of each of the provinces allow all medicines under the Proprietary or Patent Medicine Act to be sold in general stores. Once this act is repealed, the pharmacy acts of the various provinces will be amended to allow proprietary or patent medicines to be sold through general stores without having to be sold through pharmacies.

Last year the Minister of National Health and Welfare commissioned a major study of the factors influencing consumers in their buying behaviours in the drug field, with special reference to the use of non-prescription drugs. That study is addressing itself to such important questions as the degree of use, the type of use and the underlying reasons affecting the degree of use, as well as the conceptions held by the public about non-prescription drugs. When that study is completed, the results will be made available to the public. A portion of the first phase of this study has been completed and I expect that preliminary data will be available in a few weeks. At this stage I can only say that the data indicate widespread use of non-prescription drugs by Canadians.

● (1440)

The Proprietary or Patent Medicine Act does not require a quantitative list of ingredients on the labels of drug products, as does the Food and Drugs Act. These ingredients are secret, known only to the manufacturer and the Health Protection Branch of the Department of National Health and Welfare. The government, the medical profession, pharmaceutical experts and the drug industry itself take the view that the secrecy provisions of the Proprietary or Patent Medicine Act are outdated. It is inconceivable that a consumer should not know the ingredients of a medicine that he can buy in a grocery store and take without medical supervision. It may very well be necessary for the consumer to know, so that he may seek proper assistance in the case of poisoning or allergies. May I stress again, honourable senators, that once under the food and drug regulations proprietary medicines will require a quantitative list of ingredients on the label.

In the food and drug regulations covering proprietary medicines, all the positive aspects of the Proprietary or Patent Medicine Act are to be retained, and at the same time proprietary medicines become subject to the Food and Drugs Act regulations.

It is intended that the regulations controlling proprietary medicines will contain provisions enabling regulatory authorities to respond rapidly to the changing scientific and technological environment in the drug field. Thus, the regulations will contain sections enabling a continuous scientific review of data pertaining to the manufacture, quality, safety and effectiveness of proprietary medicines. I must stress that when controlled under food and drug regulations proprietary medicines will continue to be available in non-pharmacy outlets, as they are now.

The government intends to include in the regulations controlling proprietary medicines various powers enabling a continuous scientific review of data pertaining to the quality, manufacture, safety and effectiveness of proprietary medicines. For example, when it is felt that more manufacturing data or more information on efficacy and safety are required, the manufacturer may be required to supply the Health Protection Branch with certain information when he changes the medicine in such a way that it may affect its safety and effectiveness.

Provision will also be made for the cancellation of certificates of registration of proprietary medicines which have failed a scientific review. The medicines can only be sold as proprietary medicines. Further controls on the sale would depend upon the circumstances of the review.

It is envisaged that the current Proprietary or Patent Medicine Act and the proposed regulations will exist in parallel until January 1, 1976, when the repeal of the Proprietary or Patent Medicine Act becomes effective. This parallel existence will give the proprietary industry and the provinces over a year to adjust to the new regulations. Since both the Proprietary or Patent Medicine Act and the proposed new proprietary division of the food and drug regulations are voluntary regulations, in the sense that a manufacturer is free to apply for registration as he wishes, manufacturers could decide which set of regulations would govern the sale of their product up until January 1, 1976. After that date, of course, only the regulations under the Food and Drugs Act would apply.

In summary, I am confident that the creation of a proprietary medicines division in the food and drug regulations, with necessary additional controls contained therein, will provide the Canadian public with safer and more effective proprietary medicines. The Proprietary or Patent Medicine Act has outlived its usefulness, and the time has arrived to treat all drugs under the food and drug regulations.

As far as the Trade Marks Act is concerned, the amendment to the act only refers proprietary medicines to the Food and Drugs Act in the future rather than to the Proprietary or Patent Medicine Act, since it will no longer be in existence after that date; it is more a housekeeping measure.

After this bill has been debated on second reading, I think it could be referred to the Standing Senate Committee on Health, Welfare and Science for further study.

**Senator Buckwold:** Would the honourable senator permit a question?

**Senator Bonnell:** Yes.

**Senator Buckwold:** I do not know whether this bothers other honourable senators, but to me it seems important. You have included in the regulations, quite properly, according to what you said, provisions regarding quality, safety and effectiveness, but you did not mention anything about advertising claims, false advertising. I realize that presently that may be dealt with under a different government department, but I am wondering whether this is not the place where that kind of control would be more effective.

**Senator Bonnell:** I am not an expert in the administration of the Department of National Health and Welfare, but I would venture to say that that would come under Consumer Affairs to protect the public against false advertising. This bill and the Food and Drugs Act are intended to assure the public of what drugs are actually in the medicine. The label will be there for the protection and safety of the person taking it, so that if they take an overdose or are allergic to it the doctor treating the patient will know what medicine the patient was receiving, rather than having a secret formula, when no one knows what is in it.

**Senator Buckwold:** I agree that it now comes under Consumer Affairs. The point of my question, which was not answered, is whether it would not be better under these regulations to control that type of advertising, which may not be based exactly on the facts.

**Senator Bonnell:** The answer to that question would be no.

**Senator Grosart:** I wonder if I could direct a question to the sponsor of the bill (Senator Bonnell). In view of the fact that the general purport of the bill seems to be to substitute regulations under the Food and Drugs Act for the certificate of registration now under the Proprietary or Patent Medicine Act, might I ask who makes these regulations under the Food and Drugs Act? Is it the minister or the Governor in Council? What is the wording? On a number of occasions in this Senate we have stressed the importance of knowing the authority for making the regulations, and the wording. I would be interested to know what the wording is. Is it that the minister may make regulations "which in his opinion are necessary to implement the act," or is the phrasing "which are necessary to implement the act"? It is most important that we know the phrasing and the authority for these regulations under the Food and Drugs Act, which are now taking over a very important aspect of the former act.

● (1450)

**Senator Bonnell:** Honourable senators, I cannot answer the question as to just exactly how the wording is in the act or where the authority comes from, but I believe that in the regulations under the Food and Drugs Act a new section will be added, which will go before the Governor in Council and will then be reviewed by the appropriate committee of this house and the other place to determine whether it meets all the requirements of the legislation. The matter has not reached that stage of planning yet, because this act does not come into effect until 1976. It is more or less giving notice to the provinces and proprietary medicine people of Canada that this is going to take place, so that they can start making adjustments to accord with this legislation. For the moment, therefore, proprietary medicines can still be sold by drugstores or pharmacies to the general public.

However, these amendments have not been drawn up yet, and I am not just sure of the wording under the act by which the minister has his authority.

**Senator Grosart:** Would the sponsor of the bill be good enough to obtain that information, and so inform the Senate in due course?

**Senator Bonnell:** I would be glad to do that.

On motion of Senator Macdonald, debate adjourned.

[Senator Buckwold.]

## STATUTE REVISION BILL

SECOND READING—DEBATE ADJOURNED

**Hon. Richard J. Stanbury** moved the second reading of Bill S-3, to provide for a continuing revision and consolidation of the statutes and regulations of Canada.

He said: Honourable senators, it is a pleasure to be able to introduce this bill because I think it is one which has been needed for a long time. It provides for the establishment of a permanent statutory revision commission within the Department of Justice. The commission would be permanent in the sense that, unlike previous commissions established by Parliament to revise the public general statutes of Canada, it would not be set up solely for the purposes of a specific revision and consolidation of the statutes. Its duties, rather, would extend on into the future; it would revise and consolidate the statutes on a continuing basis. The commission would be authorized to maintain an on-going consolidation of the statutes for the purpose of producing complete revisions at periodic intervals.

It might shock some a little bit to learn that since Confederation the statutes have been consolidated and revised on only five occasions. The first revision was in 1886. The revisions which followed were in 1906, 1927, 1952 and 1970. The periods between those revisions ranged from 18 to 25 years. People who are required to make constant use of the public general statutes of this country, and also those who only occasionally refer to them, are put to considerable inconvenience if the period between the revisions is too long. By establishing a permanent commission consisting of designated revisers who would carry out their duties under the direction of the Minister of Justice, it will be possible to arrange for consolidations and revision of the statutes to occur more frequently in the future.

Ever since the first consolidation of statutes in Canada, which was the consolidation of the Statutes of the Province of Canada in 1859, two basic methods have been used to give parliamentary sanction to the revision work. One method used particularly in the earlier revisions was to enact a validating bill or a statute revision act after the completion of the consolidation, when the work on the revision was available to Parliament in its final form. The other method, which has been more common in later revisions, was to enact a statute revision act before the commencement of the work of revision. Such a statute normally empowered a commission to arrange, revise and consolidate the statutes and provided for the coming into force of the revision by proclamation.

This new bill not only represents a combination of the best features of both of the old systems, but it adds an important new procedure—one which I think is particularly important to this chamber—a provision that, for the first time in our history, Parliament would be involved more directly in the actual work of revision. Under the new procedure a committee of each house, or a joint committee of both houses, would be required to examine and approve drafts of the revision, either during the progress of the preparation of the revision or at the conclusion thereof. After such approval the revision would be brought into force by a validating act, substantially in accord with the model bill which is attached to this bill. Such a process would not only make parliamentarians

aware of the scope and manner of a revision, but would also make the revision a more direct product of Parliament itself.

In addition to authorizing the continuing revision of the statutes, the bill also embodies for the first time in a statute revision bill the authority and the duty to consolidate and revise the regulations of Canada.

If you think the situation has been bad with respect to the statutes, you might consider the problem with respect to regulations. Since Confederation there have been only two general consolidations of the statutory orders and regulations in Canada. One was in 1949 and the other was in 1955. In each case the consolidation represented a compilation rather than a revision of the regulations then in force, and the regulations that were consolidated did not revoke and replace the regulatory law that was in effect at the time.

Under the bill we now have before us, the commission, for the first time, would have in respect of the regulations powers similar to those that are provided in respect of a revision of the statutes. These powers include the authority to omit from a revision "all Acts or parts thereof that have expired, have been repealed or suspended, or have had their effect," and to "alter the numbering and arrangement of the statutes and of the different Parts, sections and other divisions thereof," and to "make such alterations in the language of the statutes as may be required to preserve a uniform mode of expression, without changing the substance of any enactment." They also include the authority to "correct editing, grammatical or typographical errors in the statutes," and to use drafting devices such as the division of sentences into lettered paragraphs in order to bring out more clearly the intent of the legislative enactment.

Because those powers are so broad, honourable senators, the role of Parliament in the whole process is extremely important.

In addition to providing for the preparation and publication of bound volumes of both the revised statutes and the consolidated regulations, the bill also gives the commission the authority to publish loose-leaf editions. There are also provisions which empower the commission to make editions of its work available in microfilm form, or by electronic data processing techniques for visual display on computer terminals, or for such other technological devices as automated typing or high-speed printouts.

In recognition of the need for a comprehensive indexing system, the bill authorizes the commission to cause indices to both statutes and regulations to be published on a continuing basis.

The bill also authorizes the commission to publish tables of acts of Parliament that have been omitted from, but not repealed by, earlier revisions of the statutes as well as tables of private acts. The commission would also have authority to publish special editions of constitutional or quasi-constitutional statutes, and special editions of local or private statutes.

● (1500)

The basic purpose of the bill is to make the law more readily available to the public, to the legal profession, and to parliamentarians.

Honourable senators, I regard this bill as being long past due. I believe it is likely to improve our role in keeping our legislation and regulations current, and will deal, finally, with a situation which has been most awkward for anyone whose interests or profession require him to consult the federal statutes and regulations.

**Senator Laird:** Will the honourable senator permit a question? I note with interest that there is talk, first, of consolidation, and second, of a loose-leaf system. Is he able to tell us whether the intention is to make the loose-leaf proposition permanent, with our having to add and subtract from time to time, as we do with the publications of the tax services, or is this to be done, say, annually, with a bound edition of the revised statutes and/or regulations being brought out at regular intervals?

**Senator Stanbury:** Honourable senators, the power to create a loose-leaf edition is a permissive one. It is not obligatory upon the commission, and therefore I think it must be said at this point that no decision has been made in the area in which this question lies. I think the distinction between consolidation and revision, as the honourable senator knows, is that the revision has legal effectiveness. It can be used in court as evidence of the existence of the wording of the act, and so on. Consolidations do not have that legal status, but are there for the convenience of the people using them. It is possible that the commission will use the loose-leaf method of compiling and developing a consolidation, but when it finally becomes a revision it will be a fully consolidated, permanent book. I am speculating in that regard, because it is permissive in those terms.

**Senator Laird:** Is there any provision in the act making it obligatory to consolidate at any specified period?

**Senator Stanbury:** No. That is a weakness of this measure, in my opinion. The feeling has been expressed in the other place that it would be too inflexible, without a period of experience, if a time were fixed. I think it has been said that there should not be more than 15 years between revisions, but it seems that a period of experience is desired to see how the system works, and to see whether Parliament can handle a continuing review of legislation in terms of consolidation and revision, and then be in a position to go ahead with the revision.

On motion of Senator Choquette, debate adjourned.

## FEEDS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Hazen Argue** moved the second reading of Bill S-10, to amend the Feeds Act.

He said: Honourable senators, I am sure Bill S-10 will commend itself to the Senate. We had a bill before us last year in the same general area, I would suggest, namely, a bill to amend the Animal Contagious Diseases Act. When that bill went to the Standing Senate Committee on Agriculture we had three very detailed hearings. We heard from all interested organizations and from the department. A number of amendments were suggested and adopted by the committee, and the bill passed the Senate but died in the other place when the last Parliament was dissolved.

I would hope that that kind of bill, or that bill itself, might be re-introduced in the Senate this year, because I feel that the progress that was made last year should not be wasted. We would be in a position to give it an expeditious hearing at this time.

I can understand the position of the official Opposition when faced with a number of bills, in view of the fact that its numbers are not great. I think the Leader of the Opposition said that they do not have access to the research resources that are available to members opposite. Well, I have not found too many research resources available to senators sitting on the government side, but it is true that when a senator moves the second reading of a government bill he or she is provided with a number of notes from the particular department. These are most helpful, and I would like to suggest to the Leader of the Government in the Senate that we might consider making them available to members of the Opposition. I have not seen anything particularly secret about any of the material I have ever had, and I think that kind of general background information would be of help.

I have the departmental notes on this bill in my hand, and when I am finished I guess most of them will be on the record, because I intend to read the material that has been provided to me. I could make my own *ad lib* speech—I think I have a bit of understanding of what the bill is about—but I do not think I could improve on the precise nature of the material that has been provided.

**Senator Flynn:** Even if you did not have an understanding of it you could speak about it.

**Senator Argue:** I might point this out to honourable senators, that I agree with those who feel that there is a need in discussing a bill like this, and other legislation, to have some research facilities available to us so that we can have a bit of back-up, and so that we can get some material that would help us in the discussion of legislation. In this regard, I would like to pass the following information on to honourable senators. Some may already know it; to others it may be new.

Some of us have taken an interest in seeing whether the committees branch of the Senate might be able, at least to some extent and when they have time, to provide us with the kind of basic research material we need on a given subject, if the request is made to them. The principle has now been established that if a senator asks the committees branch of the Senate to provide some research material then, with their limited resources, they are prepared to help. I might say that I personally had one example of this. I asked them for research material on the subject of the Turks and Caicos Islands. They took a few weeks to produce the material, but I want to say they did an excellent job as far as I was concerned. The material was most comprehensive; it covered the subject. I would think that those facilities, modest, moderate and limited as they are, might be of some help, if I may say so, to senators on the Opposition side, as well as to those on the government side.

Bill S-10 is an act to amend the Feeds Act. The present Feeds Act provides for the regulation of livestock feeds, as to their composition, packaging, and labelling. Under these provisions mixed feeds are required to be registered prior to sale, a device used to assure that the properties of the feed may be assessed and sale permitted only for those feeds with properties consistent with current nutritional and health standards for livestock, and the resulting products which for human consumption may meet food quality standards under the Food and Drugs Act.



● (1510)

The last major revision of the act was in 1960, and since then there have been many advances in animal nutrition, in manufacturing and distribution methods and in feed testing. There are many new products such as synthetic amino acids, and by-products of other industries proposed for use in feeds, preservatives, enzyme products and colouring agents, for use in feeding animals that are not included under the present definition for "feed," and hence are not subject to regulation.

An increasing proportion of mixed feeds are now formulated at the farmer-producer level. The present act does not provide authority for control over such feeds, since they are not sold in the marketplace as such. They can contain additives and other ingredients that can have an adverse effect on livestock, man and environmental quality.

Feeds can be carriers of disease-causing organisms, such as Salmonella, and act as a reservoir for reinfection of animals with resulting adulteration of food for human use. Eradication of such infection cannot be accomplished only by checking feeds offered for sale. Manufacturing plant inspection and cleanup are also necessary.

For these reasons it was found necessary to consider changes in the legislation.

Bill S-10 does not change the basic provisions of the present act, but rather extends its provisions to maintain its relevancy to current and anticipated development in the livestock industry and animal husbandry generally.

The major modifications contained in this bill are to:

—extend the definition of "feed" to all those ingredients used in livestock feeding which are not covered by definition for "feed" in the present Act;

—provide authority to regulate feeds manufactured by a producer for his own use that may contain substances harmful to human health or the environment;

—provide authority to regulate facets of the manufacturing of feeds that result in the production of feeds containing disease organisms or substances harmful to livestock, man or the environment; and

—provide for the regulation of feeds manufactured or sold for commercial fish production for human consumption.

Honourable senators, it is my intention, if this bill receives second reading, to move that it be referred to the Standing Senate Committee on Agriculture for a very thorough examination. I am sure the committee will be happy to hear not only the minister and officials from the department, but also any persons or organizations that may wish to present submissions on this subject.

In my view this is another instance of where the Senate can do useful work by passing, initially, a bill which should recommend itself to the House of Commons and to the country generally.

On motion of Senator Macdonald, for Senator Yuzyk, debate adjourned.

## CUSTOMS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Eric Cook** moved the second reading of Bill S-4, to amend the Customs Act.

He said: Honourable senators, the bill before us will, if passed, amend the Customs Act to give the customs authorities jurisdiction over a 12-mile limit in place of the existing three-mile limit. As a result the jurisdiction of the customs will be extended to the outer limits of Canada's territorial sea as defined in the Territorial Sea and Fishing Zones Act.

It will be of interest, particularly to new members of the Senate, if I mention that the Territorial Sea and Fishing Zones Act, which was passed in 1964, was first introduced and passed by the Senate. Indeed, I had the privilege of introducing and explaining the bill on April 30, 1964. By that act, speaking in very general terms, the territorial sea of Canada was defined as comprising the areas of the sea within three nautical miles from the baselines described in the act. However, the act also created and defined the fishing zones of Canada as comprising those areas of the sea extending a further nine nautical miles beyond the territorial seas.

This continued to be the law up until 1970 when Parliament passed an amending act. That amending act repealed the old definitions, abolished the old three-mile territorial sea limit and the previous nine-mile fishing zone, and substituted the new Canada territorial sea which is now defined as extending for the full 12 miles. By law, therefore, Canada's territorial sea now extends a full 12 miles from the baselines as determined by the Governor in Council, or from the low water line along the coast.

For the purpose of levying duty or for any other purpose relating to customs, the Customs Act as now worded provides that the importation of any goods by sea is deemed to have been completed at the time such goods are brought within three miles of the coast of Canada. In the same way a number of sections of the Customs Act define or limit Canadian waters to three miles for virtually all customs jurisdictional purposes.

If Parliament passes the bill before us, then in all cases the three-mile limit or restriction will be extended to 12 miles. This would alleviate a number of the problems now faced by both Canadian industry and government. For example, Revenue Canada is at present prevented from providing duty and tax protection to Canadian industry in Arctic offshore mineral resource activities within our territorial sea except for three miles. A substantial percentage of Arctic mineral resource activities at present are within the 12-mile limit but beyond the three-mile limit.

Benefits would accrue to local residents in our Arctic in that the use of Canadian equipment and supplies, and the incentive to use more Canadian registered vessels, within the 12-mile limit would result in employment for a number of the native population. At present, the explorations in the Arctic between the three and 12-mile limits are carried out by foreign personnel using non-dutiable foreign equipment and supplies and foreign vessels.

● (1520)

With the recent increase in offshore oil and mineral exploration, it is important that our policies stem from a consistent legislative base, which necessitates removal of any statutory anomalies. By the use of the phrase "Canadian waters," which is defined as including all waters in the territorial sea of Canada, in describing Canadian customs jurisdictional limits, as opposed to specifying the limits in miles, the proposed amendments would bring the Customs Act permanently into alignment with the Territorial Sea and Fishing Zones Act. This means that any future changes in the limits of the territorial sea of Canada would not necessitate further consequential amendments to the Customs Act.

Where for any reason it is considered to be against Canada's interests to extend customs control to 12 miles, or whatever distance the territorial sea may be defined as in the future, provision exists in section 2(1) of the Customs Act, whereby:

> —the Governor in Council may from time to time by proclamation temporarily restrict, for customs purposes, the extent of Canadian waters, and such proclamation shall not be construed as foregoing any Canadian rights in respect of waters thus restricted.

In summary, this bill is designed to strengthen Canada's control of its own waters and to extend the opportunities for employment of Canadians.

It will be noted in clause 7 of the bill that the act when passed shall come into force on a day to be fixed by proclamation. At the present time equipment and goods used in seismic surveys or mineral explorations between the three-mile limit and the twelve-mile limit at the time of passage of the amendment could pose a problem in so far as their customs status is concerned, in that such goods and equipment would become subject to customs assessment. This could be resolved by proclamation of the bill at a future date to permit the parties concerned to either complete the operation now under way, pay the duty owing at a depreciated value, or permit the government to grant an exemption from duty under the provisions of section 17 of the Financial Administration Act. Proclamation at a future date would also enable foreign companies to continue with existing plans in the Arctic for the coming navigation season, and give adequate notice of Canada's intention to exercise customs control within the 12-mile limit.

Honourable senators, if the bill receives second reading, I shall in due course move that it be referred to the Standing Senate Committee on Banking, Trade and Commerce.

On motion of Senator Bélisle, debated adjourned.

## PRIVATE BILL

### BRITISH COLUMBIA TELEPHONE COMPANY—SECOND READING

**Hon. A. E. Haddon Heath** moved the second reading of Bill S-11, respecting British Columbia Telephone Company.

She said: Honourable senators, this is the first opportunity I have had to tell you of my shock and dismay at the appointment of Senator Lapointe as our Speaker. Madame le Président was my deskmate, on whose unfailing good humour, erudition and support I relied, not to say

[*Translation*]

... her translation services for a poor English-speaking woman from British Columbia.

[*English*]

However, in a spirit of unselfishness I gladly share with you these talents which she has already demonstrated as our Speaker. Because Madam Speaker has a difficult role in filling that of her precedessor, Senator Fergusson, we wish her well. Senator Fergusson showed such tact, warmth and humanity while carrying out her job that I think a new standard was established.

I would like also to welcome the new Government Leader in the Senate. From many years of sharing experiences with Senator Perrault, I know that he will be an outstanding Government Leader in the Senate.

**Hon. Senators:** Hear, hear!

**Senator Heath:** I would like to add my best wishes to the Leader of the Opposition, with whom it is so often tempting to agree, and who is always a delight to hear. We shall miss Senator Martin very much, but know that his unique talents will be employed to the best of his ability on behalf of all Canadians.

The act with which we are now dealing, respecting the British Columbia Telephone Company, is to amend the special act passed in 1916 incorporating the company.

This is the second largest telephone company in Canada and, with its subsidiary, the Okanagan Telephone Company, it furnishes a complete modern telecommunications service, covering not only the province of British Columbia but also parts of Alberta. Ninety-nine per cent of the population of British Columbia are within its area of service.

The proposed amendments are largely limited in their scope to matters relating to the capital stock of the company. They deal also with the rights of shareholders and the debt financing of the company.

In explanation, the proposed amendments will permit an increase in the total authorized capital stock of the company in order to take care of its future requirements—that is, to construct plant and facilities to meet the telecommunications needs in the area it serves. The amendments will also provide the company with a range of financing alternatives and arrangements that will be consistent with the provisions of the Canada Corporations Act. Existing rights of present preference and preferred shareholders, particularly with regard to the voting rights, will be maintained unaltered.

The company's special act has already been amended on five previous occasions. The prime purpose of the amendments has been to increase the authorized capitalization from the original $10 million in 1916 to the present $250 million. By the end of October this year, 1974, the company will have issued almost $200 million of its authorized capital stock. The unissued balance of $50 million is insufficient to meet the estimated requirements through 1976. Since the last increase in authorized capitalization, in 1958, the company has financed gross plant additions of over $1.25 billion. This financing has been carried out, in part, through capital stock issues totalling $155 million.

I hope no one will ask me if I have my slide rule with me, and what percentage this is of that, but I think, having regard to the way increases are going, the needs of and demands on this type of company are apparent.

For the next decade the company estimates that, to meet the various and growing telecommunications needs of British Columbia's scattered population and diverse industrial development, a gross construction expenditure of not less than $4.5 billion will be needed. This will be for added plant and equipment, as well as for modernizing the system consistent with the changing technology of today. The proposed increase of $1 billion in authorized capital stock should be sufficient to cover the company's share capital needs for a period of 10 to 15 years without return for parliamentary approval.

● (1530)

A public utility is highly capital intensive, and has to respond to the needs of the people it serves. It should be assured that it has flexibility in its financing options so that it can meet the demands of the capital markets. It has to be in a position to respond to changing conditions regarding rights, conditions, privileges, restrictions, or limitations in issuing new shares. The company, because of the absence of specific authorizations in its special act of incorporation, does not have some of these financing alternatives—alternatives such as the issue of convertible preferred shares, redemption or retraction privileges at the option of shareholders, and other corporate financial arrangements and modifications that are now widely employed by competitive companies in the marketplace.

It is widely recognized that the capital requirements necessary to sustain the social and economic development of this nation over the next ten years will strain our financing capacity. There will certainly be a highly competitive market for capital. It is therefore vital, when the supply of new capital may be deficient for all demands, that an essential public service, such as the British Columbia Telephone Company, has the financing flexibility and options commonly available to other Canadian companies.

For those reasons, Bill S-11 is presented for the consideration of honourable senators. It is my hope, if this bill receives second reading, that it will be referred to the Standing Senate Committee on Transport and Communications.

**Senator Flynn:** Honourable senators, if I may, I should like to direct a question or two to the sponsor of this bill.

Has this bill received approval from the Department of Consumer and Corporate Affairs which, I believe, would be the department concerned? Also, who would appear before the committee other than the officials of the com-

pany? I am wondering whether officials of the department concerned will be appearing before the committee.

**Senator Heath:** I cannot answer that with any assurance. I assume, since it is a private company incorporated by an act of Parliament, that the officials of the company would be present for questioning. Whether there would be government officials present, I do not know.

**Senator Greene:** Can provision be made for consumer groups and minority shareholders to appear before the committee? If the committee hears only from those who control the company, it seems to me we will get a very one-sided view of the need for this. If we had someone representing the consumers and minority shareholders, we would have a much broader view. That will not happen unless we make resources available to those groups. Consumers of a telephone service are not organized as a group and, therefore, would not have the funds to appear in Ottawa before our committee.

**Senator Heath:** I am glad to hear the comments of Senator Greene, but I feel that those of us who are members of the committee are representing the consumers of the country and all people who would be involved in this. It is my view that the members of the committee can adequately represent consumer interests as well as the interests of the minority shareholders.

**Senator Langlois:** Honourable senators, to follow up the question raised by Senator Greene, it is up to the committee to call any witnesses it feels should be heard. After hearing the witnesses on behalf of the company, it will be up to the committee to call any further witnesses it feels should be heard. I would assume that officials of the Department of Transport would take part in our committee proceedings on this bill.

**Senator Grosart:** Honourable senators, I wonder whether the sponsor of the bill can tell us what degree of advertising of this bill has taken place to date?

**Senator Heath:** I am unable to answer that question.

**Senator Grosart:** The reason I ask that question, following Senator Greene's comments, is that it is vitally important that all those who may be affected by a bill such as this be given an opportunity to present any case they may wish to present before the Senate committee. It could happen, as has been the case in the past, that a bill such as this would not go to committee in the other place. It might be dealt with in Committee of the Whole instead of being referred to a specific committee. For that reason, I think the Senate has a duty with respect to a bill such as this, affecting, as it does, so many people, to ensure that adequate notification has been given under our rules, and, if our rules do not appear to be adequate in this case, to insist that additional notice be given.

I feel the Senate should have that information. I am sure the sponsor of the bill will, in due course, be able to give it to the committee.

I agree with Senator Langlois that the committee can, of course, call its own witnesses. On the other hand, that committee has not as yet held its organizational meeting and, therefore, is without a chairman. I would ask the Leader of the Government to assume the responsibility—and this has been done in many other cases by Leaders of the Government in this place—of making sure that there is adequate representation from the Department of Consumer and Corporate Affairs. It is the general practice, when dealing with legislation affecting banks, trust companies or insurance companies, to have the departmental officials appear before the committee so that the committee can determine whether or not the department concerned approves of the bill. That is a very important question when dealing with sums of $250 million, such as is the case in the bill now before us.

**Senator Perrault:** Honourable senators, if second reading is given to this bill, and if following that it is referred to committee, the committee can then call any witnesses it feels should be heard. Officials from the Canadian Transport Commission, the regulatory agency, could be called, if desired, as could representatives from the consumer sector.

Rule 86 deals with the advertising of private bills. It reads as follows:

> 86.(1) Every application to Parliament for a private bill shall be advertised by notice published in the *Canada Gazette*. Such notice shall clearly and distinctly state the nature and objects of the application, and shall be signed by or on behalf of the applicants, with the address of the party signing the same; and when the application is for an act of incorporation the name of the proposed company shall be stated in the notice.
>
> (2) In addition to the notice in the *Canada Gazette* aforesaid, a similar notice shall be given in a leading news publication with substantial circulation in the area concerned and in the official gazette of the province concerned—

● (1540)

There is, therefore, a very detailed procedure set out for the notification of the public of measures of this kind. Presumably this practice has been followed with respect to the bill before us, but again this can be ascertained when the bill goes to committee, and company officials could well be cross-examined on this point.

**Senator Argue:** Honourable senators, I wonder if I might make a comment. It seems to me that it is not only a question of a committee of the Senate calling witnesses and perhaps hearing witnesses who represent consumers, but that it is a fundamental practice of the Senate that a Senate committee will always hear any party who is interested enough to come to Ottawa and appear before it. Not only would the Senate committee probably be calling witnesses, but I am sure that what I say is correct, and this committee, following the practice of Senate committees generally, will stand as a forum available to any Canadian or any organization in the country that wishes to come before it and make representations. I think our practice assures consumers of a forum if consumers wish to be heard.

**Senator Heath:** The rule just read by Senator Perrault with respect to this type of advertising has already been complied with. I am sorry, but I did not realize the type of advertising that was being referred to.

**Senator Grosart:** I asked that question because before the Senate agrees to send a bill to a committee it is usual to have an assurance that the requirements of our rules

have been complied with. It is true that anybody can come before a Senate committee if he knows about it, and that is the reason I asked the question about the advertising of this bill.

**Senator Langlois:** The question of the publicity of this measure has been referred to by honourable senators. The *Minutes of the Proceedings of the Senate No. 8*, of Tuesday, October 15, 1974, says this at page 40:

> The Clerk of the Senate laid on the Table the first report of the Examiner of Petitions for Private Bills, as follows:—
>
> Tuesday, October 15, 1974.
>
> Pursuant to Rule 87(2), the Examiner of Petitions for Private Bills has the honour to present the following as his first report:
>
> Your Examiner has duly examined the following petition and finds that the requirements of the Rules of the Senate have been complied with in all material respects:—
>
> Of British Columbia Telephone Company, of the City of Vancouver, in the Province of British Columbia; praying for the passing of an Act amending its Act of incorporation to increase the capital stock of the company, and for other purposes.
>
> Respectfully submitted.
>
> PIERRE GODBOUT
>
> Examiner of Petitions for Private Bills.

**Senator Grosart:** My point was that it is usual to call attention to that.

**Senator Langlois:** In response to Senator Grosart's comment, may I say that before this bill was introduced this afternoon for second reading arrangements had been made for an organizational meeting of the Standing Senate Committee on Transport and Communications to be held next week, probably on Wednesday. A notice of the meeting will be in the mail early in the week.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Heath, bill referred to the Standing Senate Committee on Transport and Communications.

The Senate adjourned until Tuesday, October 22, at 2 p.m.

# THE SENATE

Tuesday, October 22, 1974

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

Prayers.

## THE LATE HON. JOHN GEORGE MacKAY

### TRIBUTES TO LIEUTENANT GOVERNOR OF PRINCE EDWARD ISLAND

**Hon. Raymond J. Perrault:** Honourable senators, I know that all members of this chamber have learned with regret of the death of the Lieutenant Governor of Prince Edward Island, the Honourable John George MacKay. Mr. MacKay had been active in the public affairs of his province and his community for many years. He was first elected to the Legislative Assembly by acclamation in 1949. He was re-elected four times. He entered the Prince Edward Island cabinet in 1952 as Minister without Portfolio, and he was Minister of Public Works and Highways from 1955 to 1959. Over the years he rendered a distinguished service to the life of his province and of his community.

I am sure that all honourable senators wish to convey to Mrs. MacKay and members of her family our deepest sympathy in their bereavement.

## ATLANTIC PROVINCES

### STORM DAMAGE IN NOVA SCOTIA

**Hon. B. Alasdair Graham:** Honourable senators, I beg leave to make a statement in respect of the emergency situation in Nova Scotia, resulting from the storm damage which occurred on Sunday last.

**Hon. Senators:** Agreed.

**Senator Graham:** The storm I refer to was a so-called freak blizzard with winds of hurricane force. Winds reaching as high as 100 miles an hour, and on one occasion as high as 115 miles an hour, caused widespread damage throughout the province.

The storm, if you can call it that in the most modest of terms, was the worst in living memory. Up to 15 inches of snow were reported in some parts of Nova Scotia. The storm resulted in the death of at least one man, and two men are missing. I think it is miraculous that there was not more loss of life.

The city of Sydney, where I live, was in a state of emergency throughout Sunday and Sunday night. Many areas in the eastern part of the province are still at this time without power and light, and last night was the second in a row for thousands of homes to be without heat and light. Telephone communications in many areas of the province were also disrupted.

On Sunday I watched as gigantic trees on old residential streets were toppled by the force of the gale, ripping up streets and sidewalks. Yesterday, I personally inspected many of the hardest-hit areas. Numerous owners of homes, many of them prefabricated homes, watched helplessly as the roofs of their residences were blown off and carried away. Mobile homes in many sections of Cape Breton Island were turned over and wrecked. Plate glass windows of store fronts also succumbed to the impact of the storm. Numerous businesses were hurt by power shortages. Many farmers in the province are concerned over the lack of electricity to milk their cows. Heavy damage was caused to the apple crop in the Annapolis Valley, and the harvest consequently delayed. Poultry losses are reported to be very large.

● (1410)

In the city of Sydney alone, estimates of damage to this point, exclusive of hydro and telephone company installations, range between $3 million and $4 million. In the face of the destruction—and this will give you some idea of just how heavy the overall damage in the province will be when the final tally is made—and what were at times, I assure you, terrifying conditions, I must pay tribute to the heads of municipal governments, emergency measures coordinators, police, firemen, the militia, municipal employees, hydro and telephone workers, and countless others, many of whom have been working with little or no rest since very early on Sunday. The total damage is still being assessed.

Officials of the provincial government in Nova Scotia have been approached already by some municipalities for assistance. I understand also that authorities in the province have kept officials here in Ottawa abreast of the situation.

Honourable senators, while provincial governments have prime responsibility for assistance in matters of this kind, the Government of Canada will undoubtedly be asked to assist under an existing disaster cost-sharing formula. I would hope that the Leader of the Government will impress upon his colleagues in cabinet the necessity of a sympathetic and prompt response to any such representations.

**Senator Perrault:** I want to thank the Honourable Senator Graham for his complete report about the very unfortunate natural disaster which has been visited upon the province of Nova Scotia and other areas of the Maritimes. I want to assure Senator Graham and all honourable senators that the government is actively concerned with the situation and determined to play a constructive role in the rehabilitation of the area. As Senator Graham has pointed out, a procedure exists whereby application is made by the provincial government for assistance to the Government of Canada, and I want to assure honourable senators that a sympathetic response can be expected if and when such a request is made.

I know that I speak on behalf of all members of the Senate when I convey to the people of Nova Scotia our deep concern about this event, and wish them a speedy recovery from the damage caused.

**Senator Macdonald:** As one also coming from the Island of Cape Breton, may I thank the Leader of the Government for his assurance that speedy and sympathetic consideration will be given to Nova Scotia to offset in some manner the damage done by this storm. As has been pointed out, we are fortunate that there is not more loss of life. However, the property damage is extensive.

What I have noticed before in perhaps more local disasters is that the provincial government must make the first move, so it seems to me that we should urge the Province of Nova Scotia to act quickly; otherwise, a long time can elapse before the people who have suffered property damage can get any kind of compensation. While thanking the Leader of the Government for his assurance, at the same time I would ask him to urge upon the provincial government that they also act promptly in this matter.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copy of Report prepared by the Consumer Research Council entitled "Consumer Interest in Marketing Boards", dated September 1974.

Report of the Department of Agriculture for the fiscal year ended March 31, 1973, pursuant to section 6 of the Department of Agriculture Act, Chapter A-10, R.S.C., 1970.

Report of the Canadian Saltfish Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to section 32 of the Saltfish Act, Chapter 37 (1st Supplement), and section 77(3) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

Report of the Fisheries Research Board of Canada for the year ended December 31, 1973, pursuant to section 12 of the Fisheries Research Board Act, Chapter F-24, R.S.C., 1970.

Report of the Canadian Broadcasting Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to section 47 of the Broadcasting Act, Chapter B-11, and sections 75(3) and 77(3) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

Report of the Law Reform Commission of Canada for the year ended May 31, 1974, pursuant to section 18 of the Law Reform Commission Act, Chapter 23 (1st Supplement), R.S.C., 1970.

Report of Canadian Overseas Telecommunication Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, 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.

[Senator Perrault.]

Report of the Department of Public Works for the fiscal year ended March 31, 1974, pursuant to section 34 of the Public Works Act, Chapter P-38, R.S.C., 1970.

## IMMIGRATION ACT

BILL TO AMEND—FIRST READING

**Senator Perrault** presented Bill S-12, to amend the Immigration Act.

Bill read first time.

**Senator Perrault** moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

## ALBERTA-BRITISH COLUMBIA BOUNDARY BILL, 1974

FIRST READING

**Senator Perrault** presented Bill S-13, respecting the boundary between the Provinces of Alberta and British Columbia.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE PRESENTED

**Senator Carter,** for Senator Sparrow, Deputy Chairman of the Standing Senate Committee on National Finance, to which was referred the estimates and supplementary estimates (A), laid before Parliament for the fiscal year ending March 31, 1975, presented the following report:

The Standing Senate Committee on National Finance, to which the Estimates and Supplementary Estimates (A) laid before Parliament for the fiscal year ending March 31, 1975 were referred, has in obedience to the orders of reference of Tuesday, October 15, 1974, examined the said Estimates and Supplementary Estimates (A) and reports as follows:

1. Your Committee was authorized by the Senate as recorded in the Minutes of the Proceedings of the Senate of the 15th of October, 1974, to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending March 31, 1975, tabled in the Senate Tuesday, October 8, 1974, and to examine and report upon the expenditures set out in the Supplementary Estimates (A) laid before Parliament for the fiscal year ending March 31, 1975, tabled in the Senate Tuesday, October 8, 1974.

2. In obedience to the foregoing, your Committee examined the Estimates and Supplementary Estimates (A) and heard evidence from the Honourable J. Chretien, President of the Treasury Board, and Mr. B. A. MacDonald, Assistant Secretary, Program Branch.

3. The Main Estimates for 1974/75 amount to $23,296 million. Of this amount $11,544 million are statutory in nature, $10,478 million represent funds for which Parliament is asked to provide new authority and $1,274 million are non-budgetary items representing loans, investments and advances. In the 1973/74 fiscal year, the Main Estimates amounted to $19,186 million and by two Supplementary Estimates they were increased to $20,989 million, of which $9,849 million were statutory in nature, $10,231 million represented funds for which Parliament was asked to provide new authority and $909 million in non-budgetary items.

4. The difference between the Main Estimates of 1974/75 ($23,296 million) and the final authorization for 1973/74 ($20,989 million) is $2,307 million of which $1,942 million were budgetary items. Some of the major increases are as follows:

| | |
|---|---|
| Canadian International Development Agency | $ 50 million |
| National Health and Welfare | 1,286 million |
| Post Office | 109 million |
| National Defence | 145 million |
| Canadian Broadcasting Corporation | 60 million |
| Environment | 51 million |
| Agriculture | 55 million |

The Committee questioned the witnesses on these and other increases.

5. The Committee was particularly gratified that the President of the Treasury Board said that he hopes the Federal Government's expenditures for 1975/76 would account for a no greater share, or even less of a share, of the gross national product than was accounted for in 1974/75, observing that your Committee has recommended in the past that the annual increase in Federal Government expenditures should not exceed the annual increase in the gross national product. Your Committee reaffirms this recommendation.

6. Mr. MacDonald informed your Committee that the items in the Supplementary Estimates (A), the total of which amounts to $889 million for budgetary items and $15 million for non-budgetary items, relate to special warrants issued during the period of dissolution of Parliament except for the following items:

Vote 52a Department of Energy, Mines and Resources—Energy Supplies Allocation Board—$330 million

Vote 41a Department of Industry, Trade and Commerce—Grains and Oilseeds—$79 million

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

**Senator Carter:** With leave of the Senate and notwithstanding rule 45(1)(f), I move that the report be taken into consideration now.

**Senator Flynn:** No, no, I disagree with that. I can understand why it should be moved, but I would point out that while most of the members of the committee know what is in the report, there are other members of the Senate who are interested in this report and who know nothing about what is in it. Therefore I think it should be moved that it be taken into consideration at the next sitting.

**Senator Perrault:** We have no objection.

**Senator Carter:** Agreed.

**Senator Flynn:** Because, even if they have time to read it, I still do not think it is fair to ask members of the Senate who are not members of that committee to take it into consideration immediately. We need a bit of time to study it.

**Senator Carter:** In that case I move that the report be taken into consideration at the next sitting.

Motion agreed to.

## FEDERAL GOVERNMENT BUILDINGS

### LANGEVIN BLOCK AND JUSTICE BUILDING—QUESTIONS ANSWERED

**Senator Perrault:** Honourable senators, on October 10 last questions were asked by Senator Forsey respecting federal government buildings. The questions were as follows:

1. What is being done to the Langevin Block; why, and what is the estimated cost?

2. What is being done to the Justice Building; why, and what is the estimated cost?

The Government's answers are as follows:

1. Langevin Block:

(a) A complete renovation and refurbishing program, including renewal of engineering services, plus air conditioning, a general upgrading and renewal of essential items such as roof replacement, windows, repainting and replacement of elevators.

(b) To provide accommodation for the Privy Council during and after the proposed renovations to the East Block.

(c) Estimated cost $3,742,000.

2. Justice Building:

(a) Total renovation including the entire gutting of the existing building, replacement of existing windows and mechanical and electrical systems. The provision of air-conditioning is also included and the installation of carpeting throughout.

(b) To provide a modernized standard, continued accommodation for the Department of Justice.

(c) Estimated cost $4,612,000.

## FOREIGN AFFAIRS

### PALESTINE LIBERATION ORGANIZATION AT UNITED NATIONS—POSITION TAKEN BY CANADIAN DELEGATION—QUESTION ANSWERED

**Senator Perrault:** Honourable senators, on October 16 Senator Molson asked me this question:

I should like to ask the Leader of the Government whether in the United Nations the Canadian Delegation, in speaking against the seating of the Palestinian Liberation Organization and then abstaining from voting, were acting on the orders of the Secretary of State for External Affairs, or whether this was as a

result of their assessment of the situation as they saw it?

The following is the text of the Canadian explanation that was delivered after the vote by Ambassador Rae:

> The Canadian Delegation cannot support the draft resolution contained in Document A/L.736.
>
> One difficulty concerns the envisaged procedure for participation in plenary meetings of the General Assembly. In our view, there is sound justification for the existing, well-established practice whereby participation in the deliberations of this Assembly—as distinct from the opportunity to address the Committees—has been reserved to the delegations representing the governments of states which are members of the UN. This seems to us an important condition for the efficient pursuit of the Assembly's work, and an acknowledgement of the fact that the UN is essentially an organization of sovereign states. We believe that the views of the Palestinians, which we agree should be presented in appropriate fashion during any discussions affecting their interests, could be fully taken into account without departing from established procedures. Canada has serious reservations about the possible impact of this draft resolution on the progress which has already been made, and on the delicate contacts which are now underway, in efforts to move toward a comprehensive Middle East peace settlement. Obviously the question of the future status of the Palestinians must be a major element in any such settlement. We would not wish at this stage to prejudge whether the Palestine Liberation Organization is the only legitimate representative of the Palestinians. This is a question to be resolved by the parties concerned. In our view, it is preferable not to pronounce here upon a resolution which might in any way either prejudice early movement toward negotiations, or impinge upon possible solutions to the Middle East conflict based on Security Council Resolution 242.

● (1420)

> For these reasons, and out of respect for sound General Assembly practices, Canada will abstain on this draft resolution.

As I have said, that is the text of the Canadian explanation delivered after the vote by Ambassador Rae at the United Nations. The Text of Resolution A/L.736 is as follows:

> The UNGA, considering that the Palestine people is the principal party to the question of Palestine, invites the Palestine Liberation Organization, the representative of the Palestinian people, to participate in the deliberations of the UNGA on the question of Palestine in plenary meetings.

This action by the Canadian representatives at the United Nations is in accordance with past practice on issues of this kind which have arisen at the United Nations General Assembly.

## BUSINESS OF THE SENATE

On the Orders of the Day:

[Senator Perrault.]

**Senator Perrault:** Honourable senators, it is proposed that items 1 to 8 on the Orders of the Day stand until later this day.

**Hon. Senators:** Agreed.

## SPEECH FROM THE THRONE

### MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Wednesday, October 16, consideration of His Excellency the Administrator's Speech at the opening of the session, and the motion of Senator Neiman, seconded by Senator Cottreau, for an Address in reply thereto.

**Hon. John M. Macdonald:** Honourable senators, before making a few remarks on the Speech from the Throne I should like to comment briefly on some of the changes which have taken place here. After all, in every new Parliament there are changes and it is only fair that I should have the opportunity of commenting on them.

I suspect at this late stage of the debate on the motion for an Address in reply to the Speech from the Throne that our new Speaker and our new Leader of the Government might feel that any congratulations offered are but a formality or a pleasant Senate custom. Should they feel this way, I should like to assure them that such congratulations are very sincere, and I wish to add my own to those already given. I am sure that our Speaker, in presiding over our deliberations, will bring distinction upon herself and reflect credit on us all. The Leader of the Government has already shown that he possesses to a large degree those qualities of leadership so necessary in the Senate. He is fortunate in that he has the added advantage of having Senator Langlois as his deputy—

**Hon. Senators:** Hear, hear.

**Senator Macdonald:** —a senator of ability, knowledge and experience to assist him.

Honourable senators, I wish also to extend congratulations to our former Speaker, Senator Fergusson, and to the former Leader of the Government, Senator Martin, for the manner in which they discharged their duties and responsibilities while holding those positions. They certainly upheld in every way the high standards set by their predecessors. I should like to assure Senator Martin, in this public way, that his unfailing courtesy and consideration was always greatly appreciated.

As one coming from the Atlantic provinces, I must tell you that we were very proud when Senator Fergusson was selected as the first lady Speaker of the Senate, and we are proud of the manner in which she fulfilled the duties of that high office. We in the Maritimes may be said to be parochial or provincial, or small town, as it were, but regardless of our political beliefs we in the Atlantic region are very happy when one of our own attains distinction in any high walk of life—and many have done so. May I recommend to honourable senators who perhaps have not seen it an article in the Ottawa *Journal* of Saturday, May 4, 1974, headed "Muriel McQueen Fergusson, a Lifetime of Service to Her Country." It is well worth reading, and I agreed with every word contained in it.

**Hon. Senators:** Hear, hear.

**Senator Macdonald:** There is one more change which I should mention—indeed, perhaps it is the most important of all—that being the appointment of Senator Petten as Government Whip. Since Senator Petten comes from the Province of Newfoundland, and the Chief Opposition Whip from the Island of Cape Breton, I expect that the Senate will function more harmoniously this term than ever before in its history. In all fairness, I must say it was always a pleasure to work with his predecessors, whose courtesies and considerations were deeply appreciated. They were always real gentlemen in their dealings with the Opposition.

Honourable senators, in commenting on the Speech from the Throne I will keep in mind two things: first, that it is not meant to be a blueprint for action but rather a pious statement of general plans and intentions; secondly, that the government meets this Parliament with a new mandate from the electorate, and that covers a good many governmental shortcomings. I trust I am right in viewing it in this fashion. Otherwise, the Speech from the Throne would be a very dismal document. Of course, in any Speech from the Throne we can always find something which merits approval. In the last Speech from the Throne I was particularly pleased with that portion of it which dealt with the anniversary of Newfoundland's entry into Confederation. To quote that paragraph:

> This year marks an event of particular interest and importance to all Canadians—the celebration of the twenty-fifth anniversary of the entry of Newfoundland into Confederation.

Honourable senators, it certainly was an event of particular interest and importance to all Canadians, as it completed the process of Confederation begun in 1867. It was an event of great and lasting benefit, both culturally and economically, to all concerned. Perhaps I may be forgiven if I add that it was of particular economic benefit to the town where I live. As was pointed out in another debate, one of the terms of that union was that Canada would maintain a freight and passenger service between North Sydney, Cape Breton, and Port aux Basques, Newfoundland. The growth of that service has become the economic mainstay of that town of 8,500 people. The volume of passenger and freight traffic between those two points is tremendous. To give you an example, during July and August of this year, 155,281 passengers used that service. During those peak periods, seven ships were operating. As Senator Bonnell mentioned, a new and larger ship is to come into service later this year. This new ship is an impressive one; it is 400 feet long and is reinforced for use in ice; it will accommodate 1,200 passengers and 300 automobiles, besides carrying freight.

● (1430)

Yes, honourable senators, it was certainly fortunate for my home town that Newfoundland came into Confederation, but it was still more fortunate for Canada as a whole that on July 1, 1949, just over half a million of the finest people in the world became Canadians.

**Hon. Senators:** Hear, hear!

**Senator Macdonald:** At various times we have had discussions about the duty of the Canadian government to maintain the ferry service without interruption between Nova Scotia and Newfoundland. Senator Bonnell stressed the importance of the ferry service to P.E.I. These discussions were held as a result of the service being stopped last year due to strike action. While I have every sympathy for those who were put to some inconvenience, and often hardship, on account of such strike action, I think we have to be realistic about it. While Term 32 of the Terms of Union states that Canada will maintain in accordance with the traffic offering a freight and passenger steamship service, et cetera, I think we must read into it the qualifications sometimes found in ship charter parties to the effect that the Government of Canada would not be responsible for loss of service due to acts of God, the Queen's enemies, strikes, lockouts, civil insurrections and the like. In other words, I think we must recognize that under our system those responsible for the operation of these ferries are just as much entitled to take strike action as any other workers. They are now in the same position as workers in other essential industries, such as transportation and communications. Unless some new and acceptable method or formula is devised to avoid strikes in essential industries, we must accept it that strike action is just a part of their bargaining rights for higher wages and the like.

The whole question of transportation is mentioned at some length in the Throne Speech, and a number of new initiatives are to be undertaken. Of course, it is well recognized that a modern, efficient and integrated transportation system is vital for Canada. I do not propose to speak of the system as a whole at this time, but I will say this. All the facts mentioned by Senator Cameron in his impressive speech relating to transportation in western Canada apply with equal force to eastern Canada.

One of the new initiatives is that there is to be an immediate implementation of experimental programs designed to upgrade inter-city passenger routes. I believe such an experiment is underway now between Montreal and Ottawa, and this is probably to come into regular service when the timetable changes next Saturday evening. I have not seen how much time is to be cut off this route, which now takes between two hours and two hours and fifteen minutes for 115 miles, but I hope the time cut off will be substantial.

It will be remembered that during the election campaign it was stated that a new crown corporation would be established to operate railway passenger services. Since then the Minister of Transport has receded somewhat from this position. He has stated that the government, while not abandoning this idea, now intends to give the railways a chance to show they can provide an improved passenger service better than a crown corporation could. Apparently some conversations have been going on between the parties. A *Canadian Press* story from Montreal, dated Monday, September 30 said in part:

> Canadian railway companies will need to find at least $500 million for the "massive upgrading" of services outlined in proposals to the federal government, says a spokesman for Canadian National Railways.
>
> "We want to give a brand new look to all passenger train services in Canada and we don't know yet how the cost is going to be met," the spokesman said Saturday.

> Plans to change the face of rail travel, involving both CNR and CP Rail, have emerged following Transport Minister Jean Marchand's election challenge to the companies to improve services or have passenger train operations managed by government.
>
> Details of proposals by the railway companies are still secret and discussions with the Ministry of Transport are continuing. The CNR spokesman said possibilities include the elimination of overnight stops on key inter-city runs and the country-wide use of Rapido, Turbo and the LRC trains.

Which means, I understand, light, rapid and comfortable trains.

> If current proposals are accepted rapid inter-city hops with overnight stays in railway hotels near stations would replace the long transcontinental haul between Montreal and Vancouver with its 70 scheduled stops.

Honourable senators, it is gratifying to know that improved rail passenger service is at least being studied.

Particular mention is made of an improvement to the service in western Canada, so I would just like to remind the railway companies and the minister that rail passenger service in eastern Canada is deplorable. I have on other occasions mentioned that there are two Canadian National Railway passenger trains leaving daily from Nova Scotia to Montreal. The distance by rail from Sydney, Nova Scotia, to Montreal, is 1,006 miles. A person can leave Sydney at 6:30 in the morning and arrive in Montreal just 26 hours and 20 minutes later. Of course, that person has a choice. He or she can leave Sydney at 11:15 in the morning, a more convenient hour, and arrive in Montreal just 28 hours and 15 minutes later—provided the train is on time. These are not speeds that encourage passenger traffic.

The news item I have just mentioned proposes an improvement in key inter-city lines. I do not know just what they mean by "key inter-city", but I do hope that the line between Sydney and Halifax comes in this category. If ever a rail service needed improvement, it is this one. The rail distance is 295 miles. One train manages to make the run from Sydney in 7 hours and 20 minutes. If one takes the other train, leaving Sydney at 11:15 in the morning, it gets into Halifax by 10:35 that evening. I have a grave suspicion that the CNR would like to eliminate this train service and substitute a bus service. As I have said, I was gratified to learn that an improved passenger service is at least a possibility. It is certainly a pressing need.

Honourable senators, before saying a few words about the two urgent problems facing Canada, which are inflation and unemployment, I want to bring to your attention a matter that came to my notice a short time ago. It will be recalled that in all the financing done by the Government of Canada, many years ago there was an issue of what they called "perpetual bonds," bonds that had no set time for redemption, although I believe there was a provision that they could be redeemed after a number of years. I do not know the size of the issue, but the interest rate was, and is, three per cent. The value of these bonds on the market today is about $33 or $34 for a $100 bond. Incredible as it may seem, this $100 bond sold by Canada is now worth only one-third of its face value. To my mind, to have this happen in Canada, a country which has always been proud of its financial reputation, is nothing less than a national scandal. You may ask why this is so; why these bonds have not been redeemed at their face value. The only explanation I have ever heard is that many of them were acquired at low prices by speculators, who would profit if the bonds were redeemed. I suppose any excuse is better than none, honourable senators, but that is a strange theory regarding repayment of loans to governments, and one which, carried to its logical conclusion, would create not a few difficulties.

[Senator Macdonald.]

● (1440)

Deplorable as it may be that speculators would make a profit, I think our national honour requires that these bonds be redeemed. I know there is no legal obligation to do so, but surely there is a moral obligation at least to repay the money borrowed to those still living, who bought these bonds in good faith and at their face value and who still own them.

Honourable senators, many matters are mentioned in the Speech from the Throne—perhaps too many. If the government attempted to deal with all of them, then what energy they have might be dissipated and there would be none left to deal with those twin evils of inflation and unemployment.

The Speech from the Throne deals at some length with inflation, and it is well that it does because it is an indication of the government's awareness of the existence of inflation and its evil effects. I am afraid, however, that there is a tendency on the part of the government to find excuses for its inaction; to play down the problem; to blame it on world conditions; to tell our people that they should be thankful that the problem is not as bad here as it is in other countries; to tell them that others are worse off than they are. Certain statements made by some of the ministers of the Crown show this tendency. One minister is reported to have said that he would like to see a news media moratorium on the word "inflation." He went on to say that a less pessimistic view of the economy might slow the prevailing inflationary trend. He capped it off by saying that psychology plays a big role. Well, I suppose psychology can be blamed for many things, but I doubt if it is responsible for the price of milk increasing by six cents a quart when the government removes the subsidy.

But absurd statements are not confined to that minister alone. Another minister, when the price of milk increased, pontificated to the effect that people should do what he does: use powdered milk! Another stated that if people could not afford to buy milk at the increased price they should go on welfare.

Honourable senators, it scares me when I hear statements like that being made by men who are surely not stupid, men who have much to their credit. I do think it shows a terrible lack of understanding on their part of what the ordinary people are up against. I hope I am not being too critical or too harsh when I say that when I see statements like that being made by ministers, people in responsible positions, I feel like telling them to grow up, because it both annoys and saddens me to see grown men making childish statements and treating lightly a most difficult situation.

Honourable senators, the Speech from the Throne also mentions the "battle against inflation"—if it can be dignified by such a term. The speech mentions that the government will exercise restraint in its own expenditures, and will urge provincial and municipal governments to do the same. The speech does not state, however, just what is meant by "restraint." It does not say whether it means spending less money, or the same amount but for different purposes. I suspect it is the latter, as, certainly, money could be spent to a better purpose than, for example, some of the local initiative programs, which benefit only a few people for a short period. Indeed, one wonders whether the government has any definite proposals regarding restraint in its spending. We are told we have to wait for the budget, and I suppose that is not unreasonable; at any rate, it will give the government more time to try to make up its collective mind.

I was somewhat surprised to hear the government leader here talk in terms of the reduction of government expenditures, since that is not definitely stated in the Throne Speech—and it could well be that restraint could be exercised without any reduction in present expenditures. I was also surprised to hear the government leader declare in no uncertain way that the government must be told in clear terms by the official Opposition where the reductions in expenditures are to be made.

Well, honourable senators, this is stating a new and novel responsibility for the Opposition. I suspect that it means the government wants to reduce expenditures but has no plans on how to do so. While not admitting for one moment that is a responsibility of the Opposition, I suppose it would be only an act of common courtesy to respond to this plaintive appeal for help—provided, of course, that there is a definite commitment by the government to accept and put into effect any suggestions brought forward by the Opposition. Without such a commitment I am afraid we must tell the government leader not to confuse the responsibilities of the Opposition with those of the government.

Honourable senators, I was greatly surprised that the Speech from the Throne contained nothing to indicate that the government has any real concern over the persistently high rate of unemployment. Apparently it has resigned itself to accepting as a permanent feature of our economic life an average rate of unemployment somewhere between 5 and 6 per cent. It is this spirit of resignation, this spirit of submission to economic forces, which I so deplore.

I deplore also the fact that no mention is made in the Throne Speech of the war on poverty. Certainly, that war has not yet been won. Indeed, I wonder just what the situation is now. You will recall that it was in November of 1971 that the Special Senate Committee on Poverty tabled its monumental report, the only authoritative study and report on poverty in Canada that I know of. I am not going to discuss that report at this time, but I should like to make reference to it. One section of the report dealt with the "working poor." In part it said this:

> Among the poor, the working poor have the unhappy distinction of being less readily recognizable than others in their income group. Sharing most of the "middle-class" aspirations of the rest of the nation, they are, in effect, the most invisible of all.

Further on, the report said this:

> Thus, more than 60 per cent of low-income family heads worked during 1967; the majority of them worked all year, and yet were still poor. What keeps them at work? All evidence demonstrates that they are poor *not* because they do not want to work but *in spite of* working. The Work Ethic seems to have played them false. Here is a good place to ask ourselves the question, "can we afford to maintain a system where going on welfare is more profitable than going to work?"

Honourable senators, in my opinion now is also a good time to ask ourselves that question. The 1967 figures quoted were the latest available when the report was prepared, but can anyone suppose that the situation for the working poor, those who must work for low wages, is any better today than it was then? The working poor are the people who suffer most from inflation—and suffer they must. They do not belong to strong unions who can give them at least partial protection. They are not in the public eye. As the report says, they are the most invisible of all. Yet ministers of the Crown insult these people by telling them, in effect, to go on welfare or buy cheaper food. Personally I think it must be of but cold comfort to them to know that the Speech from the Throne proposed that we confirm *O Canada!* as our national anthem, and that we make an attempt to effect constitutional reform.

● (1450)

Yes, honourable senators, I think now is a good time to ask again: Can we afford to maintain a system where going on welfare is more profitable than going to work? It may well be that that would be beyond the remedies suggested in the report. I think we are going to have to decide whether our economic system is to be our servant or our master. It seems to me that the government takes the attitude that we are the victims of economic forces beyond our control, and that all that can be done is to try to diminish the evil effects of inflation on at least some groups in our society.

I do not believe this is good enough. Surely in this day and age we should be the masters of our own destiny, and if to be so would require a fundamental change in our economic system, then I say let us get at it. There is nothing sacred in the present free enterprise and government assisted free enterprise system under which we now operate.

Not too long ago I had occasion to look over the Ten Commandments, and I found that there is nothing sacred about our present economic system. There is nothing in those Ten Commandments which God gave to Moses, to say that we must carry it on.

And here I might digress for a moment. There is one commandment which I think should be remembered—the commandment: Thou shalt not kill. I think that could be usefully remembered by those who claim that a pregnant woman and her abortionist can decide to kill an unborn child.

Honourable senators, the Speech from the Throne as a whole must be a bitter disappointment to all those looking to the government for leadership in the fight against these evils of inflation and unemployment. Perhaps there will

be something better in the budget. One can only be optimistic. We shall just have to wait and see.

**Senator Robichaud:** Honourable senators, may I ask the honourable senator one simple question?

I noticed in his remarks that he referred to LIP grants in an oblique way, and I got the impression that he was violently opposed to all forms of LIP grants. I should like to ask Senator Macdonald if my assumption is correct, or wrong?

**Senator Macdonald:** Your assumption is wholly wrong, senator. I am completely in favour of many of those grants. It is just that there are some of them that are useless, and should not be made. The money could be better spent elsewhere.

**Hon. Guy Williams:** Honourable senators, I take this opportunity to extend congratulations to our new Speaker, the Honourable Renaude Lapointe, who is truly the sweetheart of the chamber. I miss her very much, as she used to sit close to me.

I also extend my congratulations to the new Leader of the Government, Senator Perrault.

To our former Speaker, Senator Fergusson, I express my appreciation of her contribution and excellent work. Similarly, I congratulate our former leader, Senator Paul Martin, on his new appointment, and also the new Deputy Leader of the Opposition, Senator Grosart.

Congratulations are also in order for our two new colleagues. I welcome to the chamber Senator Barrow and Senator Cottreau.

Honourable senators, the Speech from the Throne refers to farmers and fishermen. I want to bring to your attention a serious problem that has developed in the Indian fishermen's assistance program. It is in its second five-year term. Up to this date it has been a very good plan. Unfortunately inflation is one of the reasons why there is now a serious situation which may cut the program short, and make it inactive until 1976/1977. If this is the case, then this will be a great tragedy that will swamp and submerge the program for all time to come. In 1976/1977 there will be next to nil licensed fishing boats on the coast of British Columbia available to the Indian fishermen. The white fishermen will have acquired all the available licensed boats.

For your information, honourable senators, the boats are licensed, but the fishermen only have an operator's licence. Inflation is skyrocketing the price of a fishing boat according to its tonnage rating. Today licensed fishing boats, on tonnage alone, cost from $4,500 to $6,000 per ton, and some of them are upwards of 100 tons.

In order that an answer be found for the Indian fishermen, this amount of $1.5 million must be made available. The program has only three more years to go on its second five-year schedule, and I suggest that the last three years of the program be compressed into two years. I assure you that the Indian fishermen will say that all is well if this is done. This is the answer. I have consulted with the Native Brotherhood of British Columbia, the bargaining voice of Indian fishermen, and they are in agreement with this idea.

[Senator Macdonald.]

This program is the lifeline of the Indian fishermen. In a way it is very similar to the subsidies that non-Indian fishermen have been receiving for years. This must be taken care of now, not tomorrow. It is a serious situation for the Indian fishermen of British Columbia. About 15,000 Indians depend on these fisheries—that is, fishermen and their families.

● (1500)

Now, honourable senators, I shall refer to problems and situations that have affected the Indian in the past, and are still affecting him today—and I shall refer to them as tragedies.

The first tragedy is that of the buffalo kill. Canada's millions of buffalo roamed the plains and the fringes of the forest areas. I am told that young braves made it a game to display their ability and bravery by jumping from one buffalo's back to another. The buffalo was useful. The hide served as clothing, and the muscles and sinews served for sewing and for bow strings. The hide also provided the covering of the teepee which the Indian lived in. But the buffalo kill caused the first real housing shortage so far as the Indian people of this great country were concerned. The buffalo also provided meat which was prepared in many ways and preserved for winter. But what has happened to the millions of buffalo, honourable senators? I think you all know what happened.

Tragedy number two for the Indian: God in his wisdom placed in the northwestern hemisphere his largest and most beautiful jewel, the Great Lakes. They abounded with fish and fowl. The Indians of that time when travelling or hunting would go to their shores, fall on their hands and knees, and drink their fill of that beautiful pure water. Can you and I do that today, honourable senators? We cannot. The water there is now polluted, just as it is polluted all over Canada. The pollution has extended to the inland waters of the country from the sea. What happened to the buffalo has also happened to the beautiful jewel. The fish and the fowl are no longer there. All have fallen victim to man's pollution and destruction.

Tragedy number three: the treaties—some unhonoured, and many of them, I believe, phonies; not worth the paper they were written on. The Indian chiefs signed in good faith, or, at least, they placed their marks. They signed with an X—and perhaps that is appropriate because X designates the unknown.

Tragedy number four: the Indians of Canada are slowly but surely becoming aware of federal and provincial laws. They cannot hunt or fish as they used to, even though it may mean that their families go hungry. They are told, "You cannot cut that tree down to make your dug-out canoe; you cannot peel that birch tree to build your canoe, because it is on crown property, provincial land or privately owned land. If you do you will be prosecuted and possibly sent to jail." The end result for the Indian is nearly always the same—he has to live in poverty, and find a short cut to the happy hunting grounds.

Tragedy number five is clearly visible to the public, and results from firewater being first introduced by the fur traders. You know what happened then and what is happening today—over-indulgence. Today the situation is becoming even worse because the use of alcohol is coupled with the use of drugs. They constitute the sad and heavy

price of participation in your society and civilization. In consequence we find the Indian untrained, uneducated, unskilled and unaccepted.

And now, honourable senators, I shall speak briefly about the sad incidents of September 30 concerning the demonstration by the Native People's Caravan on Parliament Hill, which many of you witnessed. When, some time in the future, the history of this is written, it will form a black page in the history of Canada, not because it was a demonstration against the Government of Canada—a common democratic practice in western society—but because at the gates to Parliament Hill the caravan was joined by about 40 non-Indians. This is the information presently available. Many Indians belonging to the caravan were happy to have voluntary support from the white man's society to help them in their cause. They did not realize that these people were communists and Maoists whose sole purpose was to egg the Indians on, and to turn a peaceful demonstration into a violent demonstration. According to the press, a busload of these people came from Montreal, well supplied with rocks, sticks and clubs. I saw for myself that the first three people to be taken into custody were not Indians.

But despite all these problems and burdens, honourable senators, the Indian is surviving, but he is surviving in want and in need.

I shall leave these matters for you to ponder over in the knowledge that they do not constitute even a drop in the bucket, or a pinprick on the Indian's body, in proportion to the number of problems imposed upon the Indian by this society. I have simply pointed out a few of the shortcomings of the white man's society, and of the Government of Canada. It is these shortcomings that have led the Indian into a state of frustration, hopelessness and poverty because there is an attitude of indifference and non-acceptance where the Indian is concerned.

Can the Indian get himself out of this rotten state, or condition? All that I have said up to now results from my own observation and my personal experience, participation and leadership, in Indian organizations for over 40 years in British Columbia. You may ask, as I have asked many times in my lifetime, "What are the alternatives?"

● (1510)

Honourable senators, this question can be answered very simply. Where do we start? I have suggested in other places and at Indian gatherings that Canada could get the young Indians involved in hockey and football in the lesser leagues and allow it to be left in the hands of a retired Indian former professional player. It could take the form, maybe, of a five-year plan. There is sufficient talent among the Indians in Canada and there should be no government interference. The government should simply make the funds available. In a short number of years there will be Indian players on every major team in the NHA and WHA, likewise in football. This will be the icebreaker into your society.

Honourable senators, regarding the matter of social culture, or multiculturism, we must open our eyes to the potentials and recognize Indian culture and art. Gel and meld the two cultures, and Canada will be richer. Why has this not been done in the past and why is it not being done today? I will tell you: because of certain senior civil servants, who may be more interested in their own future pensions and do not wish to upset their status quo. I have heard at least once in this chamber the challenge, "Fire them!" and I think it should be carried out. Indians would love to see this, and from here on in they should plan their own destiny and participate in this great society.

The Indian people have survived. The day of decision for them and for the Government of Canada is here today, not tomorrow. I am very much concerned that delay could mean bigger and more serious demonstrations and violence. Let me say at this point that the caravan did not intend to be violent. That is why there were mothers and children in the demonstration. According to my information, received before September 30, it was to be noisy, but peaceful.

I have touched only on a small point or two and, may I say, my points are sound. I have experienced and lived that life. Honourable senators, may I suggest that we keep these points in mind at this time.

Now, please fasten your seatbelts. The Indians, I repeat, are surviving and in the next two decades will have a full say in the economy of Canada. The native Indian in Canada is money-poor, lo and behold the poor Indian, but he is land-rich. He is of no account in this society, but do not question his loyalty to Canada. He is loyal. Just look back and see his record in the two World Wars.

Money-poor? What is there on Indian reserves? The average Canadian can only visualize the houses that are in shambles, which is true in many cases. There is absolutely no reason, none whatever, why the Indian should be impoverished in this great country, his country, the greatest country in the world. Moses led the Israelites for 40 years. They viewed the land of milk and honey and for some time were denied entry. Canada is richer by far than that, truly a land of plenty and a land of opportunity. That is why we have over 200,000 immigrants per year. Your society, your government is responsible for the impoverished state of the Indian people in Canada. I repeat, Indians in two decades will be involved deeply in the economy of Canada. Why? I will tell you why: his resources are far beyond the realization and belief of the non-Indian. I have reason to believe that I will see the day when Indians in Canada will participate in the development of the resources of our great Canada. How? The estimated value of his resources on reserves, including lands, is upwards of $17 billion. I am not even speaking of his claims. Is that not a lot of money? In my opinion it is. These figures are not mine, but come from a responsible department of the government. And that is not all. Add another estimated amount of over $10 billion for petroleum and mineral resources, for a total of approximately $28 billion. In view of these assets I would like to see an Indian corporation, funded in the amount of $100 million, established with all Indian directors, hiring the best accountants and financial experts from any part of the world for management. With these assets and a program of this type the Indian people of Canada would no longer be dependent on welfare. With this kind of money I believe they could buy out the Bank of Canada and the CPR, lock, stock and barrel.

● (1520)

Indians can and may set up their own stock exchange. Honourable senators, this is not idle talk. Indians are now on the rebound, and I say, "Let's get with it!"

Honourable senators, I am thankful for my participation in this debate and for being a member of this chamber. I am a proud senator, I am a proud Indian, and I believe in Canada, our country. I have spoken.

[*Translation*]

**Hon. Keith Laird:** Honourable senators, at the outset, I wish to pay tribute to Madam Speaker. Since her appointment to the Senate, she has been very active both in this chamber and in the committees and I am sure that she will know how to bring obstinate senators to heel.

I also wish to congratulate Senators Neiman and Cottreau who have so ably opened this debate, and also the leaders and all those who spoke before me. I noted with interest that the speakers have dealt with the senator's duties. As far as I am concerned, I think that I should provide some constructive ideas even if they do not coincide entirely with those of the government. With this in mind, I should like to deal with fiscal expenses in relation with the very serious problem of inflation.

[*English*]

I suppose the number one problem is inflation. If we entertained any doubts about that, the speeches here in the Senate have convinced us, let alone the multitude of speeches that have been made all over the world. Therefore, we are all agreed. The Throne Speech said it, in effect; and the President of the United States has said it. Probably the one weakness in all of these pronouncements is that it is difficult to get down to business and say, "What shall we do about it?"

We may very well ask ourselves that question here. Let me say at the outset—and this will be the theme of my remarks—that, quite frankly, there is something that can be done by Parliament about the problem. That is the simple proposition of the curtailment of government expenditures.

I admit that this is an international problem. In fact, we are caught in a rough international sea and, consequently, we cannot solve it by ourselves. We know that all over the world there is evidence of affluence and, consequently, a rise in inflation. It is a snowball which simply gathers momentum as time goes on.

My contention this afternoon will be that if we can put one block in the way of that snowball it will at least slow it down so that other blocks can be put in its way and eventually stop the snowball.

Before getting into the theme of the curtailment of government expenditures, let us take a quick look at some of the remedies which have been proposed.

I suppose the most interesting one, and the one most frequently propounded, is mandatory wage and price controls. I must admit that it sounds very enticing; yet I remember distinctly that a little more than three years ago the Standing Senate Committee on National Finance spent an intensive three months examining this problem. I, along with several others, went into that committee thinking that perhaps we had found the ultimate solution.

[Senator Williams.]

When the hearings were completed, my opinion was quite different, and, as honourable senators will recall, the committee wholeheartedly recommended against mandatory wage and price controls. The committee's recommendation was based on the evidence which came before it, which encompassed evidence from a number of world-renowned economists, prominent business leaders, and others. It was apparent, as the evidence was produced, that mandatory wage and price controls could work only in the event of a severe emergency, such as war, and even then there would be problems.

Such controls will work for only a certain length of time. They cannot be enforced forever. What happens after they are lifted? Wage earners, or the producers of goods for a price, simply attempt in a hurry to pick up the slack which they feel they have lost through the imposition of a prices and incomes system. Mandatory wage and price controls do not work.

Other methods are being suggested all the time—such as, for example, increasing interest rates, to cut down on borrowing and therefore cut down on production. Here again, it is a method of controlling the situation, but in itself is not enough to achieve anything really worthwhile.

There is also the suggestion of increasing taxation. People say, "Increase taxation and take the money out of circulation. Then we shall not have the money available to seek out the goods and services, and therefore we shall bring down inflation." This is fine up to a point. But really all these factors are simply parts of the general scheme of things.

Let me return to my main theme, that of the curtailment of government expenditures. This is something that we can do. There is nothing to stop Parliament doing this. How can we do it?

I believe—and, if I understood Senator John Macdonald correctly, he was urging a similar approach, and certainly some honourable senators have suggested this—that we have to stop the proliferation of government services. We know what the tendency is. It is to offer more and more services regardless of need, and once a service is established it expands in order to fulfil the wishes and meet the demands in a particular field. As a result, we end up with a huge amount of government services being available.

The following is the actual breakdown: 1,406,000 Canadians—one out of every seven in the labour force—work in some kind of government job. I know this has been discussed by other honourable senators. I recall the Leader of the Government discussing this. I, too, will be making the point he made, namely, that the worst offender is not the federal government but, rather, the provincial and municipal governments. I took the following breakdown from an article which appeared in the Windsor *Star*, and it is as follows: provincial government employees, 433,000; federal public servants, 296,000; municipal administration workers, 248,000; teachers, 200,000; employees of Crown corporations, 148,000; members of the armed forces, 81,000—making a total of 1,406,000. As I say, one out of every seven persons in the labour force works in some type of government job! That is simply an untenable proposition. While we are the least offender of the three branches of government, nevertheless we can start right at home.

● (1530)

One thing that strikes me is that we can cut down on the multiplicity and complexity of legislation. If I recall correctly, other honourable senators have raised this point. I do not know how other honourable senators feel, but it seems to me that almost every idea by anyone in the Public Service eventually gets translated into legislation, and the legislation turns out to be so complex that it can only be understood by a certain group. As a result, when you are stuck for an interpretation, instead of being able to make it yourself, you must turn to these so-called experts. They were never intended to have that power. I, for one, feel that the multiplicity and complexity of legislation certainly is a substantial contributing factor to the tremendous amount of government expenditures, and I do not like it.

Then there is the indiscriminate hiring of government employees. That subject, of course, has been tackled as a problem, but it has never been entirely solved. The whole difficulty is that there has been no study made or attempt to work out a reasonable standard of production. We all know that in many instances there are so many people on a job which could be performed by many fewer people. This is an alarming problem.

If, by any means, honourable senators think that by saying these things, as I have, in French and English, I am giving aid and comfort to the Opposition, they are right. I am deeply concerned about these things and, whether or not it pleases the government to hear about them, I intend to say these things throughout this session and let the chips fall where they may.

Another thing that bothers me is the vast amount of government literature that goes out and which is never read. It is a small point, I admit. All you need do is look in the wastepaper baskets in the Senate and the House of Commons. That would be a good start. But beyond that, outside these sacred precincts, all sorts of literature goes out which is never read, being immediately consigned to the wastepaper basket. I am sure that all honourable senators have had many complaints of this sort. As I say, it is a comparatively small matter, but it is still an example of the way expenditures could be cut down.

The next item I wish to deal with is unemployment insurance. I suppose this is a blockbuster, but, following up on what Senator Macdonald has said, we have simply got to do something about it. Unemployment insurance is necessary where the need is a valid one, but if the need is not there it should not be paid. The whole trouble is that not only is it being paid in individual cases where it should not be paid, but also where there is already an adequate income being received. As Senator Macdonald has already said—and, believe me, we have all had this experience—when it comes to a choice between working for an income and collecting unemployment insurance, the temptation is very natural to go on unemployment insurance, assuming that unemployment insurance amounts to almost as much as, if not more than, would be paid if the individual worked for his income.

I should add at this point that in the past few months some substantial progress has been made under the present Minister of Manpower and Immigration, the Honourable Robert Andras, a very able individual. He has formed a partnership, in effect, between Manpower and the Unemployment Insurance Commission, the result of which has been an exchange of information which, apparently, previously had not been adequate. That exchange of information has resulted in 70,000 Canadians being disqualified from receiving unemployment insurance or welfare, and those individuals, presumably, are now working. All of this in the past few months. The full details in that respect are set out in an article by Jack Kent in the Windsor *Star* of September 24 last.

Believe me, in no way do I want to give the impression that the minister responsible, the Honourable Robert Andras, is not doing an excellent job. There is no question that he is. The trouble is that the problem is so deep-rooted and the state of the legislation is such that the whole matter must be examined in more depth if we are to get results.

On that point, I think what gets me down most is the fact that unemployment insurance is sometimes paid—in fact, often paid—to people who retire on adequate pensions. I do not know whether honourable senators are aware of this or not, but, believe me, it does happen. Many persons retiring on an adequate pension, by simply making themselves available for work, are entitled to unemployment insurance payments for a total of 51 weeks.

I have an actual example to relate in that regard. This information comes from the Toronto *Star* of September 20, and I am using the figures quoted in that article, being the present average wage of an employee in the standard automobile company contract, which is $5.85 an hour. Assuming 50 weeks' work at 40 hours per week, and adding the cost of living allowance which is embodied in these contracts, that working individual would earn $12,068 per year, exclusive of any fringe benefits. On retirement, that individual would collect $7,500 by way of pension—again, I am speaking of the standard automobile company contract—and for 51 weeks would be entitled to an additional payment of unemployment insurance at the rate of $113 a week, for a total of $5,763. Therefore, the total intake would be $13,263. The difference, of course, is $1,195, being the additional income available on retirement for a period of 51 weeks. It is true that he must list himself with Manpower as being available for work, but at the age of retirement the possibility of getting employment is, of course, extremely limited. Let us be honest about it. If you know the ropes you can, somehow or other, manage to wiggle out of any job offer that comes along through the good offices of Manpower.

● (1540)

I do not want to labour this point any longer. I hope that by speaking for a relatively short time it may make some impression, and that we will be more careful in the future about the items that come before this house and what we can do about cutting down and curtailing government expenditures, because if we do not start at home how can we expect the people of the country to make any real sacrifice to fight inflation? Believe me, we cannot. If we do not start at home, pyschologically it simply has the effect that people will say to themselves, "Look at the government. They are not trying to curtail expenditures, so why should we?" Therefore, honourable senators, I feel

that if it is possible for us all to keep the goal in mind we will make a real contribution towards licking inflation.

On motion of Senator Graham, debate adjourned.

## AGING

THE ANATOMY OF A SPECIAL SENATE COMMITTEE REPORT—DEBATE ADJOURNED

**Hon. David A. Croll** rose pursuant to notice:

That he will call the attention of the Senate to the anatomy of a special Senate committee report, and in particular to

(a) its evaluation,

(b) its beneficial results, and

(c) as a follow-up, to a suggested future course of action for the Senate.

He said: Honourable senators, I have already informally congratulated the Speaker, as I have the Leader of the Government. I do so formally, but not as a matter of formality. I have confidence that we are in for a new day here. I think there is appreciation of the fact that there is talent in abundance in this chamber. It will depend upon the leadership to make use of it.

I did want to say a word about the mover, Senator Neiman, and the seconder, Senator Cottreau, of the motion for an Address in reply to the Speech from the Throne. They proved a point. Good preparation makes a good speech. That is what they had. On the other hand it is a good beginning, and it sets the mood for the house and for others to strive after. Today there is not much of a mood around here.

My inquiry rather speaks for itself. It says that I will call the attention of the Senate to the anatomy of a special Senate committee report, its evaluation, its beneficial results and a follow-up. That is exactly what I am going to do, with emphasis on the future course of action of the Senate. The anatomy that I refer to is the Report of the Special Committee of the Senate on Aging. The evaluation I will bring to your attention, as well as the beneficial results and the future course of action.

I am glad to be on my feet today speaking, because what I am attempting to do is unprecedented in this house or in the House of Commons. I think it is fresh, I think it is new and I think it is interesting. As a matter of fact, I am also using the term "exciting", because no matter how well we thought we did with the Report on Aging, we did better than that. I will now tell you about it.

The Senate Report on Aging, a copy of which I have here, was authorized in 1963. We spent 1964, 1965 and 1966, about three and a half years, on it. I looked up the report today, and I find that out of the 20 members of the committee 11 are still members of the Senate. You have no idea what comfort it gives me to look behind me and see two most ardent ones, Senator Fergusson and Senator Inman. I am sorry that Senator Josie Quart is not here today. Much of the credit is due to the members of the committee, who worked very hard.

**Senator Choquette:** Tell us about that anatomy.

**Senator Croll:** I am telling you.

**Senator Langlois:** Of the committee.

[Senator Laird.]

**Senator Croll:** Those were three wonderful years. We met the people, we worked very hard and we enjoyed every minute of the time. But time and time again we were asked, "What happened to the recommendations?" In this study, for the first time we reached out to the community and touched them at a time when there was concern for the old. There was interest. Families were moving around, making up their minds about getting out into the suburbs, with no further room for the old folk in the home. There was some actual neglect of the old and the parents. There was a void that had to be filled.

In the course of our recommendations, of which there were 92, we came up with a blockbuster, for the first recommendation we made in our report was to reduce the age for Old Age Security from 70 to 65 and to provide a basic income. The government accepted it within a very short time. It may be that we caught the needs of the times. It may be that we were good, and it may be that we were just lucky. Nevertheless, it is remembered. However, we were asked time and again, "What happened to the other recommendations?" Well, each one of us knew a little about what happened. No one knew what had happened in every part of the country.

● (1550)

I tried to get the government to establish a committee on aging. I was not successful. I tried to get someone who would do the research. I was asked how much it would cost. I did not know; we had never done this before. But we had to start somewhere. In any event, nothing was available.

I finally went over and spoke to our chief librarian, Mr. Spicer, and to Mr. Laundy. I asked them for advice and for assistance. I wanted someone to go out in the country to visit the various capitals and cities in order to find out what had been done. Well, they did not have the money to send anyone out. So we finally settled on a senior researcher. They said they were prepared to let Miss M. A. Carroll do the research on these recommendations. She started, and then, in the late stages, she was joined by Mrs. B. Reynolds.

It was a trying, painstaking and tiresome job, but very well done. It deserves commendation. If any of you ever try to get information from any government department, federal, provincial or otherwise, information about almost anything, you will then know how difficult a task it was. Miss Carroll began her task in June 1973. It was finished a year later.

The report that was presented on the research, in other words, the recommendations contained in the Senate Report on Aging, is now six months old. I had this inquiry on the Order Paper last year, but then the election intervened and it went by the board. At the first opportunity, of course, I put it on the Order Paper again. I would now ask for the right to table as an appendix to *Hansard* of today the report which was prepared by the researchers. It is in both English and French.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Senator Flynn:** How big is the report?

**Senator Croll:** It is about the same size as the one on divorce.

**Senator Flynn:** The report seems to be rather heavy, I don't know.

**Senator Hayden:** How many pages is it?

**Senator Croll:** A couple of hundred.

**Senator Flynn:** Well, if there is no objection, I do not object.

**Senator Croll:** It is the only way I can get it on record. It is about 200 pages of typescript. I was told that it is about the same size as the report of the divorce committee.

**Senator Langlois:** It is 230 pages of double spacing, Senator Flynn.

**Senator Flynn:** Agreed.

**Hon. Senators:** Agreed.

(*For text of report see appendix.*)

**Senator Croll:** Honourable senators, I do not intend to make a speech on the report itself, but I should like to give you the box score on the recommendations. The reason I do not intend to make a speech on the report is that the Canadian people have been asking, time and again, just what happens to these various reports. If I make a speech, they will read it in *Hansard* and say, "Well, that is it." I would rather they found out for themselves what is contained in the research and formulate their own judgments on what we are doing in the Senate. I would prefer that than trying to make up a judgment for them. Moreover, in the past we have been working on the theory that the Senate operates on the principle of "sober second thought." It would be a good idea for us now to operate on the principle of the "sober second look." At any rate, there is the report, and it will now be available for people to read and consider.

I would now like to make a suggestion to honourable senators. That report contains information which is important to every municipal officer, to all social agencies, labour organizations, business groups and others who are interested in good, efficient and responsive government. I suggest that the Senate should be interested in the reaction, by way of reply, of the Canadian public when they have read this report. The best way to effect this reaction, and I suggest this seriously, would be for every member of the Senate to send out 50 or 100 copies of today's *Hansard*—not an expensive undertaking—to those people they wish to inform in order to say, "This is the kind of work we are doing in the Senate, and you ought to know about it." In that way our countrymen will know what is going on not only, for example, in Newfoundland but also in British Columbia. They will have the whole panorama in front of them.

The report that is presented today, honourable senators, is pure, unadulterated research. I have no input in that report, although I take full responsibility for it because I present it. If it requires elaboration and explanation, you can look to me for that. I know what is in the research, and I know what was in the original report.

So far as I know, this is the first opportunity for parliamentarians—legislators at all levels: Senate, House of Commons, provincial, municipal and county—and for the Canadian people to make their appraisals. They have been asking for this for a long time. Here it is. Here is the example of the kind of things we do in the Senate, and have been doing for some time. Now we await the reaction.

Honourable senators, reaction to the Senate today is somewhat different from what it had been in the past under different circumstances. Those of you who read *Hansard* of the House of Commons will know that the subject of Senate reform was debated in the House of Commons last Thursday. At that time, one of the great parliamentarians of today, one of our democratically-principled men, Mr. Stanley Knowles, a great friend, who annually brings the matter of Senate reform before the House of Commons, seemed in his remarks to indicate a softening of his former position. If you read his speech you will notice that he is softer, more understanding, and much weaker in his attack than formerly. In speaking of the kind of work that the Senate does in its investigative capacity, he complained that there were not enough of us occupied in doing that sort of work and that only a few of us were doing it.

**Senator Asselin:** Have we convinced him yet?

**Senator Laird:** I guess he is just getting old.

**Senator Croll:** Moreover, honourable senators, three members of the Liberal Party also gave their views. J.-J. Blais of North Bay did a tremendous job—a much better job than I did here—in talking about Senate reform. I do not know where it came from, but we owe him a vote of thanks.

● (1600)

The recommendations in the report were of four kinds. There were the major recommendations, there were the minor recommendations, there were the marginal recommendations, and there were the hopeful recommendations that you always have in these reports. You hope somebody reads them and does something about them, but the world will not come to an end if nothing is done.

That brings me to evaluations. I have given you the evaluation in the report that is there. It may be a little long, but it is there to read, and it is the only way you are going to get it read.

Let me give you the box score—and I shall put it in the parlance of baseball rather than hockey, which is kind of dangerous around this place. In any event, it will be understood. It is as follows: Ninety-two recommendations—92 times at bat; 25 home runs; 54 singles, doubles or triples. Thirteen times struck out, but swinging.

**Senator Langlois:** How many stolen bases?

**Senator Croll:** The batting average was 859, and that was six months ago. The batting average today on the 92 recommendations in that report is better than 900.

**Senator Flynn:** The pitching must have been very bad.

**Senator Langlois:** But a good catcher.

**Senator Croll:** It is a fantastic batting average for a batter; but for the Senate it is normal to have that kind of a record.

You ask, "How do these things happen?" Well, they do not just happen. You see, you have to understand reports. Reports that are reasonable, understandable and in simple language have a multiplication factor about them. Therein lies their strength. If you have a good report you have

resource and seed material. It is the old story of do not give the man a fish; teach him how to fish.

What happens with these reports? The minute we issued our report Ontario started with studies. Other provinces started with studies. The labour people began studies, and senior citizens and municipal committees. The ladies' Tuesday Club discussed the matter. It was of interest to them because they had mothers in the ladies' auxiliaries. The religious bodies and the veterans' groups discussed it. We built up a group in the country that was concerned, and they brought pressure to bear, and so we got that kind of result.

They said, "Well, you were lucky. You cannot do it again." Well, do not be too sure. Do not be too sure that we have not done it again. When I give my report in connection with poverty to my good friend the senator who requested it, you will hear a few interesting things, but I shall leave that for another day.

In Ottawa reports proliferate. We have reports by royal commissions, special committees, consulting firms and individual consultants. As a matter of fact I noticed that an old Ottawa hand, by the name of Charles Lynch, said in the Ottawa *Citizen* of Saturday, October 9:

> —Senate committee hearings on a variety of subjects generated a good deal of publicity, and virtually put royal commissions out of business.

I think this was what we were really trying to do. Did we succeed? I am not so sure. But that is his view, in any event.

All too often these reports make one-day headlines, then disappear from the public eye. Others get small notice, even on publication day. There are noticeable exceptions—those reports concerning causes with enough organized support and publicity to keep them alive in the weeks and months after first publication. But most of these documents come only briefly into public view. They move into the shadows and join the rest of the dust-catchers in government files, or they go on to some subterranean Valhalla reserved for government reports, which I have never been able to locate. These reports represent formidable expenditures of public money and an impressive investment in time and energy, and in some of Canada's best minds, including those in the Senate. To discard them without examination and follow-up just makes no sense. There is no public evaluation of most of these reports, and that is why we, for the first time, have had public evaluation. That is why I did not give you my opinion as to what that evaluation was. Let the public decide. I gave you the box score, but let them decide. We will hear from them.

So here is a challenge for the Senate of Canada, which can give a sober second look at such reports, and sift from them the best and the worst of their recommendations. Let us not forget that these recommendations and solutions are proposed by experts on countless public problems, and I ask myself—and you should ask yourselves—why the Senate, with the personnel it has, cannot undertake to examine the results of all major reports and inquiries made on behalf of the federal government in the past year or two, and disclose publicly which of the findings were implemented, with an appraisal and analysis of their merits.

[Senator Croll.]

Sometimes a more crucial question will be: Why were sections of a report not implemented? The reason for inaction is just as relevant as the reason for action. With the Senate as a platform of publicity the appraisal of reports would attract wide attention. It would be of great benefit to the whole apparatus of accountability and evaluation. In this age of awareness of the need for more and better information about government, this extra function of the Senate would generate immediate public support.

**Senator Greene:** Would the honourable senator permit a question?

**Senator Croll:** Yes.

**Senator Greene:** I wonder if the honourable senator could tell me if he has considered whether or not, with regard to the objective to which he is addressing himself, the investigatory part of the Senate's work, at least, as opposed to its legislative function, could be televised?

● (1610)

**Senator Croll:** I shall leave that to my honourable friend. What I am talking about is the legislative part of the Senate's work. This has to take priority, and is what I would call a normal part of our work. But the work that we have undertaken during the last 10 years has changed our image in the country, has given the Canadian people a different impression of the Senate, and has done a world of good as I have indicated.

Honourable senators, the Senate is qualified for the task. Its members represent a spectrum of talent in the art of examination; they are uniquely equipped to review measures and analyze the findings of experts, while their own expertise in many fields is considerable. I believe that the outcome of such a system would improve the quality of imminent and future reports prepared by the government. The consultant who knows that his work will undergo scrutiny and re-examination will be careful to make feasible, well-researched recommendations because the publicity resulting could either damage or add lustre to his reputation. There is a thirst for information about the public process. This auditive addition would, I suggest, go a long way towards satisfying it.

As I said, we began with the sober second thought, and now we must add to that the sober second look. The Senate's new role could have a further good effect in that it would tend to improve the communicative quality of reports.

There is no clear communication without a common language, and only too often the experts present reports that are almost totally unhelpful to public understanding because their language is not easily understood. We must remember, because we all know it to be true, that language can conceal as well reveal. Words are symbols and not self-evident truths; they communicate properly only when they are understood in the same way by the reader as by the author. Having read many reports, I say that good writing is a skill that comes from a passionate regard for the importance of words and their arrangement. The experts in many fields are often members of a professional priesthood, and their reports reflect the jargon of their calling, and this, in turn, makes for difficult reading except, perhaps, for their peers.

In assuring publicity for otherwise neglected reports, the Senate can clarify and interpret the documents in the light of changing public needs, and improve public interest and understanding. People are not passive audiences for communication; they are highly selective, as they must be in an age of information overload. They can be helped to understand better the experts' advice.

What exactly could we call honourable senators who would undertake this new task? Ombudsmen of ideas? Inspectors of accountability? Auditors of ideas? Whatever the name, the work—and it would be work—could be among the most satisfying of the Senate's contributions to the public good.

Personnel experts are today much concerned with motivations and they are disturbed by those who, they say, go into on-the-job retirement. Senators who undertake this interesting new assignment need face no such problem.

Recently governments have turned more and more to consulting firms, and to individual consultants. But we have urged government to use Senate committees which have proven their value and capacity beyond question, and have proved it once more today. We have the time; it is a cheaper way of doing it; and we are always available. But, honourable senators, in addition we have one virtue that the others do not have, and that is that we follow up the work we do. Royal commissions and consultant's studies are one-shot affairs. They do their work, and then they go home. But we are here; we are constantly working, and in consequence we get results. Furthermore, not only do we give our reports after-care; we also give them a non-partisan political flavour which is always important. In addition to that, the reports we make are daily before us.

One of the reports that most impressed me in recent years is the Carter report. Yet, honourable senators, it got very little attention, and very little was done in following up its recommendations. Admittedly bits and pieces were picked up here and there, but the Carter philosophy, which could have done much for this country, never really came across because there was nobody propounding it as a Senate committee might have done.

Let me take you back to another report published five years ago. I am referring to the report of Paul Hellyer's Task Force on Housing. I read it carefully because I am interested in housing. It was one of the best reports I had read in a long time, and it was a report published by a practical man. What has happened to it? If we had taken a greater interest in it, we could have brought pressure to bear.

Now we have a report on parole. Are we going to let that die? A great deal of work and effort were put into that report. If, in a year from now, we examine what has been done in the meantime and ask questions about it, then something will come of it.

I made note of a question by Senator O'Leary respecting the report of the Special Senate Committee on Poverty, asking what had happened to it. I do not intend to take the time today to deal with that, but I promise Senator O'Leary that I will report, perhaps in speaking in the debate on the motion for an Address in reply to the Speech from the Throne, or under some other auspices.

**Senator O'Leary:** But don't put it in the Liberal platform. That would be the end of it.

**Senator Croll:** They obtained a majority without my putting anything into their platform, but that is another matter.

Honourable senators, I think I have made quite clear what we have been doing. I do not think we should be hiding our light under a bushel, nor do I think we should apologize for anything we do. In looking back over the work that we started doing 10 years ago, I can say that it has been beneficial to the country and it has given us some spirit. We must not forget, and this always troubles me somewhat, that 10 years ago we were completely in the doghouse in this country. When you spoke to anybody about the Senate in those days, the only response you got was a question as to when it was going to be abolished. Nowadays we don't hear that, except perhaps once a year from Lonesome Luke in the House of Commons. In that time the Senate has gained a new image throughout this country, and is looked at in a different light. Briefly, we have made a great deal of progress.

I suggest to you, honourable senators, that there is much to be said for the study of these various reports from time to time so that we may get the greatest possible benefit from them.

On motion of Senator Carter, debate adjourned.

The Senate adjourned during pleasure.

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At 8 p.m. the sitting was resumed.

## MOTOR VEHICLE TIRE SAFETY BILL

### SECOND READING

The Senate resumed from Thursday, October 17, the adjourned debate on the motion of Senator Neiman for the second reading of Bill S-8, respecting the use of national safety marks in relation to motor vehicle tires and to provide for safety standards for certain motor vehicle tires imported into or exported from Canada or sent or conveyed from one province to another.

**Hon. J. Campbell Haig:** Honourable senators, Bill S-3 was passed in the Senate on April 8, 1974, having been given second reading on March 26, 1974.

Bill S-8 is the same as Bill S-3, passed during the last session, respecting the use of national safety marks in relation to motor vehicle tires and to provide for safety standards for certain motor vehicle tires imported into or exported from Canada or sent or conveyed from one province to another. This bill went to committee last March. Officials from the Ministry of Transport and representatives from the Rubber Association of Canada appeared before the committee, and the bill was reported to the house without amendment. It received third reading in this house but died on the Order Paper in the other place because of the federal election. As I have already said, this is the same bill. I spoke on it on March 26, 1974, as reported at page 166 of the *Debates of the Senate*, before the bill was referred to committee.

The bill establishes, in essence, a safety standard, a national trade mark which will belong to Her Majesty in right of Canada. We all agree that safety is necessary because of the increasing number of accidents on our highways. Many accidents are due to faulty tires, and it must be remembered that the bill deals only with tires; it does not deal with the manufacture of cars, trucks or motorcycles. The bill is an addition and complementary to the Motor Vehicle Safety Act which applies only to tires on road vehicles and deals with the safety of those tires. The main thrust of the bill, as I indicated, is the tire safety trade mark which belongs to Her Majesty in right of Canada. But the use of this mark is to be implemented by regulations.

Officials of the leading tire manufacturers appeared before the committee on April 4, 1974. It must be remembered that the tires are made by manufacturers other than those who manufacture the automobiles, trucks and motorcycles.

I come now to my principal objection to the bill, which is the use of the word "regulations." I spoke on this matter on March 26, 1974. When one analyzes the main principle of the bill, one finds that the tire safety standards are to be implemented by regulations. We are told that the regulations will be promulgated in the Canada *Gazette* and that one can find the regulations in that publication.

I would like to ask the Leader of the Government why, when a government bill is presented either in this house or in the other place, the departmental officials cannot prepare the regulations at the same time that they prepare the bill. This was discussed with the tire manufacturers ad nauseam, and they told us they are doing what is required under this bill. The fundamental principle is embodied in the regulations. It is my view that when a department prepares a bill, in consultation with the manufacturers, the regulations should be available. I have opposed this type of practice before, and I do so again.

This bill simply provides for a logo or trade mark on the side of the tire stating what the standard is, the grade of rubber, and so forth. I repeat, my objection is that when a department prepares a complicated bill such as this it should have the regulations available when dealing with the tire manufacturers. That is the procedure which should be followed. True, the regulations are to be promulgated in the *Canada Gazette*, but that is read by perhaps only a thousand people in Canada, lawyers and their students. That is not a satisfactory answer. The departmental officials, along with the people with whom they are dealing, should prepare the regulations and then give them to us along with the bill. I realize we have a committee on Statutory Regulations, and all the rest of it, but the regulations might come to the committee only six to eight months later. For that reason, I am suggesting to the Leader of the Government that he request of the departmental officials that when they prepare a bill such as this the regulations should accompany it.

This same bill was dealt with in committee in the last session. At that time we had departmental officials and representatives of the tire manufacturers present, all leading men in their respective fields. They told us they were doing what they thought was in the minds of the departmental officials, but they did not know what the regulations were. Many members of the committee asked what the regulations were, but the witnesses appearing before the committee could not tell them. That committee meeting was held on April 4, 1974, and the regulations are not available yet.

What is the value of a bill, which sets certain standards for tires, without regulations? I approve of this bill; I approved of it in April. I do not think it need go to committee again. We have heard from the tire manufacturers and the departmental officials. To require their presence again would only be an unwarranted expense. I do, however, suggest to the Leader of the Government that he do what he can to see that when we have a bill before us such as this we also have the regulations. Otherwise, it may be six to eight months before the regulations are available.

**Senator Desruisseaux:** I should like to ask Senator Haig a question. I understand that he was on the committee last spring. My question is in relation to the re-making of old tires, not the making of new tires. When old tires are recapped, the new treads sometimes hide the poor condition underneath. I wonder if he covered that point.

**Senator Haig:** I was not only on the committee, I was chairman of it. I asked that question. It was perhaps the only intelligent question I asked. We were given something about the size of a half dollar, a tread-depth gauge which indicated the amount of tread in the tire. I did not know what it was. The only person who did was Senator McElman. I asked this question of the representative from the Rubber Association of Canada who gave us the gauge, and he told us what it was. It is placed on the tread and indicates how much tread there is and whether it is good, poor or bad. After the meeting I asked Senator McElman how he knew about it and he said he once worked in a filling station. The question asked by Senator Desruisseaux was one of those that was asked then, whether it applied to second-hand tires, retreads or what. It is in the regulations, but the regulations were not there. That is why we want to find out ahead of time. When we are discussing a bill as important as this, why do we not have the regulations?

**Senator Perrault:** I think the point being made by Honourable Senator Haig is that tentative regulations should be developed and presented when a bill is being considered. I am sure the honourable senator is aware that in the course of dealing with legislation the norm is first to pass the measure. In the case of the measure before us, the empowering clause, clause 15, dealing with regulations, which is to be found on page 9 of the proposed bill, specifically empowers the Governor in Council to make regulations:

> —respecting the detention of motor vehicle tires seized under section 13 and for preserving or safeguarding any tires so detained.

And so on. In other words, it is mandatory under our parliamentary system to pass the legislation, to obtain the assent of Parliament to a proposed bill, before regulations can be developed and enunciated.

**Senator Haig:** I agree, but what I am suggesting is that with an important bill like this we should have the regulations. I admit they can be amended, changed and altered in

any way you like, as long as people know about it. The tire manufacturers, ask "What do you want? Do you want ten inches of rubber, twenty inches or what?" I know all about the passage of a bill with proclamation and so on, but with an important bill like this, under which the Government in Council can make regulations, why could we not have, ancillary to it, the regulations?

**Senator Perrault:** However, I assure the honourable senator that his suggestion will be communicated to the minister responsible for the preparation of this legislation in the first instance; his suggestion will be passed along. If an accommodation can be made to make this proposal more understandable to honourable senators we will certainly move in that direction.

**Senator Haig:** Thank you very much.

**Hon. Allister Grosart:** Honourable senators, I do not think there is a better example of the point made by Senator Haig than the initial answer of the Leader of the Government, who referred to the regulations under clause 15. It so happens that some of the regulations under clause 15 are quite minor. The very fact that the Leader of the Government was not aware that other major regulatory powers are given under clauses 4 and 7 is a clear indication of the point Senator Haig was making.

● (2010)

I might point out that in this case the power is given to the Governor in Council to make regulations. It does not say that these regulations must be necessary to implement the act. It is just that the minister may make regulations. There are some reservations in section 4, respecting the "mark," in section 7, respecting importation of motor vehicle tires; and in section 15, respecting the detention of motor vehicle tires, et cetera. But the point which Senator Haig is making is one that I would like to support, namely, that for every bill we should have a draft of the regulations, because quite often the regulations are, if I may use the term, the "guts" of the act. It is the regulations which impose the conditions on those who are affected by the act.

As I have said before, I hope we will not again have this kind of language in a bill, by which the minister in effect may make regulations, without the qualification, "regulations necessary to implement the act." Certainly, I hope we will never again have the phrase that used to be used—and which may be used again, although I hope not—to the effect that the minister may make regulations which, in his opinion, are necessary to implement the act. With that kind of wording the whole matter is taken completely out of the courts. Anybody who is disadvantaged by the regulations is in the position of going to court and having the minister appear as a witness and say, "You have no case. In my opinion, these were necessary." And that is the end of it.

I think the point made by Senator Haig is an excellent one. The very fact that the Leader of the Government picked up the last regulation section in his reply is a clear indication that we need something much better than the type of legislation we have in this bill.

**Senator Perrault:** Honourable senators, I find it difficult to accept the line of argument advanced by the Deputy Leader of the Opposition. The method of processing this bill has been a feature of the parliamentary process since Confederation.

**Senator Grosart:** We have changed a lot of features.

**Senator Perrault:** The honourable senator can find numerous examples of legislation, advanced not only by the present government but by previous governments of a different political affiliation, in which exactly the same regulating sections exist.

I find it difficult to accept the argument that it is possible to establish and delineate a set of regulations before the measure has even been passed. The minister does not develop these regulations. The Governor in Council develops these regulations.

**Senator Grosart:** It does not say so here.

**Senator Perrault:** It is not an unusual section. It is the norm. It is not a departure from established parliamentary procedure.

However, as I said at the outset, the honourable senator's concerns will be communicated, and if he is arguing for the establishment of a system in which a set of tentative regulations are appended to a proposed measure to assist in its consideration, then that idea will certainly be placed before the government.

**Senator Haig:** Honourable senators, that is all I want. All I am suggesting is that when we are considering a bill which has to do with manufactured goods we should have before us not only the bill but the regulations made under it. Certainly, the department must have discussed this bill with tire manufacturers, and all I am suggesting is that when the department prepares the bill, which it does, surely it could, as the honourable leader has suggested, draw up a set of tentative regulations which could be amended at any time.

That is all I was asking for. Of course, that does not apply merely to this bill but, as Senator Grosart mentioned, to all bills of this nature in which power is given to the minister to make regulations, which may or may not follow the terms or the intent of the particular bill.

**Senator Neiman:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, I wish to inform the Senate that should the honourable Senator Neiman speak now her speech will have the effect of closing the debate on the motion for second reading of this bill.

**Hon. Henry D. Hicks:** Honourable senators, before the debate on this bill is concluded—

**Senator Asselin:** Senator Neiman has the floor.

**Senator Hicks:** Senator Asselin has misunderstood Her Honour the Speaker, who was pointing out that if Senator Neiman speaks now her speech will have the effect of concluding the debate. I wish to avail myself of the opportunity of speaking before the debate is closed.

Honourable senators, I should like to draw attention to one other aspect. A number of the bills this year, I am glad to say, have contained very helpful explanatory notes. This is generally the custom in the other place when bills are introduced there, and I noted with approval that Bills S-2, S-4, S-6, S-7, S-9, S-10 and S-11 all have helpful

explanatory notes attached to the printed copies of the documents that were introduced in this chamber. This was not the case with S-3, to provide for a continuing revision and consolidation of the statutes and regulations of Canada. Perhaps one could argue that this bill was so self-evident in its intent that honourable senators would not require, nor would other members of Parliament require, explanatory notes. Even so it is a fairly long and complex bill, and I think we might have been favoured by explanatory notes from the draughtsmen of the legislation.

Bill S-5, to enable Canada to comply with a convention on the international recognition of rights in aircraft, does not have any explanatory notes. Again, I think that this is a bill which could be dealt with more easily in this chamber if it had explanatory notes.

The bill presently before us does not contain any explanatory notes, and I think they would have been of assistance.

Bill C-12, which was passed in the other place and sent here, did not contain explanatory notes. That was an emergency type of legislation, to provide for the resumption of grain handling operations on the west coast of Canada, and it did not have explanatory notes. This I accept. Legislation of that kind does not require them. I would, however, ask the Leader of the Government in the Senate to urge the various departmental people who are responsible for these matters to favour this chamber with the same kind of explanatory notes that are normally provided when legislation is introduced in the other place.

**Hon. Joan Neiman:** Honourable senators, I regret that I was a few minutes late in arriving here tonight, but I was at a meeting in the other place of a committee that was of some concern to me. However, I believe I have gathered the import of the remarks that were made prior to my arrival, and I understand the concern of the chairman of the Transport and Communications Committee, as well as that of the other honourable senators, with respect to the lack of information that obviously has failed to accompany this bill. At the same time I would remind honourable senators that when I moved the second reading of an identical bill last spring, and when I moved the second reading of this bill, I said that it was modelled on another statute, namely, the Motor Vehicle Safety Act, and that that contained in it regulations respecting the manufacture and distribution, the make and the type, of tires for new vehicles.

I believe I did explain at that time, and this was confirmed during the meeting of the committee when it was considering the previous bill, that the regulations which the department intends to draft, and in fact has drafted, with respect to the after-market tires will be identical in nature to the regulations under the present statute. The same standards will apply to these new tires that you buy in the after-market, or as secondary tires, as would apply to the new tires which you buy with the original vehicle.

● (2020)

There is some question that still has not been resolved with respect to what we call recaps or retreads which are not, I believe, sufficiently covered under this bill, nor can they be because of problems in drafting regulations that would be enforceable across the international border. I believe the department does intend to try to include that kind of recap or retread eventually, and certainly it seems to me to be necessary that they should endeavour to do so. But, as I have said, there are problems of jurisdiction that have yet to be resolved.

However, honourable senators, I can confirm that the regulations concerning the new tires covered under this bill will be identical in nature to those regulations now in existence for new tires on new vehicles.

I shall, as the government leader has suggested, bring this to the attention of the director of motor vehicle safety in the Department of Transport. He has been away from Ottawa for the last week, and I have not been able to get in touch with him. I shall also mention Senator Hicks' observation that in this type of bill it would be most helpful to have some explanatory notes.

Honourable senators, I do not believe there is anything further I can add, unless there are further questions.

Motion agreed to and bill read second time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Neiman, bill placed on the Orders of the Day for third reading at the next sitting.

## TRANSPORT AND COMMUNICATIONS

### NOTICE OF COMMITTEE MEETING

**Senator Haig:** Honourable senators, before the next order is called I should like to take this opportunity to announce that the Standing Senate Committee on Transport and Communications will meet on Thursday morning next at 9.30 for the purposes of organization and consideration of the British Columbia Telephone Company bill. Anyone who feels disappointed at not being able to discuss tires, but who wants to hear about telephones, will find that a good meeting to attend.

## BUSINESS OF THE SENATE

On the Order:

> Resuming the debate on the motion of the Honourable Senator Bonnell, seconded by the Honourable Senator McGrand, for the second reading of the Bill S-9, intituled: "An Act to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act".—(*Honourable Senator Macdonald*).

**Senator Perrault:** Honourable senators, I propose that Item No. 6 on the Orders of the Day be moved up for consideration now.

**Senator Grosart:** No, no, I disagree. It is a question of leave.

**Senator Perrault:** Honourable senators, may I just explain that it is a matter of accommodating a time problem involving one honourable senator scheduled to speak to this particular measure. It is simply an accommodation for which I had assumed arrangements had been duly made with the Leader of the Opposition. May I appeal to my colleagues on both sides of the house to endeavour to accommodate this request.

**Senator Grosart:** There are other people to be accommodated. It is not just one and if we are not to have more consultation with respect to these matters, you will not get these things through.

**Senator Langlois:** We did consult you.

**Senator Grosart:** Yes, but bills have been again introduced with no consultation.

**Senator Choquette:** Mr. Leader, could we find out who you are endeavouring to accommodate, because I see Senator Flynn's name on the Order Paper. Is he the honourable senator who is to be accommodated, or do you have someone else in mind?

**Senator Flynn:** Honourable senators, I think I had better clarify the situation. I adjourned the debate on Bill S-2 and was asked before we entered the chamber tonight whether I was prepared to speak immediately in order to accommodate Senator Connolly (Ottawa West). I said yes and that is the only consultation there was. I did not know that there had been any arrangements on this side that might conflict with my trying to accommodate Senator Connolly. So there has been a case of lack of internal communication which, I suppose, leaves me now entirely in the hands of the Senate. I am personally in no rush to proceed with this bill. I am willing to speak now on Bill S-2 if it is the desire of the house. Otherwise we can proceed as is provided in the Orders of the Day.

## SUPREME COURT ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, October 15, the debate on the motion of Senator Connolly (Ottawa West) for the second reading of Bill S-2, to amend the Supreme Court Act and to make related amendments to the Federal Court Act.

**Hon. Jacques Flynn:** Honourable senators, I shall attempt to be brief in what I have to say, in order to accommodate others than the sponsor of the bill, Senator Connolly (Ottawa West), who has presented a full explanation of this really very important piece of legislation. So much discussion has taken place in recent months with respect to conflict of interest that I wonder whether in speaking of an Act to amend the Supreme Court Act a lawyer should not declare his interest. You may smile and think I am exaggerating, but I am not so sure that I am, because I, at times, appear before the Supreme Court and I would not wish anyone to think that I am dealing with a problem in which I have a personal interest. That situation, however, may demonstrate that very often conflict of interest and personal interest are confused with common interest. I believe this bill is of interest to everyone, but perhaps lawyers are more familiar with the problems involved. I do not believe that anyone who is familiar with a problem should be restricted in dealing with it in this house. That is what has happened so often in the past—parliamentarians who are fully conversant with a subject or have special knowledge of a certain matter have felt that maybe they shouldn't express their views. I don't agree with that.

● (2030)

I come now to the bill. Again I say we have been favoured with a very full explanation by the sponsor. The bill makes these amendments—one is trivial, one is important, and the other constitutes the essence of the bill.

The first, which is trivial, concerns the residence of the Registrar, his deputy, and the members of the Supreme Court. Under the present act these people have to reside in the city of Ottawa or within five miles thereof. The amendment will give them the opportunity of residing in the territory of the National Capital Region or within 25 miles thereof.

For members of the Superior Court of Quebec, their residence is established by their appointment for a given city and the vicinity, which is rather vague and accords a great deal of leeway. I am quite satisfied that this amendment improves the situation. There is no doubt about that. But I would not want any problem to arise from the strict definition of "twenty-five miles thereof." Since this sort of thing can be rather difficult to measure at times, I do not think it is a problem that will occur in practice.

The second amendment—which is an important one, but which was not really the main purpose of the bill—provides for interest to be paid on judgments of the Supreme Court of Canada, when the Supreme Court allows appeals from lower courts where no awards of money were made.

Where the judgment of the first court was rendered, let us say, two or three years ago, with no award being made, and the Supreme Court reverses the judgment and gives an award, it is only fair that the award should bear interest from the date of the first judgment, if not from the date of the introduction of the original action.

In my opinion, interest should be paid from the date of the introduction of the original action in many cases. With regard to Quebec legislation, the award bears judgment from the date of the introduction of the action and not from the date of the judgment itself.

I would like to question in committee whether this is really the purpose of the legislation—whether it is from the date of the judgment of the first court or from the date of the introduction of the action in the first court. In a case for damages, for instance, three years could elapse between the date of the introduction of the action and the judgment of the first court. That judgment of the first court might reject the action, and three years later the Supreme Court might reverse the judgment and award an amount. That amount should bear interest from the date of the introduction of the action and not from the date of the first judgment. However, I would like to deal with this matter in committee. If an amendment is indicated, perhaps it could be made there. It is much easier to make an amendment in our committee when a bill has originated in the Senate, rather than wait for an amendment to be made in the other place.

I come now to the main purpose of the bill, which is to provide for the abolition of all appeals as of right in civil cases to the Supreme Court of Canada, and see to it that only those cases in which leave is granted by the Supreme Court will be dealt with by the Supreme Court of Canada.

As has been explained—and is well known by lawyers generally and others who are interested in the problem—there has been for several years a tremendous carryover of cases from one session of the court to another. As a result there is a considerable delay which cannot be recouped or

which will not be recaptured, unless we provide for the amendment proposed here.

Under the present system, there are too many cases going to the Supreme Court and many of them arise out of an appeal as of right which exists in all cases where the amount involved is $10,000 or more. By today's standard that is a very small amount, but the idea of giving a right only in cases providing for an amount of $10,000 or more is, I suggest, a very bad principle, because there are cases which involve less than $10,000 but which raise principles that are more important to the general public than some cases which involve several hundreds of thousands of dollars.

In the good old days, the Supreme Court probably had all the time it needed to deal with the cases that came before it, but today that court is not able to deal with all the cases that come before it.

We have to find a solution. As has been explained by Senator Connolly, the Canadian Bar Association appointed a committee which made some recommendations. The main recommendation of that committee was that an appeal to the Supreme Court should be given only in cases where leave is granted by that court or where leave is granted by the last court of appeal of any province as it exists today. The report of the Canadian Bar Association, I think, makes sense. It has generally been agreed that this was a solution—at least, the first solution to be tried. It was considered better to try to diminish the load of the Supreme Court rather than add to the number of members of the court.

If the solution proposed in this legislation does not bring the result hoped for, the question of adding to the number of members of the court can later be considered. But I doubt whether this will be necessary.

I am, however, concerned that the solution proposed might just shift the load of the Supreme Court from one area to another rather than effectively diminish that load.

As was explained by the sponsor of the bill, the only criterion under which leave will be granted is the question of the "public importance" of the case, which is a rather vague term.

The sponsor said:

> The discretion is very broad, and I think it must be read in conjunction with the considerable body of jurisprudence that has been built up in the area.

I know that several years ago the Supreme Court, when granting leave to appeal, used to give reasons. At that time a body of jurisprudence was built up to show that in matters of constitutional dispute, references by the federal or provincial governments, and in all matters of conflict of jurisprudence between the court of last resort of each province, leave would generally be granted. However, for several years now the Supreme Court has taken the attitude that it did not have to give any reason for accepting or rejecting an application for leave.

I well remember in one case, where I was opposing an application, that the Chief Justice asked, "Don't you think that this case is an important one?" What could I say? I only plead important cases.

[Senator Flynn.]

• (2040)

**Senator Walker:** Did you tell him that?

**Senator Flynn:** By gesture, anyway; by attitude.

**Senator Langlois:** That applies to your opponents also.

**Senator Flynn:** If my opponent pleaded his case was important, how could I say it was not? The point I want to make is that on applications for leave to appeal will be decided the right of any party wishing to go before the Supreme Court of Canada. It is at that point that the case will be decided for the most part.

There are a good many costs involved in making an application for leave to appeal. The case has to be prepared, written argument has to be presented, and so forth. Even if a case takes only a matter of an hour before the court, counsel coming from a distant part of this country would have to charge for the time and expense involved. For those reasons, the parties should be aware of the general criteria on which applications will either be granted or rejected. I do not suggest that this should be provided in detail in the legislation itself. However, I should like to get some assurance in committee that it is the intention to build up a body of jurisprudence in this connection. I do not think the present body of jurisprudence would be applicable under the new formula found in this legislation. In my estimation it is of the utmost importance that the public be aware of the criteria. This would be to the advantage of the court as well as the parties involved.

On October 15 last, I asked the sponsor of the bill, Senator Connolly (Ottawa West), about the number of applications being made presently and the time spent by the court on them, to which his reply was that in 1972 there were 156 applications; in 1973, 169; and in 1974, to October 15, 103. I also asked the sponsor of the bill what the proportion is of leaves granted to the number applied for, the reply to which was that in 1972 there were 39 granted out of 156; in 1973, 58 granted out of 169; and in 1974, up to October 15, 40 leaves granted out of 103 applications. So, about one-third of the applications are being granted.

If the only means of appealing to the Supreme Court of Canada is by leave, what will the number of applications be since there is no rule other than the public importance of the case? The number will certainly jump during the first years. If the court has to deal with all these applications, what is gained on the one hand will be lost on the other. For that reason, I feel it is of utmost importance to define, as soon as possible, the ground rules for accepting or rejecting applications for leave to appeal.

**Senator Goldenberg:** Would the honourable senator permit a question?

**Senator Flynn:** Certainly.

**Senator Goldenberg:** Are you suggesting that the ground rules be set out in the legislation?

**Senator Flynn:** No. I said just the contrary a few moments ago. In my opinion, it will be up to the Supreme Court, either by way of building up a body of jurisprudence or by establishing policies, to set out the ground rules. The important thing is that the parties know where they stand and that the court not spend too much time on

applications which will result in no benefit at all arising out of this legislation.

As far as the actual hearings of applications are concerned, the Canadian Bar Association favours the continuation of these applications being heard by a panel of three members of the court, which would mean there could be three panels hearing applications at the same time. The important thing in these applications is that the court consider the applications in the same way. It would be very easy, for instance, to have a panel made up of three judges from the province of Quebec to establish a body of jurisprudence applicable to Quebec and to have another body of jurisprudence applicable to other parts of the country.

If my information is correct, applications are heard by the whole court in the United States. The United States Supreme Court, of course, receives help from the clerical staff, but generally the decision to grant or reject an application is one arrived at by the whole court. This could be done here. It would not involve too much time, provided the public, generally, the parties involved, and the legal profession are aware of the criteria the court will use in either accepting or rejecting an application. I would not want a wrong decision handed down on an application for leave in any given case simply because only three members of the court heard the application. That, in my view, is a danger. To adopt the system whereby the whole court hears applications would not require any amendment to the legislation.

Since the Supreme Court of Canada is the court of last resort, its role being a very important one in our society, it has to have an overall jurisdiction in order to decide problems concerning the public at large, not simply the parties involved, and because of that the decision rendered by the Supreme Court of Canada on applications for leave, as well as in respect of final judgments, should be a decision arrived at by the whole court.

It is my hope that this practice will be established over the coming years. The first step in that direction, of course, would be for the court to let the public know, as soon as possible, the terms on which applications will be granted or rejected.

**Senator Langlois:** Honourable senators, if I understood my honourable friend correctly, his concern is with the interpretation of the expression "public importance." I, too, am troubled with the interpretation of that expression, especially in opposition with the often used expression "public interest." I am wondering whether a case affecting the future rights of a party, for example, would be considered as a "matter of public importance." It is very important that this should be clarified to my mind.

● (2050)

**Senator Flynn:** This one particular question must be clarified.

On motion of Senator Grosart, debate adjourned.

## PROPRIETARY OR PATENT MEDICINE ACT TRADE MARKS ACT

BILL TO REPEAL AND TO AMEND—SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Bonnell, seconded by the Honourable Senator McGrand, for the second reading of the Bill S-9, intituled: "An Act to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act".—(*Honourable Senator Macdonald*).

**Senator Macdonald:** Honourable senators, if it is agreeable, I should like to yield to Senator Sullivan.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

**Hon. Joseph A. Sullivan:** Honourable senators, we shall now go from legal jargon to medical technicalities for a change.

**Senator Flynn:** Which is worse?

**Senator Sullivan:** Legal jargon.

In rising to participate in this debate on the motion for the second reading of Bill S-9, I wish to congratulate the sponsor, Senator Bonnell. Having had a fair amount of dealings with the Department of National Health and Welfare, and the food and drugs directorates, over the years, I am fully cognizant of the machinations of their minds and how they work. Some honourable senators will recall that a few years ago we had the privilege of having the leading experts of the country on drugs, particularly pertaining to antibiotics, appearing before the Standing Senate Committee on Banking, Trade and Commerce. They made a great contribution at that time, and some of the proposals in this legislation today are as a result of what happened in that committee a few years ago.

I am in the main in complete agreement with this legislation, but it does not go quite far enough. I am being constructively critical and not destructive for a change. Essentially Bill S-9 replaces the present Proprietary or Patent Medicine Act, the contents of which, following considerable amendment, will become a section of the Food and Drugs Act. True, the section to be included in the Food and Drugs Act is not yet written, but essentially it will be based on two concepts. It is to retain the best features of the Proprietary or Patent Medicine Act while discarding those features which are out of date. This is to be accomplished by an as yet unwritten amendment to the Food and Drugs Act which will, first, require the listing on every label of each and every ingredient which is contained in the medication, and, secondly, establish a continuous scientific review of data pertaining to the manufacture—I shall have more to say on that momentarily—quality, safety and effectiveness of proprietary medicines.

In general, this will do away with the so-called secret formulas, which from an academic point of view is long overdue. Why legislation such as this was not placed on the statute books long ago I do not know. Modern therapeutics have no place for such remedies, particularly when adverse drug interactions might well occur with prescribed medications. It is, however, difficult to assess the total impact of this legislation without knowing the details of the proposed amendments to the Food and Drugs Act which will replace the Proprietary or Patent Medicine Act.

I have had a full discussion with Dr. W. E. Alexander, the Dean of the Faculty of Pharmacy of the University of Toronto, on this legislation, and some of these remarks are his valued judgments and contributions that he has made in other areas in relation to a drug and its effect on various parts of the body.

The following are the potential results of the proposed legislation. First, the continuous scientific review will likely become the responsibility of the Health Protection Branch. I should like to know—and probably the only place we will get this information will be in committee—who will carry out the continuous scientific review. The regulations which pertain to licensing for the manufacture of prescription drugs will likely prevail. Secondly, the proof of quality, safety and effectiveness of proprietary medicines will become the responsibility of the manufacturer. Thirdly—and this was not mentioned in the legislation—herbal medicinals of unknown composition will likely require detailed analysis prior to being allowed for sale to the public.

In general, the results of the above three points can only be commended. However, from the point of view of the industry I would think many products would not come up to the standards of the proposed amendments, and therefore could not be marketed. Thus, while the Proprietary or Patent Medicine Act reduced the number of marketed patent medicines from approximately 5,600 to 2,000, as the sponsor says in the first paragraph on page 127 of *Hansard*, the proposed amendments will likely reduce this number of 2,000 quite markedly. From an academic point of view, if a drug offered for sale to the public cannot survive on a scientific review of manufacture, quality, safety and effectiveness, it should be withdrawn from the market.

Here I interject a point that I think is well taken. It is in regard to what I called previously bi-equivalency studies of drugs, about which we had a discussion a few years ago, in which the "me-tooers" or copiers, as Senator Macnaughton knows, would manufacture a drug in Italy or Poland, change the chemical formula a little and try to put it on the market as a cheaper drug. I would not give it to a sick cat, but they would get away with it. After all, modern drugs are so potent and specific that their administration to the patient does not leave any room for error.

We are aware that this is a time-consuming and expensive process. We have the facilities and teaching schools in the medical schools of this country to carry this out. We do not have to increase the personnel of the Health Protection Branch to do that if they will avail themselves of all the facilities that are present in the teaching schools. However, the patient's health should be of supreme importance to us. The lowest cost drug reimbursement policy should be instituted only—and I repeat only—if the bi-equivalency between two chemically equivalent drugs has been proved, and that requires a really first class laboratory in this field.

Now we get to television and those things we see advertised every day. They are worthless. If we insist on this prerequisite in antibiotics we must have the most stringent control over malicious TV advertising of those questionable products and their spurious claims. The greatest advantage some of those nose drops advertised on the television screen have is in the Kleenex you buy with them. It seems to me that the only advertisement you can believe, because you know the quality of the product, is that for Molson's Export Ale. You know how much to take and how much not to take.

[Senator Sullivan.]

● (2100)

**Hon. Senators:** Hear, hear.

**Senator Perrault:** No commercials!

**Senator Sullivan:** Honourable senators, I have referred to the presentation of Senator Bonnell and I have to agree with Senator Buckwold when he made the following statement, as reported at page 128 of Senate *Hansard*:

> The point of my question, which was not answered, is whether it would not be better under these regulations to control that type of advertising, which may not be based exactly on the facts.

All I can say to that, honourable senators, is that my answer is a decided yes. Somehow or other this should be incorporated in this legislation.

There is another aspect which perhaps we have had enough of tonight in Senator Haig's presentation, but about which Senator Grosart most reasonably asked certain questions. I refer again to page 128 of the *Hansard* where Senator Grosart states the following:

> It is most important that we know the phrasing and the authority for these regulations under the Food and Drugs Act, which are now taking over a very important aspect of the former act.

As I understand it, Bill S-9 effectively gives notice that the current Proprietary or Patent Medicine Act will cease to exist as of January 1976. Presumably, the amendments to the Food and Drugs Act, which will replace the Proprietary or Patent Medicine Act, will be debated adequately prior to becoming law. Nevertheless, they will have the effect of eliminating those drug products of questionable effectiveness from sale to the public. In other words, the manufacturer has to put on the label what is in the preparation, and it cannot be sold indefinitely over the counter. Surely this must be accepted as an appropriate position to take. I commend this legislation.

**Hon. Léopold Langlois:** Honourable senators, Senator Bonnell, the sponsor of this bill, is away from Ottawa on official business, having had to proceed to the capital of his province to attend the funeral of the late Lieutenant-Governor of Prince Edward Island. On his behalf, therefore, I should like to refer to some imprecisions reported in *Hansard* of October 17 in connection with this bill.

**Senator Choquette:** Do we understand that you are closing the debate?

**Senator Langlois:** No. I am merely clarifying answers in the debate on this bill. I also wish to answer a few questions which were raised during the debate.

On page 126 of *Hansard* the statement appears that "patented" formulae were placed in the British Pharmacopoeia. This is not so. The royal "patent" was granted so that a formula was protected but the ingredients were, in fact, never disclosed when a patent was granted.

At the top of page 127, in the lefthand column, it is stated that there were some 5,600 different patent drugs on

the market in 1908. This should read "1935" instead of "1908".

On page 128, in response to a question by Senator Buckwold, it is indicated that the advertising of drugs comes under the Department of Consumer and Corporate Affairs. The Food and Drugs Act and regulations provide ample authority to control drug advertising. Since medical experts are required to evaluate advertising, this control is found in the regulations under the Food and Drugs Act, and is the responsibility of the Department of National Health and Welfare.

On page 128, Senator Grosart asked a number of questions. I believe the following observations should be made with respect to them.

The Governor in Council has authority to make regulations under the Food and Drugs Act. The authority is specified in section 25 of the act, and is very wide. It extends to making regulations under the Food and Drugs Act respecting proprietary medicines, while the Proprietary or Patent Medicine Act is still in force. In other words, the making of food and drug regulations and the repeal of the Proprietary or Patent Medicine Act are two distinct matters.

The Governor in Council has authority to make regulations under the Food and Drugs Act. The proprietary regulations are made under the authority of the Food and Drugs Act. They are reviewed by the Department of Justice under the authority of the Statutory Instruments Act and are passed by order in council. They are then printed in the Canada *Gazette*, and copies of the orders in council are forwarded to the Standing Joint Committee of the Senate and the House of Commons on Regulations and other Statutory Instruments, where they are reviewed.

Senator Sullivan raised some important points tonight and expressed the hope that they would be met or commented on in committee. It is my intention, when this debate on second reading is concluded, to move, on behalf of the sponsor, that the bill be referred to the Standing Senate Committee on National Health and Welfare.

**Senator Macdonald:** Honourable senators, of course I agree with what has been said, and with the importance of having the ingredients of these drugs listed on the label. If I recall correctly, the sponsor of the bill suggested that this would be valuable in a case where a person, such as a child, had taken an overdose of a particular patented medicine, because a doctor would know what he had to contend with, what had been taken and how to treat it.

There is, however, one question that bothers me—and I do not know if there is any solution to it—and that is: Even if these ingredients are listed, how valuable will such a listing be to the ordinary layman buying patented medicines over the counter? The reason I ask that question is that the schedule to the present Proprietary or Patent Medicine Act lists 45 drugs which are contained in some of these patent medicines, and which are listed with the department before a licence can be obtained. When I look at the names of those 45 drugs, I doubt whether there are six which anybody could pronounce, let alone know what is contained in them. Some way should be found, apart from medical terminology, to let people know in plain English just what is in the drug, and what they are buying.

**Senator Sullivan:** Well, Senator Macdonald, you say, "plain English." That is fine. Frankly, I would like to have some of these legal phrases in plain English too. However, I quite agree with what you say regarding the listing of the pharmaceutical contents of a particular preparation.

Let us say, for example, that you have a little package of pills such as Rolaids which, supposedly, will suddenly remove your indigestion. If the manufacturer is going to have to list the names of the ingredients, then I feel there is no use in giving the Latin names of the drugs concerned or anything of that sort; but I do feel—and this is the important point—that the very listing of the ingredients, and not just calling the preparation by a trade name, will put the manufacturers up against the wall to show that the particular product they are selling will produce the advertised results. At that point the product will have to be tested in proper laboratories throughout the country. In that way, therefore, the number of products that are not good will be cut down.

In my opinion, if we can accomplish that much, we will be doing some good. But I quite agree with you. If a person gets a bottle of some kind of sleeping medicine and keeps on taking it, there is no way for a doctor to know whether the patient has a brain tumor or not.

Motion agreed to and bill read second time.

● (2110)

REFERRED TO COMMITTEE

On motion of Senator Langlois, bill referred to the Standing Senate Committee on Health, Welfare and Science.

## FEEDS ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, October 17, the debate on the motion of Senator Argue for the second reading of the Bill S-10, to amend the Feeds Act.

**Hon. Paul Yuzyk:** Honourable senators, I note that the sponsor of the bill is not here, but somebody will reply on his behalf, I imagine.

As has been explained by Senator Argue, the chairman of the Standing Senate Committee on Agriculture, this is a bill similar to one passed by this chamber previously. In the last session of the Twenty-ninth Parliament, a bill was introduced to amend the Animal Contagious Diseases Act, which was referred to committee and studied thoroughly in three meetings with witnesses from the department and several interested organizations. The amendments reported by the committee were subsequently adopted by the Senate, but the bill was not fully considered in the other place because of the early dissolution of Parliament. That bill I note, was re-introduced in the other house only yesterday.

Bill S-10, to amend the Feeds Act, is in the same general field. Its passage through this house should not require much time, as the membership of the committee, which includes myself, is preponderantly the same.

This bill deals with rather complicated matters which require some explanation. Fortunately, my task has been made easier by Senator Argue's speech during the last sitting, in which he outlined the contents and made some useful comments.

In recent years great changes have taken place in the manufacture and distribution of animal nutrition. New products, such as enzymes and amino acids, have been introduced for feeding animals, and by-products of other industries have been added to feeds. These advances were not foreseen when the act was last revised in 1960. Some of these new ingredients and additives have had harmful effects on the livestock, on the consumer, and also on the environment. The Feeds Act is therefore being amended to cover the many new products used in feeds today.

The bill also amends the definition of livestock to include fish, rabbits and mink, since fish and rabbits are farmed for food, and mink for clothing. Regulations will have to be provided.

At the present time those who sell or import feed have to register their product before selling it, and the product has to meet certain standards as to composition, packaging and labelling. This bill extends this responsibility beyond sellers and importers, and covers Canadian manufacturers of feed. This is entirely logical, and one wonders why it was not provided for much earlier.

Bill S-10 spares the livestock raiser who feeds his animals whole seeds or grains of cultivated farm crops when they are free of deleterious substances. The bill also spares the livestock producer who mixes his own feed, provided he does not use in it any kind of drug that might be harmful to human health or the environment.

This strikes me as a strange and even contradictory provision. If the feed is produced by a feed-producing company, which employs experts in the field, then the government wants to be sure of every particle that goes into the feed. If the feed is made by a livestock producer, who has only a limited knowledge of enzymes, amino acids, proteins, vitamins, et cetera, all that the government is then concerned about is that he does not poison us with some sort of chemical or drug. Naturally, we do not want to eat meat from unhealthy animals. I doubt, however, that livestock producers are unscrupulous, and are prepared to poison consumers in order to make a bigger profit. This matter is somewhat confusing, and I hope that it can be straightened out in committee.

To enforce all these regulations, the government will have to increase bureaucratic control and the bureaucracy. To me and to many other Canadian citizens this is repulsive. The continuous extension of bureaucracy means that soon most aspects of Canadian life will come under government control, and this appears to be the intent of the present Liberal administration. It seems that the only way this government knows of fighting increasing unemployment is by creating jobs for bureaucrats. I understand that fully one-seventh of the labour force in Canada is now employed by various government agencies, but unemployment is still growing.

I am sure that farmers and livestock producers have had enough of meddlesome bureaucracy, and do not want any more inspectors and officials. We shall have to be very careful that the smooth, soft-handed bureaucrats, whose main exposure to feed and animals has been chiefly through textbooks and seminars, do not make life impossible for the livestock producer.

Today feed is frightfully expensive because the basic ingredients—grains of various sorts—are more expensive than ever before. Consequently, the livestock producers must look for feed supplements that will be more effective in helping the animal grow quickly and remain in good health. Experiments are being constantly carried out to find suitable additives that will lower the cost of feeding the animal while maintaining it in healthy condition, and at the same time provide top grade food of excellent nutritional quality.

We, the legislators, must make sure that the feed producers are not completely frustrated and discouraged in the use of additives that could be beneficial to the livestock, and the producer. We know that overzealous bureaucrats can hinder the producer, and the result could be still higher meat prices. This bill should be carefully considered in committee.

**Hon. A. Hamilton McDonald:** Honourable senators, it is not my intention to speak at any length, but I do want to reply to some of the remarks of Senator Yuzyk. Before I do so, however, I must say that I have no idea when the Feeds Act first came into being, or whether it has a history as long as that of the Supreme Court Act and the Proprietary or Patent Medicine Act. I know that in the early days in western Canada there were some strange antics as far as patent medicines were concerned. I can remember when they were sold by auction from a democrat. Of course, through government legislation and bureaucrats, if you like, we have moved a long way since that time.

The same thing is true with respect to animal feeds. My first recollection of additives to home-grown livestock feed is that they were generally purchased from a salesman who had a slick car, and who probably came from Toronto or Montreal. He sold you a bag—probably 100 pounds—of cattle supplement, pig supplement, hen supplement, and so forth, that would cure anything and everything. I think it was chiefly sand and dried paint. Through this act, however, and other acts, the livestock industry has moved a long way, and the fact that we are able to produce meat in the present-day quantities is largely due to the activities of feed companies, of scientists, of our universities, and of government bureaucrats who have made it possible to produce 1,150-pound and 1,200-pound steers in a little over 12 months. Not very long ago, it used to take three years to do this. I hate to think of what the price a pound of beef would be in the butchers' shops today if we were still taking three years to get an animal up to 1,100 pounds or more.

● (2120)

The same thing is true with hogs. Only a few short years ago it took anything from eight to 12 months to produce a hog ready for market. Today if it takes over five and a half months you are losing money. It used to take six or eight months to produce a chicken; today it takes six or eight weeks. I repeat that a lot of this is due to the growth stimulants, the vitamins and the balanced diets now available for the production of meat products.

We have a history in this area, honourable senators, as good as, if not better than, that of most of the other nations in the world today. Some of the products we have banned from Canada are very helpful in stimulating growth, but it has been found that there is a possibility, at least, that some of them cause cancer in human beings.

I want to give credit to past governments which produced legislation in this area to stimulate the growth of the livestock industry and keep it viable. This bill merely brings the Feeds Act into 1974. It is my hope that we will continue to go forward, and have, in a year or two, further amendments so that the livestock producer can continue to produce meat products in the quantities needed at home and abroad. If in consequence it becomes necessary for us to have additional bureaucrats, then, honourable senators, surely this is one area where we can afford them. I can think of many other areas where we could do with fewer inspectors.

In view of the effects this legislation will have on the economy it is well worthwhile, and I commend it to all honourable senators.

On motion of Senator Norrie, debate adjourned.

## STATUTE REVISION BILL

SECOND READING

The Senate resumed from Thursday, October 17, the debate on the motion of Senator Stanbury for the second reading of Bill S-3, to provide for a continuing revision and consolidation of the statutes and regulations of Canada.

**Hon. Lionel Choquette:** Honourable senators, I rise to support the motion for the second reading of this bill, though not without certain reservations. In an exchange of pleasantries during the Throne Speech debate, I indicated that in resigning as Deputy Leader of the Opposition I had not thereby taken a vow of silence. I still enjoy the cut and thrust of debate and, on appropriate occasions, I have not hesitated to sally forth on "search and destroy" missions. As my fellow senators know, this is not such an occasion, and I hope my colleagues will not miss the thunder and lightning.

With the avowed purposes of this bill, so ably explained by its sponsor, no one could disagree—certainly not a practitioner of the law. Those purposes are, in the words of the sponsor, "to make the law more readily available to the public, to the legal profession, and to parliamentarians." That is really the object of this bill.

I personally welcome the establishment of a permanent commission, under the aegis of the Minister of Justice, to revise and consolidate from time to time the public statutes. I have in the past objected to "omnibus" statutes which, within a single act, amend a large number of other acts. Also, it is not always easy to obtain a consolidated version of an act which takes account of all the myriad amendments made one way or another in the past. Hopefully, some of these difficulties may be remedied if the current proposals are faithfully carried out.

I also welcome the intended participation of Parliament in future revisions of the statute law. I am sure this work of revision is too great a responsibility to be left exclusively to bureaucrats, however informed and enlightened they may or may not be. I hope, indeed, that there will be established a joint committee of both houses to review the work of the commission in this regard.

I note, however—and the sponsor will correct me if I am wrong—that there appears to be no provision for a corresponding parliamentary review of the revisions, from time to time, of the regulations. We have had quite a discussion tonight about regulations, but I wish to repeat with respect to this bill that there appears to be no provision for corresponding parliamentary review of the revisions, from time to time, of the regulations. I thought there was in being a scrutiny committee of both Houses of Parliament on regulations and statutory instruments—and I see the joint chairman, Senator Forsey, is not present—fully capable and willing to review the work of the proposed commission in this regard. That is the proposition I intend to make if and when this bill is referred to committee.

All in all, in my opinion, this legislation should not be rushed through willy-nilly, but should be thoroughly examined by the Standing Senate Committee on Legal and Constitutional Affairs where informed officials, and possibly the minister, can give us a full explanation.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Langlois, bill referred to Standing Senate Committee on Legal and Constitutional Affairs.

● (2130)

## CUSTOMS ACT

BILL TO AMEND—SECOND READING—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Cook, seconded by the Honourable Senator Inman, for the second reading of the Bill S-4, intituled: "An Act to amend the Customs Act."—(*Honourable Senator Bélisle*).

**Senator Bélisle:** Honourable senators, as the sponsor of the bill is not present in the chamber, and due to the lateness of the hour, I ask that this order stand until tomorrow.

Order stands.

The Senate adjourned until tomorrow at 2 p.m.

# REPORT ON THE ACTION TAKEN ON THE RECOMMENDATIONS OF THE SPECIAL COMMITTEE OF THE SENATE ON AGING 1966

28299–11

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## INTRODUCTION

The Special Committee of the Senate on Aging tabled 92 recommendations on February 2, 1966. The following study reports on the action taken on the various recommendations. Of the 92 recommendations, 25 were implemented, 54 were partially implemented and 13 were not implemented.

## ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Tuesday, July 29th, 1963:

"With leave of the Senate,
The Honourable Senator Connolly, P.C., moved, seconded by the Honourable Senator Vaillancourt:

That a Special Committee of the Senate be appointed 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 government in the promotion thereof;

That the said Committee be composed of the Honourable Senators Blois, Brooks, Croll, Dessureault, Fergusson, Gershaw, Grosart, Haig, Hollett, Inman, Jodoin, Lefrançois, Macdonald (Brantford), McGrand, Pearson, Quart, Roebuck, Smith (Kamloops), Smith (Queens-Shelburne) and Sullivan;

That the Committee have power to engage the services of technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to print such papers and evidence from day to day as may be ordered by the Committee and to sit during sittings and adjournments of the Senate;

That the evidence received and taken on the subject at preceding sessions be referred to the Committee; and

That the Committee be instructed to report to the Senate from time to time its findings, together with such recommendations as it may see fit to make.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative."

J. F. MacNEILL,
*Clerk of the Senate.*

The Committee was reconstituted during the three succeeding sessions of Parliament. See Journals of the Senate, February 19th, 1964, April 6th, 1965, and January 19th, 1966.

The Final Report of The Special Committee of the Senate on Aging was tabled on Wednesday, February 2, 1966. The Report contained ninety-two recommendations under the following headings:

(1) Income Status and Security.
(2) Employment Status and Opportunities.
(3) Health Status and Health Care.
(4) Housing Status and Needs.
(5) Community Services for Older People.
(6) Research and Statistics.
(7) Planning and Co-ordination.

The Final Report of The Special Committee on Aging was debated in the Senate on February 7, 8, 9, 23 and 24, 1966.

## (1) RECOMMENDATIONS THAT ARE IMPLEMENTED

*Recommendation 1*

The Committee endorses in principle the institution of an income guarantee program for all persons aged 65 and over and recommends to the Federal Government that this proposal be given immediate study.

*ACTION TAKEN*

This recommendation has been implemented as follows:

1. Beginning in 1966 the qualifying age for universal Old Age Security pension was reduced annually by one year so that by 1970 the plan was universal for all individuals 65 years of age and over.

2. In 1967 a Guaranteed Income Supplement was initiated that pays to the aged, on an income tested basis, a supplement that is reduced by one dollar for every two dollars of other income received (excluding Old Age Security benefits). According to the provisions of that Act the basic amount of the monthly pension was seventy-five dollars; the amount of the supplement was thirty dollars in 1967 and in any year after 1967, forty per cent of the amount of the pension paid, minus one dollar for each full two dollars of the pensioner's monthly base income.[1]

(1) Revised Statutes of Canada 1970, Old Age Security Act, Volume V, Chapter O-6, pp. 2-5.

3. In 1972 legislation was passed that assured that benefit levels would be fully adjusted once a year to keep pace with the cost-of-living index.[2] During 1971 the basic amount of the monthly pension was eighty dollars. This was adjusted according to the Consumer Price Index so that in 1972 the basic monthly pension was eighty-two dollars and eighty-eight cents. As of April 1971, the amount of the supplement varied as to the category of the pensioner. Pensioners who were single or pensioners who were married to a person who was not receiving a pension received a maximum of fifty-five dollars. Pensioners who were married to a person who was receiving a pension received forty-seven dollars and fifty cents each. These amounts were changed because of the Consumer Price Index, and in 1972 a single person or a married person whose spouse is not a pensioner received a supplement of sixty-seven dollars and twelve cents. Those married pensioners whose spouses were also pensioners received fifty-nine dollars and sixty-two cents.

4. In September 1973 the Government announced that adjustments would be made quarterly to commence in October 1973.[3] The adjustments would be made as of October first, January first, April first and July first.

The following table illustrates the amount of basic payments and supplement payments from 1967 to the present.

(2) Statutes of Canada, 1972, An Act to Amend the Old Age Security Act, Chapter 10, pp. 101-104.
(3) Bill C-219, An Act to Amend the Old Age Security Act September 6, 1973, Chapter 35, pp. 3-4.

TABLE 1

AMOUNT OF SOCIAL SECURITY PAYMENTS AND GUARANTEED INCOME SUPPLEMENT

1967-1974

| Category of Pensioner | Social Security Plans | Jan. 1967 | Jan. 1968 | Jan. 1969 | Jan. 1970 | Jan. 1971 | April 1971 | Jan. 1972 | April 1973 | Oct. 1973 | Jan. 1974 | April 1974 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Single Person or Married Person Whose Spouse is not a Pensioner | Old Age Pension..... | 75 | 76.50 | 78 | 79.58 | 80 | 80 | 82.88 | 100 | 105.30 | 108.14 | 110.09 |
| | Maximum Guaranteed Income Supplement... | 30 | 30.60 | 31.20 | 31.83 | 33.61 | 55 | 67.12 | 70.14 | 73.86 | 75.85 | 77.22 |
| | TOTAL..... | 105 | 107.10 | 109.20 | 111.41 | 113.61 | 135 | 150.00 | 170.14 | 179.16 | 183.99 | 187.31 |
| Married Person Whose Spouse is a Pensioner | Old Age Pension..... | 75 | 76.50 | 78 | 79.58 | 80 | 80 | 82.88 | 100 | 105.30 | 108.14 | 110.09 |
| | Maximum Guaranteed Income Supplement... | 30 | 30.60 | 31.20 | 31.83 | 33.61 | 47.50 | 59.62 | 62.30 | 65.60 | 67.37 | 68.58 |
| | TOTAL..... | 105 | 107.10 | 109.20 | 111.41 | 113.61 | 127.50 | 142.50 | 162.30 | 170.90 | 175.51 | 178.67 |

28299—11½

Table 2 illustrates by province:

(1) number of Old Age Security pensioners;
(2) number of recipients receiving Guaranteed Income Supplement;
(3) number receiving maximum Guaranteed Income Supplement;
(4) average amount of Guaranteed Income Supplement paid to pensioners;
(5) average number of pensioners paid while outside Canada during the quarter ending December 1973.

TABLE 2[1]

| Province | (1) OAS Pensioners | (2) GIS Recipients | (3) Maximum GIS Recipients | (4) Average GIS Payment | (5) Quarterly Average Number of OAS Pensioners Paid While Outside Canada December 1973 |
|---|---|---|---|---|---|
| | | | | $ | |
| Newfoundland | 34,273 | 28,948 | 19,978 | 65.27 | 106 |
| Prince Edward Island | 12,849 | 9,883 | 5,262 | 62.72 | 77 |
| Nova Scotia | 75,655 | 51,809 | 26,427 | 62.45 | 430 |
| New Brunswick | 57,349 | 39,183 | 20,926 | 61.76 | 404 |
| Quebec | 447,404 | 284,289 | 148,366 | 61.91 | 3,701 |
| Ontario | 678,995 | 339,245 | 125,372 | 58.33 | 5,869 |
| Manitoba | 100,533 | 62,945 | 25,991 | 59.79 | 642 |
| Saskatchewan | 98,371 | 60,286 | 25,126 | 58.14 | 432 |
| Alberta | 125,536 | 76,584 | 33,353 | 60.44 | 740 |
| British Columbia | 218,104 | 122,809 | 48,799 | 57.49 | 2,677 |
| Northwest Territories | 917 | 764 | 631 | 71.85 | 1 |
| Yukon | 530 | 331 | 231 | 66.23 | 10 |
| National | 1,850,516 | 1,077,076 | 480,462 | 59.97 | 15,089 |

SOURCE: DSS Statistical Report for December 1973.

[1] House of Commons Debates, March 18, 1974, p. 588.

*Recommendation 6*

That in line with the recommendation of the Economic Council of Canada, the NES, "as the key operational agency for implementing manpower policies" be responsible for analyzing basic supply and demand conditions and for administering the range of programs required to facilitate adjustment to technological change and to assist the movement of workers from areas of declining to those of increasing employment opportunities.

*ACTION TAKEN*

In 1967 the National Employment Service (NES) offices were renamed Canada Manpower Centres to reflect the emphasis on counselling, training, labour force mobility, skill up-grading etc.

The Canada Manpower Mobility Program was introduced in 1967 to assist workers who cannot afford to relocate to obtain employment or to take advantage of training. The program provides three types of assistance:

1. Trainee level grants to enable adults to take training courses not available in the area;
2. Exploratory grants, to enable workers to search for employment in other areas when work is not available in their community;
3. Relocation grants.

The Manpower Consultative Service is available to help labour and manpower resolve problems resulting from technological or other industrial changes.

During the 1972-73 fiscal year, $11,599,984 was expended on the Mobility Program. This expenditure aided the relocation of 10,653 families, and provided 10,725 workers with exploratory grants. Trainee travel and commuting assistance was given to 50,296 persons, making a total of 71,674 persons who received assistance under the Canada Manpower Mobility Program.[1]

*Recommendation 7*

That, in particular, the NES seek the cooperation of individual employers' associations and unions in developing procedures in relation to staff layoffs and

(1) Canada. Manpower and Immigration *Annual Report, 1972-73*, p. 13.

adjustments from whatever cause which, unless planned carefully well in advance, may have serious if not disastrous effects on the employment prospects of displaced older workers.

*ACTION TAKEN*

1. Under Part III of the Canada Labour Code effective January 1, 1972, an employer must give an employee with ten years or more service, eight weeks' notice or payment in lieu. Where an employer terminates fifty or more, or 10 per cent or more, of his employees whichever is greater, in any four week period he must

(b) give the employees the following notice:

(i) eight weeks' notice if the employment of fifty or more persons and fewer than 200 persons is to be terminated at an establishment;

(ii) twelve weeks' notice if the employment of 200 or more persons and fewer than 500 persons is to be terminated at an establishment; and

(iii) sixteen weeks' notice if the employment of 500 or more persons is to be terminated at an establishment.[1]

2. Most industrial contracts negotiated by management and unions provide for consultation in the event of layoffs or changes affecting workers of all ages.

3. During the fiscal year 1971-72 the Labour Management Consultation Branch of the Department of Labour devoted considerable effort to generating meaningful dialogue between unions and management in all sectors of the economy by actively promoting the formation of joint consultation committees and providing a variety of support services to existing committees. As of March 31, 1972 there were 497 committees representing 180,381 workers in industries under federal jurisdiction and 2,219 committees representing 631,371 employees in enterprises under provincial jurisdiction. Some 60 educational seminars were held to assist both management and workers to come to a better understanding of their roles within the collective bargaining process. Three area labour-management conferences were held in 1971-72. The Branch is also engaged in publishing pamphlets and committee aids dealing with joint consultation. A Branch newspaper, "Teamwork in Industry" is published ten times a year.[2] These are designed to meet the needs of all age groups.

*Recommendation 10*

That an examination be made of those training programs provided for under the Technical and Vocational Training Assistance Act, which have as their object the up-grading of employed workers and the retraining of the unemployed with a view to determining the reasons for the limited use currently being made of them, and that such measures as are indicated be taken to improve their effectiveness in attracting and holding students especially in the older age range.

*ACTION TAKEN*

The Adult Occupational Training Act of 1967 replaced the Technical and Vocational Training Assistance Act of 1960-61 under which the Federal Government had shared with the provinces the cost of many training activities.

The A.O.T. Act provides that the Department may purchase training for adult members of the labour force and pay training allowances. Since it has accepted the responsibility for the selection and referral of trainees, the Federal Government pays the full cost of training allowances.

Training services are purchased from Provincial Governments, private schools and industry. Allowances are paid directly to trainees in public and private institutions. In the case of training in industry the employer is reimbursed up to a specified limit for wages paid to employees while in training.[3]

In July 1972 amendments to the Adult Occupational Training Act involved:

(1) the removal of the three year labour force attachment requirement for training allowance eligibility;

(2) the introduction of $30.00 per week basic allowance for adults in training who live with an employed parent or spouse;

(3) the redefinition of eligibility criterion with regard to the period adults must have been out of school as being any 12 consecutive months rather than the 12 months immediately preceding referral to training.[4]

During 1972-73 there were 316,188 adults in Canada Manpower Training Program.[5]

The percentage of trainees aged 45 and over enrolled in institutional full-time training has increased from 9.3 in 1967-68 to 11.7 in 1972-73. In 1972-73 only 2.3 per cent of these were in the age group 55-64. The percentage of older persons participating in training-on-the-job is much lower. In 1972-73 only 5.4 were in the age group 45-65. The greatest impact of training-on-the-job is in the age group 20-24 which was 35.4 per cent of the total number.[6]

The Older Workers' Section of the Department of Manpower and Immigration is preparing material for

(1) Regulations made under the Employment Standard Act 1968, as amended. (Part III of Canada Labour Code). Standards relate to only 9 per cent of labour force under federal jurisdiction.

(2) Canada. Labour Canada *Annual Report, 1971-72,* Ottawa.

(3) Canada. Department of Manpower and Immigration. *Annual Report,* 1967-68 p. 5.

(4) Statutes of Canada, 1972, Chapter 14, July 1972, pp. 157-160.

(5) Canada Manpower and Immigration. *Annual Report, 1972-73,* p. 6.

(6) Canada Manpower and Immigration. Training Branch. Letter dated October 15, 1973.

staff training of counsellors in this field. An effort is being made to develop a psychology oriented towards continuing education rather than seeking employment in the same type of work which may be redundant. In the past workers aged 45 and over considered themselves unemployable if their trades were phased out. It is necessary to encourage such older workers to take training.

There has been a marked improvement in the number of married women over 40 who seek and get training since elimination of the eligibility requirement for three years' experience in the labour force.

The Department forecasts that the policy to provide a "second chance" by way of continuing education will increase the number of older trainees within the next five years.

*Recommendation 11*

That the NES devote greater attention to the field of part-time employment with a view to discovering the nature of the demand and offering a more effective placement service.

*ACTION TAKEN*

Manpower Centres have a "Casual Pool" which is concerned with part-time employment of five days or less. Applicants for employment are requested to state whether they desire full or part-time employment. Counsellors are aware of agencies which employ part-time employees and an effort is made to arrange placements according to the demand.

*Recommendation 26*

(a) That provincial departments of health and/or hospital commissions determine as quickly as possible the place and function of nursing homes in the total spectrum of required health facilities; and

(b) That, assuming nursing homes to be accepted as an essential health facility, vigorous steps be taken to increase the present supply of those capable of providing a high quality of nursing and rehabilitation care; and

(c) That approved nursing homes, operated on a non-profit basis, be made part of the hospital services system, and be included in the federal-provincial hospital insurance arrangements; and

(d) That approved nursing homes, operated on a non-profit basis, be eligible to receive from federal-provincial sources capital grants under the hospital construction program, operating costs under the hospital insurance program to ensure the maintenance of desirable service standards and training grants to provide training for staff in rehabilitation nursing; and

(e) That all nursing homes be licensed and supervised by a health agency and that consultation services be made available to all nursing homes by local and provincial health departments covering not only medical and nursing care including rehabilitation, but also nutrition, recreation and other important aspects of administration. The selection and in-service training of nursing home staff should receive particular attention.

*ACTION TAKEN*

The operation cost of nursing homes which provide hospital care is acceptable for sharing with the Federal Government under the Hospital Insurance Act. Chronic convalescent care cases are also covered where there is a medical necessity for those patients to be admitted to those institutions.*

Provinces have endeavoured to divide their care facilities into two categories: those requiring full-time nursing care, which come under the Department of Health, and those which have mainly a social need, which come under the jurisdiction of the department dealing with social services. For example, in Ottawa St. Vincent Hospital and the Perley Home come under the Health Department, whereas St. Patrick's Home is under the jurisdiction of the Department of Community and Social Services. Similarly, in Saskatchewan levels of Care 1, 2 and 3 are considered as mainly social needs and therefore come under the Department of Social Services; Levels 4, 5 and 6 have a major health component and as a result are an insured service and come under the Department of Health. The problem is in discharging patients from the health level, which is an insured service, to the social level which is the responsibility of the patient. In January 1973 the Province of Saskatchewan proposed a grant system to ease the financial burden of nursing home care on its residents. The proposed amounts were graded downward from Level III. "This new grant system represents a serious attempt by our Government to place the financing of special-care homes on a rational basis and to provide a solid base for the future development of services for the aged in the years to come."(1)

In 1971 the responsibility of administering the British Columbia Community Care Facilities Licensing Act was transferred to the Health Branch. More recently, the Health Branch was given the major responsibility in designing, constructing and probably operating several "personal care" homes. According to 1972 planning, these will provide beds for ambulatory persons who do not require services in an extended-care hospital but who need more

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* Specifically excluded are tuberculosis hospitals and sanatoria, hospitals or institutions for the mentally ill, as well as care institutions such as nursing homes and homes for the aged. The definition of "nursing homes" enters into the assessment at this stage.

(1) Government of Saskatchewan, Press Release, January 18, 1973.

care than can be provided in a rest home[1] In December 1972 personal care homes which represent the range of care between extended care and boarding home were not licensed.[2] As of December 1972 grants of 35 per cent are made to non-profit societies wishing to construct personal care facilities in British Columbia if there is a local contribution of at least 10 per cent. Such societies must indicate they can operate the new facility without a direct provincial subsidy. To understand more fully the relationship offered by the Health Branch and other services, the Government of British Columbia, late in 1972, commissioned a study entitled "Health Security Research Project".

A joint study (Alberta Council on Aging and Department of Health and Social Development) of the general needs of institutionalized and non-institutionalized senior citizens across Alberta was scheduled for mid-1973.

The consensus is that approved nursing homes, operated on a non-profit basis, should be included in the federal-provincial hospital insurance arrangements. If this barrier were lifted there should be little difficulty in putting the right patient in the right bed at the right time.

The School of Rehabilitation Medicine at the University of Alberta conducted a study to measure, in Auxiliary hospitals and Nursing Homes, the effects upon patients of intensive, multi-disciplinary rehabilitation (Staff) education and related consultative services.[3] Results indicated that Staff attitudes tended to shift to a greater degree of acceptance of patients as individuals. This Staff also demonstrated increased knowledge and skills in rehabilitative nursing.

As of July 1, 1973 personal care homes in Manitoba[4] came under the provincial hospital insurance scheme. Positive steps have been taken to increase the supply of nursing care facilities:

| | | |
|---|---|---|
| December 31, 1972 | Actual nursing home beds | 6,589 |
| December 31, 1973 | Projected | 6,898 |
| December 31, 1974 | Projected | 7,316 |

All areas where there is a demonstrated need for more personal care home beds are benefiting from the program of development of additional facilities.

Manitoba's position is that nursing homes, particularly those providing extended care services, should come under the federal-provincial hospital insurance arrangements.

All nursing homes are licensed and supervised by the Department of Health and Social Development.

Since the introduction of the extended health care program in Ontario[5] in April 1972, the supply of nursing home beds in this province has increased by approximately 2,000 or 10 per cent of the total available at the time. A further 3,500 beds have been approved for construction and are in either the developmental stage or the construction stage at this time. When these beds become available this will provide roughly 25 per cent more beds than there were in April 1972. This increased supply will be capable of providing a high quality of nursing care and, within the definition of the Insured Extended Health Care Benefit, a reactivation program. The precise role of the proprietary fields, in relationship to the non-profit field, with public support, has yet to be determined by the Government. In the Province of Ontario the extended health care program, which provides benefits in licensed nursing homes, deals almost exclusively with profit-oriented facilities. In the past year and a half the nursing homes have been made part of the hospital system in Ontario with referrals to nursing home accommodation coming primarily from active treatment hospitals. However, the program is not included in the Federal-Provincial Hospital Insurance arrangements. Similar care is also available in charitable and municipal homes for the aged.

Regarding capital financing of nursing homes, it is the view of the Province of Ontario that sufficient mortgage funds are available in the private sector. "Caution is exercised in approving capital grants to non-profit nursing homes so that the taxpayer is not burdened with capital grants which can be found through the private sector."

Under the Extended Health Care program in Ontario operating costs of nursing homes are provided under the hospital insurance program by means of a daily per diem rate which is paid for residents of nursing homes eligible for the extended health care benefits. Some 100 per cent provincial capital grants are made to co-sponsor facilities with municipal and non-profit charitable corporations and these may include Extended Care Services. In such cases there is also eligibility for loans under the National Housing Act. The province does approve capital grants, mainly on the basis of residential services rather than Extended Care Services and this is subject to the general review within the province.

Community colleges are training "health care aides", the majority of whom come from the staff of nursing homes, as well as from municipal and charitable homes for the aged.

Prior to the introduction of the Extended Health Care Program on April 1, 1972 all nursing homes in Ontario were licensed by a health agency and supervised by local health units. This did not allow for standardization. Now the inspection of homes is under direct provincial jurisdiction with inspection staffs located in London, Ottawa and Toronto. In addition to the inspection component, which is comprised of registered nurses, public health inspectors, fire safety inspectors and sanitation personnel,

(1) British Columbia. Health Branch, *Annual Report, 1972*, Victoria.

(2) Social Planning and Review Council of British Columbia, *A Study of Community Care for Seniors*, Vancouver, 1972 p. 37.

(3) Bostrom, M. and K. Gough (eds.), *Geriatric Reactivation Study*, School of Rehabilitation Medicine, University of Alberta, Edmonton, 1972.

(4) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.

(5) Ontario, Minister of Community and Social Services. Letter dated November 28, 1973.

consultation services are offered to the nursing homes in the field of nutrition, administration, finance, as well as consulting services in the fields noted under inspection services.

Seminars and discussion groups are also held for nursing home staff. In the case of charitable and municipal homes for the aged, consulting is available from Toronto in all areas of care standards; in addition, in-service training and other programs are available from the province in conjunction with the Ontario Association of Homes for the Aged.

New Brunswick[1] engaged consultants to study its hospital facilities in 1969 and has stated its policy: the main objectives in the nursing home program is to ensure that each resident of the province who is in need of care does in fact receive the care required. Regulation 71-73 of the Health Act has greatly improved the number and quality of nursing care facilities in the province. As in other provinces, approved nursing homes, operated on a non-profit basis in the province, are not part of the hospital services system but come under the Social Welfare Act. The Department of Social Services is authorized to provide financial assistance for persons unable to pay for nursing home care. Although construction grants for nursing homes do not come under hospital construction, under Chapter 39, An Act to Amend the Health Act, the Minister may grant to charitable organizations an amount of two thousand dollars per bed toward the cost of new construction of nursing homes. Operating costs are reviewed by the Department of Social Services to determine the rate per day to provide financial assistance. Nursing homes are licensed and supervised by the Provincial Department of Health and consultation services are provided in the field of rehabilitation staffing, dietary and administrative services.

In February 1973 the first report of the Nova Scotia[2] Council of Health was released. The Council had been directed to undertake a complete review of the health system in the province.

Among its recommendations was that the province adopt the "progressive care" approach and define levels of care, including active treatment; nursing home care designed for long-term patients; home care designed as a hospital alternative for patients who require regular nursing care and some physician attention; ambulatory care for those who require extended therapy and personal care for those who need support to maintain themselves.

The emphasis is on non-institutional care.[3]

The implementation of the proposed plan hinges on changes in federal-provincial cost sharing, i.e., sharing to be related to payment for health care to population.

(1) New Brunswick. Department of Health, Public Health Services. Letter dated August 17, 1973.
(2) Nova Scotia Council of Health, *Health Care in Nova Scotia —A New Direction for the Seventies*, Halifax 1973, 187 pages.
(3) *Canadian Medical Association Journal*, March 3, 1973, Volume 108, p. 661.

In Prince Edward Island[4] private nursing homes operate without public financial assistance and are licensed and supervised by the Hospital Services Commission under Regulations passed under the Hospitals Act to ensure suitable standards of accommodation and service. Their services are supplemented by manors operated by the Department of Social Services located in all major urban centres in the province. All private nursing homes and public institutions have Registered Nurse supervision and such ancillary staff as may be needed to meet the requirements for nursing care of the patients therein.

In the Annual Report[5] for 1973 of the Newfoundland Department. of Social Services and Rehabilitation it was reported that sufficient emphasis has not been placed on the urgent need for beds where nursing care can be provided. Approval for the construction of five new Homes for Senior Citizens at Lewisporte, Grand Bank, St. Anthony, Grand Falls, and Stephenville Crossing was granted. Approximately 25 per cent of the bed capacity will be for nursing care.

*Recommendation 39*

That Central Mortgage and Housing Corporation (CMHC) conduct a sustained educational campaign to make everyone concerned aware of the opportunities, under the NHA as amended, to provide new and converted housing of many varieties for the use of older people and that in such a campaign attention be called to such particulars as:

(a) The desirability of spreading housing for old people throughout the community and/or incorporating it in housing for other age groups;

(b) the additional opportunities available under the revised public incomes; and

(c) the importance, when hostels and other special group living arrangements are being considered for old people able to get about, of selecting a convenient site, ensuring a homelike atmosphere, keeping the size of the project as small as is compatible with economical operation, and of blending it in with the general housing of the area.

*ACTION TAKEN*

The 1971 CMHC Report *Urban Canada: Problems and Prospects*".[6] includes a monograph which has particular relevance for policy and program planners concerned with housing the elderly.

(4) Prince Edward Island. Department of Health. Letter dated August 28, 1973.
(5) Newfoundland. Department of Social Services and Rehabilitation, *Annual Report for the Year Ending March 31, 1973*, p. 49.
(6) Central Mortgage and Housing Corporation *Urban Canada: Problems and Prospects*, Ottawa, 1971.

Social Development Operations of CMHC, organized in 1970-71provides the focus for a continuing response to the social needs of the elderly and other occupants of low-income housing. Social Development Officers at the Regional level work closely with community groups, tenant associations and non-profit organizations concerned with low-rental and public housing in an effort to improve the social environment and amenities of federally-financed housing developments.

A broad range of educational material covering every aspect of housing the elderly, from pamphlets and brochures to panel exhibits, film strips and coloured slides, is available on request from CMHC.

Trained professional people are available as speakers at service clubs, etc. about the housing requirements of the elderly.[1]

*Recommendation 40*

> That, on the initiative of CMHC, periodic conferences be held on a national and regional basis, made up of people from the variety of public and voluntary bodies concerned with old people's housing but also including architects, developers and builders, for the purpose of sharing experience, of discussing common problems and encouraging new and imaginative developments.

*ACTION TAKEN*

CMHC regularly provides both funds and personnel for conferences and workshops that have relevance to housing programs for the elderly.

A conference in 1968 organized by the Canadian Welfare Council and financed largely by a grant under the National Housing Act examined the housing situation of all Canadians. Further studies by the Council (now the Canadian Council on Social Development) are also being funded by CMHC.

In 1972 CMHC funded a study undertaken by the Extension Department of the University of British Columbia. This was an action-oriented study which will stimulate discussion between the groups identified in Recommendation No. 40 plus consumers, educators, health and recreation people.

In 1973 a study of CMHC housing for the elderly, built up to the end of 1970, was completed by the Canadian Council on Social Development. It is entitled "Beyond Shelter".[2] This study was funded by CMHC, published and distributed by the Canadian Council on Social Development.

The 48 recommendations formulated from the findings covered a variety of topics. The principal objective is that as wide a variety and range of choice of housing as possible should be available to senior citizens. Furthermore, it is recommended that responsibility for housing the elderly be affirmed at the provincial level. Several recommendations also noted particular design suggestions such as a suitable balance of accommodation for both married and single persons.

Sponsors of housing developments have a responsibility for more than simply providing shelter. Recommendations outline the responsibility of sponsors in terms of developing a health program, providing social services, or contacting existing social service agencies, and for developing a recreation program using both their own facilities and those of the community. The need to provide contact with other community groups and organizations was emphasized in several recommendations, as well as the need to obtain resident participation in all aspects of the residential environment.

The remainder of the recommendations dealt with management policies, staff members, finances and the need for further study on the desirability of different types of residential environments for the elderly.

A proposal is being formulated to have CMHC fund a series of regional meetings for the purpose of discussing the findings of the study. The meetings would bring together sponsors, managers, tenants of senior citizen housing as well as those who deliver services beyond the shelter component.[3]

*Recommendation 41*

> That CMHC develop plans and specifications for a wide variety of housing arrangements for old people and that the latter include low-cost one-bedroom houses suitable for couples and for two single people living together.

*ACTION TAKEN*

Professional architects within CMHC have developed plans and specifications for a variety of housing units for the elderly, including bachelor and one-bedroom apartment units, hostel accommodation, back-to-back row housing, motel-type units and relocateable semi-detached units.

In 1972, CMHC published its second edition of *Housing the Elderly*.[4] This is an advisory document dealing with desirable standards of housing designed specifically for elderly people who are sufficiently healthy and mobile to live independently in self-contained dwelling units. It is not a mandatory set of rules, but rather suggestions. The Corporation has built one-bedroom houses—mainly in small communities on the Prairies where land is less of a cost factor than in urban areas.

The decision, as to permitting two single people to rent a unit in a low-cost housing project, belongs to provincial

(1) Central Mortgage and Housing Corporation, Information Division. Letter dated November 2, 1973.
(2) Canadian Council on Social Development, *Beyond Shelter*, Ottawa, 1973, 479 pages.
(3) Central Mortgage and Housing Corporation, Information Division. Letter dated November 2, 1973.
(4) Central Mortgage and Housing Corporation, *Housing the Elderly*, Ottawa 1972, 38 pages.

and local administrators. In 1973 the Ontario Housing Corporation experimented with this idea in a building going up in Etobicoke—a Toronto suburb.[1] The Dundas Maybelle Housing Development will contain 510 units, 58 of which are buddy units. These buddy units are specifically designed for aged single people. The two single people have individual bed-sitting rooms but they share the kitchen and bathroom facilities. The building is scheduled for completion in December, 1974.[2]

*Recommendation 42*

> That CMHC develop manuals for use by housing authorities and private sponsoring groups, giving precise information and advice regarding varieties of accommodation needed, housing designs including safety features, site selection, financing, and the procedures to be followed under the limited dividend, non-profit and public housing sections of the NHA.

*ACTION TAKEN*

CMHC acts in an advisory capacity. Adherence to CMHC specifications, while recommended, is not a requirement. Pamphlets and brochures covering every aspect of accommodation for the elderly are available from CMHC offices across Canda.

*Housing the Elderly*—1972[3] examines the provision of housing in relation to the needs and preferences of the elderly, the aging process, the housing market, type of accommodation available and sponsors for housing for the aged. This brochure also deals with various safety features which contribute to the enjoyment of their homes by the elderly.

*Housing the Handicapped* will be published by CMHC in 1974. Although an advisory document dealing with desirable standards of housing for physically handicapped persons of all ages, it is also especially useful to those involved in the design and provision of housing for the elderly.[4]

*Recommendation 43*

> That CMHC appoint to its staff one or more persons with specialized knowledge relating to housing for old people and that their advice and technical assistance be available to housing authorities and other sponsoring groups.

*ACTION TAKEN*

The advice and assistance of professional CMHC personnel is readily available to organizations and individuals interested in sponsoring housing for the elderly. Social Development officers, appointed 1968-69, focus on the implementation of guidelines and policies to improve the social environment of low-income housing, and have a thorough understanding of the needs of our senior citizens.

At CMHC Head Office an advisory group was formed from people in the Corporation who have considerable involvement with the provision of housing for the elderly. The group includes, architects, planners, economists, appraisers, administrators, policy formulators and those advising on research issues. These people are available both to Head Office and Branch staff as well as to the public.[5]

*Recommendation 44*

> That a review be made of experience to date in rehousing within the area old people dispossessed by urban renewal schemes and that consideration be given to further measures, such as assistance with the purchase of small homes or rent subsidies for a limited period, which might be taken to ease the impact of the changeover and to assist generally in the process of resettlement.

*ACTION TAKEN*

In any urban assistance plan, every effort is made to relocate families and individuals in their own neighbourhoods. High density apartment complexes that make the best use of expensive land, are built in core urban areas for the elderly who might otherwise have to be rehoused in an unfamiliar setting. In addition it is a pre-requisite of both the newly introduced (1973) Neighbourhood Improvement Program and the Site Clearance Assistance Program that dwelling units, equal in number to those removed, be provided as part of the rehabilitation program.[6]

*Recommendation 45*

> That insured NHA loans be provided to finance the construction of hostel, dormitory and similar type accommodation for elderly persons who could afford to pay a rent set by the normal operations of the market.

*ACTION TAKEN*

The National Housing Act was amended in 1969 to include provisions, under Part I of the Act, for insured loans for the construction of hostel and dormitory type accommodation for the elderly who can afford open market rental rates.

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(1) Central Mortgage and Housing Corporations, Information Division. Letter dated November 2, 1973.
(2) Ontario Housing Corporation. Telephone Conversation of April 17, 1974.
(3) Central Mortgage and Housing Corporation, *Housing the Elderly*, Ottawa, 1972, 38 pages.
(4) Central Mortgage and Housing Corporation, Information Division. Letter dated November 2, 1973.
(5) Central Mortgage and Housing Corporation, Information Division. Letter dated November 2, 1973.
(6) Central Mortgage and Housing Corporation, Information Division. Letter dated November 2, 1973.

By the end of 1970, 7,906 hostel beds had been built under the National Housing Act for senior citizens.[1] Canada as a whole had 4.5 hostel beds (financed under NHA) per thousand population aged 65 at the end of 1970.[2] On a provincial basis, Manitoba has built the highest ratio of senior citizen hostel beds under the NHA per thousand aged population, followed by New Brunswick, Saskatchewan, British Columbia, Nova Scotia, Prince Edward Island, Newfoundland, Quebec, Ontario and Alberta.[3]

The study by the Canadian Council on Social Development also found that there was a wide variation on the emphasis that provinces placed on senior citizens' hostel accommodation as opposed to self-contained dwelling units. New Brunswick concentrated to a greater extent on hostel accommodation than other provinces, followed by Quebec, Saskatchewan, Newfoundland, Alberta, Manitoba, Nova Scotia, British Columbia and Prince Edward Island.[4]

This study also noted that

> "Over the years, the National Housing Act provisions have been broadened to allow funding of a large range of hostel accommodation. This accommodation varies widely in and between provinces, ranging from buildings in which the only service provided other than that found in private apartments is a dining-room, to accommodation that is practically identical to that found in a nursing home. This accommodation has been supported at the provincial and local levels by a wide variety of programs, usually administered by social service departments."[5]

*Recommendation 46*

> That CMHC, in collaboration with DBS, review the present data collected and analyzed on the housing situation of old people with a view to filling the gaps that exist and introducing such changes as seem desirable in the definitions employed and the classifications provided. (Reference has been made earlier to the difficulty at present of correlating incomes and housing).

*ACTION TAKEN*

CMHC regularly confers and exchanges data and information with a variety of government departments and agencies in an effort to improve the resource material.

A CMHC "Housing Needs Study" was initiated in 1973 and will identify the elderly as a distinct housing consumer group within the total population. Their housing consumption patterns will be examined and analyzed in relation to a variety of characteristics such as, household composition, income, dwelling unit type, cost and condition. This will be a two year study.

*Recommendation 47*

> That CMHC undertake or support, possibly in collaboration with the Department of National Health and Welfare, a major research project to determine the housing needs and preferences of old people, and their evaluation of existing housing opportunities. (The Age and Opportunity Bureau of Winnipeg, among other organizations, stressed the "deplorable" lack of information regarding the housing problems of the elderly.)

*ACTION TAKEN*

A 1970 study within CMHC made use of data gathered from a number of sources including Statistics Canada and the Department of National Health and Welfare to examine the financial resources and expenditure patterns of the elderly, and their related ability to find accommodation within their means.

In 1971, the CMHC gave a grant of $38,000 to the Canadian Welfare Council (now the Canadian Council on Social Development) for a study of housing arrangements for the aged.[7] The object was to look at independent and semi-independent accommodation for the aged. This project was completed, and the report entitled *Beyond Shelter* was published in 1973.[8]

In 1972, CMHC also published a bibliography of Canadian sources in gerontology, and geriatrics from 1964-1972, *The Seventh Age*.[9] One of the sections in this bibliography is "Living Arrangements".

*State of the Art*,[10] a report prepared by Environics Research Group Limited for CMHC, is a brief over-view of services to the elderly in Canada, and the position of each province regarding services for the elderly.

In late spring of 1974 a report of the study "Demographic and Economics Aspects of Housing Canada's Elderly", will be published. The purpose of this study is to systematically analyze on a provincial and municipal basis, the changing concentration of the older population and to examine the changing economic distribution of these groups from 1961 to 1971. All municipalities over 30,000 (81 in total) were examined.

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(1) Canadian Council on Social Development, *Beyond Shelter*, Ottawa, 1973, p. 383, No. 1.
(2) *Ibid.*, p. 383, No. 3.
(3) *Ibid.*, p. 384, No. 5.
(4) *Ibid.*, p. 384, No. 7.
(5) *Ibid.*,p. 385, No. 15.
(6) Central Mortgage and Housing Corporation, Information Division. Letter dated November 2, 1973.
(7) Canadian Council on Social Development, *On Growing Old*, March, 1971.
(8) Canadian Council on Social Development, *Beyond Shelter*, Ottawa, 1973, 479 pages.
(9) Central Mortgage and Housing Corporation, *The Seventh Age*, Ottawa, 1972, 290 pages.
(10) Central Mortgage and Housing Corporation, *State of the Art*, Ottawa, 1964.

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*Recommendation 48*

(a) That grants be made to universities and professional schools for special courses, seminars, conferences and other means of training with a view to increasing the supply of workers equipped to deal with both the social and physical aspects of housing for low-income families and for the elderly, and

(b) That to the same end scholarships be made available to promising students.

*ACTION TAKEN*

(a) In the past seven years grants under the NHA, totalling several million dollars, have been made to social agencies, planning councils, universities and research institutes for studies, seminars and conferences related to housing and urban affairs in Canada; many of these projects have both direct and indirect application to housing for the aged and have increased the broader knowledge of the subject.

(b) To encourage a professional interest in housing for special groups, CMHC makes available annually a number of travelling scholarships in architecture. Consideration is now being given to broadening the range of scholarships and training schemes.

(c) A grant was given in 1972 to the University of British Columbia Extension Department to undertake an action-oriented study of housing for the elderly.

The study is still in progress, and there are no publications or reports available at this time.[1]

*Recommendation 50*

That housing programs for the elderly be integrated with those for low-income families and made the responsibility of a single department of Government or of a provincial housing agency established by the department for the purpose.

*ACTION TAKEN*

All Provincial Governments now have branches or agencies responsible for housing. In 1966 only five provinces had agencies to which this responsibility was assigned. In November 1973, the Province of Ontario named its first Minister of Housing. Each province considers housing requirements for the elderly when social housing requirements are being planned. In May 1973 the Province of Alberta amended legislation to provide that 10% of living accommodation space be available for leasing to senior citizens.

Social housing under the National Housing Act is divided into two categories: assistance to the non-profit sector and assistance to public housing agencies.[2] Non-profit agencies generally obtain assistance under what is now Section 15 of the National Housing Act. In the period 1946-70 approximately 40% of the funds advanced under this section of the Act were for housing for the elderly. Assistance for the construction of public housing is provided under Sections 40 and 43 of the Act. Included are self-contained units and hostel accommodation for senior citizens although neither is specifically designated for the elderly. In 1970 twenty-one per cent of all developments were in the neighborhoods populated with mostly other elderly people, 75 per cent were in areas that had mostly families with children, 3 per cent were in areas where young adults and childless households were predominant and 1 per cent in areas occupied by transients. Research studies show that 70 per cent of elderly preferred to live in buildings with people of their own age group.[3] On the other hand, the Ontario Housing Corporation has found that there is a "clear-cut preference for integrating the elderly with low income families".[4]

*Recommendation 52*

That it be the responsibility of the provincial department or agency to ascertain and correlate information regarding housing needs and to develop a provincial plan regarding housing needs and to develop a provincial plan calculated to produce within the reasonable time and according to an agreed order of priority the variety of accommodation old people throughout the province require.

*ACTION TAKEN*

Generally speaking all the provinces coordinate public housing needs and all such requirements are negotiated by the province with CMHC.

The Department of Municipal Affairs in the Province of British Columbia[5] advised that it was hoped that with reorganization all housing matters, particularly those related to the needs of the elderly, would be concentrated under one operating body or department of government.

The Alberta Housing Corporation[6] is responsible for all types of housing and has developed a five year plan to provide a variety of accommodation to meet the calculated demand for senior citizens' accommodation. Senior

(1) Central Mortgage and Housing Corporation, Information Division. Letter dated November 2, 1973.

(2) Public Housing is that built under Sections 40 and 43 of the National Housing Act. In public housing residents' rents are subsidized according to a geared-to-income scale, with Federal, Provincial and sometimes Municipal Government cost-sharing in the subsidies. Non-profit housing is accommodation built with NHA loans under Section 15. Rents in the past were not subsidized but now there are cases where residents' rents are subsidized in non-profit developments.

(3) The Canadian Council on Social Development *Beyond Shelter*, Ottawa, 1973, p. 105.

(4) Ontario Housing Corporation. Letter dated July 31, 1973.

(5) British Columbia. Department of Municipal Affairs. Letter dated October 30, 1973.

(6) Aberta Housing Corporation. Letter dated August 20, 1973.

citizens housing is the responsibility of the Department of Municipal Affairs. In 1973 Alberta Housing Authority budgeted $6.6 million for senior citizens' housing which provided for 500 new or renovated units. The guideline provides that 10 per cent of public housing has to be made available to senior citizens.

Saskatchewan Housing Corporation[1] has a task force to investigate the state of housing in the province with a view to building more rent-to-income accommodation in smaller communities.

The Manitoba Housing and Renewal Corporation[2] provides housing throughout the province without any municipal financial involvement, i.e., the province puts up the 10 per cent portion of the capital costs usually assumed by the municipality. Continuing surveys are carried out in the rural areas to determine the needs of the elderly.

An advisory task force on housing policy for Ontario[3] submitted its report in August 1973. The following is an extract therefrom:

> "There is no Minister* with direct responsibility for housing as such, or for policy, planning or implementation with regard to housing, and there is no agency to coordinate, integrate or monitor the many government activities affecting housing. The result is a fragmentation of Provincial and Municipal activities affecting housing.
>
> The Provincial Government exercises its authority to influence and regulate development in the Province; through its control over all local government institutions it exercises responsibility and authority for all matters relating to land use and development, including the assembly and servicing of land, environmental controls, local and regional government, and municipal financial policies. The Province exercises its authority in ways which are often inconsistent with each other, and without explicit concern for making land available for residential use or for influencing the price of residential land.
>
> It is concluded that the organization of the Provincial Government should be directed to the recognition that the Government's housing responsibilities can be discharged satisfactorily only if they are directly acknowledged in the organization of the Government, through the establishment of a Ministry with suitable responsibilities and an adequate level of authority.
>
> *Planning*
>
> The Province's responsibilities for determining and applying land use policies and programs for planning and development, and for establishing regional governments, do not include the identification and resolution of housing needs in the local or regional municipalities. Although it is Provincial policy that housing be provided only in accordance with approved plans, municipalities are not required or encouraged to formulate housing goals or objectives as part of their Official Plans. Provincial approvals or modifications of municipal Official Plans and zoning bylaws are made without direct reference to their effects on housing in the affected municipality."

In the case of Quebec,[4] CMHC makes an annual allocation of funds to the Quebec Housing Corporation for building accommodation for families and senior citizens. All senior citizens' housing developments built with Quebec Housing Corporation Assistance have been categorized as "non-profit" as they are administered by non-profit groups.

The New Brunswick Housing Corporation[5] has responsibility for planning and coordination. In addition, the province has a Committee on Care for the Aged and a Task Force on Housing Needs.

The Nova Scotia Housing Commission[6] through its planning division has drawn up a long range estimate of housing needs and for the past two years has adhered to this program.

The Prince Edward Island Housing Authority[7] collects data on housing needs for the elderly for formulation and implementation to fulfil these needs. An Island-wide study is being organized.

The Newfoundland and Labrador Housing Corporation[8] is beginning to plan for housing needs for the elderly. In the past it was found that the demand was more for institutional care.

*Recommendation 53*

> That it further be the responsibility of the provincial department or agency to negotiate with CMHC on its own behalf and that of municipalities and interested voluntary organizations regarding the size and nature of NHA assistance required.

*ACTION TAKEN*

A responsibility of the Housing Authority for each province is to negotiate with CMHC to obtain financing for the housing requirements of the province and municipalities. In the case of Quebec, CMHC makes an annual allocation of funds to the Quebec Housing Corporation for building accommodation for families and senior citi-

(1) Saskatchewan Housing Authority. Letter dated August 2, 1973.
(2) Manitoba Housing and Renewal Corporation. Letter dated August 8, 1973.
(3) Ontario. Advisory Task Force on Housing Policy, Toronto, August 1973.
* First Minister appointed November 1973.
(4) Canadian Council on Social Development, *Beyond Shelter*, Ottawa, 1973, p. 68.
(5) New Brunswick Housing Corporation. Letter dated October 26, 1973.
(6) Nova Scotia Housing Commission. Letter dated August 28, 1973.
(7) Prince Edward Island Housing Authority. Letter dated August 6, 1973.
(8) Newfoundland and Labrador Housing Corporation. Letter dated August 7, 1973.

zens. All senior citizens' housing developments built with Quebec Housing Corporation assistance have been categorized as "non-profit" as they are administered by non-profit groups. The Federal-Provincial Housing Review Committee of Saskatchewan provides for monthly discussion of requirements.

*Recommendation 54*

That the provincial department or agency appoint the necessary staff members equipped to assist the municipalities and voluntary organizations in the determination of need and the development and implementation of housing programs.

*ACTION TAKEN*

With the exception of New Brunswick and Newfoundland which have no special staff assigned for this purpose, the other provinces feel that they have implemented this recommendation either through the provincial planning staff or regional offices. For example, Prince Edward Island Housing Officers travel throughout the Island giving assistance to communities in need of housing accommodation for their senior citizens. Nova Scotia, in addition to its planning staff at its provincial head office, has four regional offices staffed by field representatives and construction supervisors who keep in contact with the municipalities and assist in the implementation of housing programs.

Ontario at the present time has some 39 local housing authorities. In areas where there are housing developments under the auspices of the Ontario Housing Corporation there are resident managers, representatives of the Corporation. In the event that a municipality is just initiating a housing program, the local Council communicates with the Ontario Housing Corporation who undertakes the survey and lends the necessary technical assistance and advice.

*Recommendation 55*

That, in particular, funds and grants be provided in such amounts as to reduce to no more than token payments the capital funds required by voluntary organizations to qualify for loans under the limited dividend section of the act.

*ACTION TAKEN*

The National Housing Act was amended in 1969 to provide a broader framework for the provision of loans covering up to 95 per cent of lending value to both non-profit organizations and private entrepreneurs interested in the construction of housing for the elderly. In 1973 the Act was further amended to provide loans to private and municipally-owned non-profit organizations to cover up to 100 per cent of lending value plus a CMHC contribution of up to 10 per cent of cost for application against loan repayment and, in the case of private organization, a grant of up to $10,000 for use as "starter funds" to bring the organization to the point where it can apply for a loan.[1]

*Recommendation 57*

That the provincial department or agency establish and enforce strict regulations concerning the design, siting and general operations of private homes or institutions offering individual or group living accommodation, short of medical care, to elderly people.

*ACTION TAKEN*

Organizations sponsoring low-rental housing for the elderly adhere to provincial standards and to those of Central Mortgage and Housing Corporation if financed by that corporation. In the case of private homes, the legislation governing their operations usually comes under the Department of Social Services, Community Services or Health and Welfare, or the Welfare Homes Act as in the case of Alberta. Provincial standards are applicable in all cases.

*Recommendation 58*

That, as at the provincial level, housing for the aged be entrusted to the municipal department or agency which is also responsible for low rental housing in general and that a committee of representative citizens be established to assist the department in an advisory capacity.

*ACTION TAKEN*

Many communities are too small in population and economic base to undertake subsidized housing for senior citizens. Because of this provinces such as Newfoundland, New Brunswick and Prince Edward Island[2] operate with a provincial organization depending on advice from its board of directors and Housing Authority members some of whom are private citizens. In the case of Nova Scotia[3] recommendations on future needs are the responsibility of the municipal housing authorities composed of local residents. Quebec[4] has its regional health and social service councils which encourage areas to define their needs and plan for them. Ontario[5] has 39 area Housing Authorities who submit their requirements for low rent housing to the Ontario Housing Corporation. The Manitoba[6]

(1) Central Mortgage and Housing Corporation, Information Division. Letter dated November 2, 1973.
(2) Newfoundland and Labrador Housing Corporation. Letter dated August 7, 1973. New Brunswick Housing Corporation. Letter dated October 26, 1973. Prince Edward Island Housing Authority. Letter dated August 6, 1973.
(3) Nova Scotia Housing Authority. Letter dated August 28, 1973.
(4) The Canadian Council on Social Development. *Beyond Shelter*, July 1973, p. 67.
(5) Ontario Housing Authority. Telephone Information, April 4, 1974.
(6) Manitoba Housing and Renewal Corporation. Letter dated August 8, 1973.

Housing and Renewal Corporation has no committee of knowledgeable citizens to advise the Minister responsible for housing but consider the Winnipeg Age and Opportunity Bureau and Manitoba Public Housing Work Shop as adequate forums for the presentation and discussion of housing requirements for both families and senior citizens. In rural areas of Manitoba there are housing authorities consisting of at least six members of whom two must be tenants which assures complete involvement. The Saskatchewan Housing Corporation Act, 1973,[1] may incorporate public housing authorities which report to the Corporation. Alberta[2] has set up some fifty-four foundations to administer senior ciizens' housing. The boards of directors of the foundations are elected members of the municipal councils and are responsible to the electorate. The foundations determine the housing needs within their administrative areas. British Columbia housing legislation is under review. According to the study carried out by the Social Planning and Review Council of British Columbia[3] (December 1972) the first official contact for the citizen impetus committee on housing for senior citizens in the Community Care Facilities Board through the local Medical Health Officer. The impetus committee forms a non-profit society and incorporates and then gets in touch with CMHC and the Provincial Secretary.

*Recommendation* 82

(a) That homemaker service be accepted as a shareable cost under the Canada Assistance Plan.

(b) That homemaker service be accepted as a shareable cost under the Canada Assistance Plan not only for persons on public assistance but for all others to whom this service is provided free by the provinces and their municipalities.

*ACTION TAKEN*

Provincial and municipal governments underwrite the costs of providing homemaker service to recipients of social assistance but the maximum daily rate they are prepared to contribute may fall short of the full cost of the service to the homemaker agency. The province is reimbursed 50 per cent of these costs by the Federal Government under the Canada Assistance Plan. The legislation also permits federal sharing of the costs of subsidizing persons other than those on assistance whose incomes are insufficient for them to pay the prescribed fee; provinces and municipalities differ widely in the extent to which they have chosen to make this assistance available to low-income families. The maximum family income below which public welfare departments are prepared to subsidize fees depends on the province in which the applicant happens to reside.[4]

In British Columbia these services receive small provincial grants and local support, but must rely on fees from clients, thus, frequently, making the service beyond the means of older people.[5]

Homemaker services in Alberta[6] are supported through the Preventive Social Services Act which may also cover payments not eligible for federal cost-sharing under the Canada Assistance Plan. Establishment of the eligibility of projects for provincial-municipal cost-sharing is based on approval of budget figures provided by the municipality, together with an agreement to provide the service on a sliding scale of fees. The net deficit of such projects is shared up to 80 per cent by the province, the remaining 20 per cent is paid by the municipality.

In Saskatchewan,[7] funds for purchase of homemaker service, based on financial need, are available through the Saskatchewan Assistance Plan.

Extensive homemaker services are provided in Manitoba[8] under the Social Allowance Act and the Child Welfare Act, as amended 1966. For families or aged persons eligible for a social allowance, payment is made for homemaker service during illness or other emergency as required.

In Ontario[9] the breakdown of sharing is 20 per cent for the regional government, 30 per cent for the provinces and 50 per cent for the Federal Government. The fee paid by the recipient depends on his income and the state of the budget of the municipality. Lower income persons pay a nominal rate, while the mid-income group pay more although that group receives some assistance through the United Way Fund. Upper income brackets pay the full cost. The service operates under the Ontario Nursing and Homemakers' Services Act and is regarded as permissive legislation as the cost of the service to the recipient varies according to the budget of the municipality.

Under the Quebec[10] Public Charities Act, assistance is given for the provision of visiting homemaker services. The homemaker service program is administered by voluntary agencies recognized by the province. Under the legislation, the full cost of the service to needy persons is paid by the Department of Social Affairs.

Financial aid for homemaker services is available in Nova Scotia[11] under the Social Assistance Act. When

(1) Saskatchewan Housing Corporation. Letter dated August 2, 1973.
(2) Alberta Housing Corporation. Letter dated August 20, 1973.
(3) Social Planning and Review Council of B.C. *A Study of Community Care for Seniors*, Vancouver 1972, 179 pages.
(4) Canadian Council on Social Development, *Visiting Homemaker Services in Canada*, Report of a Survey with Recommendations, March, 1971. pp. 20-21.
(5) Social Planning and Review Council (SPARC), *A Study of Community Care for Seniors*, Vancouver 1972, p. 39.
(6) Canadian Council on Social Development, *Op. Cit.*, p. 102.
(7) *Ibid.*
(8) *Ibid.*
(9) Ontario Ministry of Community and Social Services. Letter dated November 28, 1973.
(10) Canadian Council on Social Development, *Op. Cit.*, p. 104.
(11) *Ibid.*

municipal budgets include estimates for funds to provide homemaker services and the budget is approved by the Department of Public Welfare, these funds are available to municipalities up to an approved amount.

Prince Edward Island and New Brunswick[1] have no provisions specifically for homemaker service under their social legislation but do use the Canada Assistance Plan to share costs with the Federal Government on a 50/50 basis when housekeeper service is provided to families in financial needs.

The Social Assistance Regulations of the Department of Public Welfare for Newfoundland and Labrador[2] provide for the payment of a housekeeper allowance to recipients of social assistance who require this service.

*Recommendation 83*

That counselling services provided by the local public welfare department for the elderly and others in the community be accepted as a shareable cost under the Canada Assistance Plan.

*ACTION TAKEN*

Counselling services are covered under the Canada Assistance Plan and the funding of these services to municipalities depends on the individual province and the municipality.

Health and Welfare Canada published a pamphlet *Your Agency and the Canada Assistance Plan*[3] which describes the funding available to agencies.

## (2) RECOMMENDATIONS THAT ARE PARTIALLY IMPLEMENTED

*Recommendation 2*

The Committee recommends that the National Employment Service (NES) continue and intensify its efforts to correct prevailing misconceptions and to overcome current resistance to the hiring of older workers through educational programs aimed at employers as a group, but more particularly through direct contacts with individual employers; and that in such efforts it enlist the support of management and labour, possibly through the holding of employer-labour institutes sponsored by universities and community groups, as is done in the United States with leadership from the employment service.

*ACTION TAKEN*

In 1967 the "National Employment Service" offices were renamed "Canada Manpower Centres" to reflect the emphasis on counselling, training, labour force mobility, skill up-grading etc. In 1972-73 there were 390 Canada Manpower Centres where counsellors assist workers and provide consultative services relative to changed conditions of work. Employment was found for 1,030,148 people during 1972-73. This is an increase of twelve per cent over the previous year[4].

The Canada Manpower Adjustment Program functions as a catalyst to bring management and labour together to solve employment problems created by economic, technological or organizational changes in a company, an industry or an area.

The current philosophy of the Older Workers' Section is that working should be ageless, that is, the emphasis should be on skill not age. During 1973 staff members of the Older Workers' Section, the Canada Manpower Division of the Department of Manpower and Immigration, interviewed older workers across Canada to identify difficulties and to learn more about the conditions affecting older workers. The results of this internal fact-finding survey will be used by the section to determine a policy statement. The Older Workers' Section encounters some difficulties in meeting with employers because of the variation in labour legislation among the provinces. Pending a study of the facts obtained in this survey, no funds have been allotted to cover the expenses associated with conferences or seminars.

*The Labour Gazette,* published by Labour Canada contains information for employers about recent studies and conferences on older workers. Projects on older workers conducted by the Organization for Economic Co-operation and Development (OECD) of which Canada is a member, as well as American research studies are regularly reviewed.

In June 1970 the Age Discrimination Division of the Ontario Human Rights Commission sponsored a conferenced entitled, "The Older Worker in Today's Economy and Community".[5]

*Recommendation 4*

The Committee recommends that the NES maintain a check on applicant qualifications as specified by employers, such as age and education, in an effort to ensure that these are realistically related to the requirements for successful performance in the jobs to be filled.

*ACTION TAKEN*

In five provinces the prohibition against discrimination has been extended to include age. *The Individual's Rights Protection Act of Alberta 1972,*[6] *The Human Rights Act of British Columbia 1969,*[7] *The Human Rights Code of*

(1) *Ibid.*, p. 105.
(2) *Ibid.*
(3) Canada. Health and Welfare Canada, *Your Agency and the Canada Assistance Plan*, Ottawa.
(4) Canada. Manpower and Immigration, *Annual Report, 1972-73.* p. vii.
(5) Ontario Department of Labour, *Task*, Volume 5, No. 2, Summer 1970, p. 13.
(6) Statutes of Alberta, 1972, Chapter 2.
(7) Statutes of British Columbia, 1969, Chapter 10.

*New Brunswick* Amended 1973,[1] *The Human Rights Code of Newfoundland* 1969,[2] and *The Human Rights Code of Ontario* Amended 1972[3] provide that no employer shall refuse to employ or refuse to continue to employ or otherwise discriminate in employment because of age. These provisions are applicable to persons between the ages of 45 and 65 in Alberta, British Columbia and Newfoundland. *The New Brunswick Code* defines "age" as 19 years of age and over. In Ontario, a reference to age means any age of 40 years or more and less than 65 years. Trade unions shall not exclude from membership, expel or suspend a person in these age groups. An employer may not publish an advertisement in connection with employment which expresses directly or indirectly any limitation, preference or discrimination in employment because of age. These provisions do not apply to the operation of a bona fide retirement or insurance plan.

The Canadian Labour Code does not mention discrimination on the basis of age. Employers must not discriminate on the basis of race, national origin, colour or religion.[4]

The policy of the Department of Manpower which is governed by the Unemployment Insurance Act is to refer to the prospective employer the best qualified people available irrespective of age.

*Recommendation 5*

(a) The Committee recommends that studies be made by the Federal Department of Labour of experience with gradual retirement programs now in effect in private business and the public service and that the findings of these studies be used to stimulate wider interest in such programs on the part of management and labour.

(b) That programs of counselling and planning in preparation for retirement be more widely adopted by private business and the public service, and that Federal and Provincial Departments of Labour provide to interested employers and unions the technical consultation necessary for their successful operation.

*ACTION TAKEN*

(a) There are very few gradual retirement programs in industry and there is no Federal policy relating to employees in the Public Service. No department has been charged with responsibility for studies.

(b) The Federal Government has issued no policy statement on this subject and no department of government has been given an mandate to assist with programs or provide counselling.

Some departments of the Federal Government sponsor retirement programs both at headquarters and in their districts. The Department of Indian and Northern Affairs collaborates with the universities in Saskatchewan, Alberta and British Columbia to provide employees with programs on retirement. There are at least four Government departments active in this field—Indian and Northern Affairs Department, Public Works Department, Statistics Canada and Supply and Services Canada.[1]

Paramount Retirement Counselling,[2] Montreal, is unique in Canada. This agency began operations mid 1972 and by the end of 1973 had contracts with eight provinces to provide information on pre-retirement as well as post-retirement planning. The agency has some 20 booklets for distribution, one being produced each quarter of the year. In addition there are newsletters suitable for insertion with pension cheques. Research is conducted on a contract basis on various subjects such as nutrition, dental care, leisure activities, etc.

Maurice Miron,[3] program director for aging of the Canadian Council of Social Development said he knows of no company in Canada with its own pre-retirement program. But it is not all the fault of management he added. The Northern Electric Company had such a program but abandoned it when workers made it plain they did not want to hear about retirement, even on company time.

The Alberta[4] Department of Manpower and Labour has instituted a study which will more specifically identify the preparation needs with regard to retirement. This is a three year study and it is being carried out in co-operation with several departments of the Alberta Government, private industry and several retired citizens. It is intended that the results of this study will provide the department and other provincial agencies with the necessary information to plan programs of employer and union consultation as well as support programs in the area of retirement preparation.

The Extension Department of the University of Saskatchewan, Regina has formulated a course entitled "Preparation for Retirement" which is supported by the Saskatchewan[5] Department of Labour. In addition to supplying resource material for use in teaching of the course, various officials of the Department of Labour (e.g. Superintendent of Pension Plans) are available to assist with the discussion of various topics covered by the course material.

The Manitoba[6] Department of Labour has not acted in any formal way upon the recommendations, but some assistance is given to individuals who contact the department directly. The Age and Opportunity Bureau in Winnipeg assists in this area.

(1) Statutes of New Brunswick, 1973. An Amendment to The Human Rights Code of New Brunswick, Chapter 45.
(2) Statutes of Newfoundland, 1969, Chapter 75.
(3) Statutes of Ontario, 1972, An Amendment to The Ontario Human Rights Code, Chapter 119.
(4) Revised Statutes, Vol. V, 1970, Chap. L-1, 5(1).

(1) Indian and Northern Affairs Department. Mr. McCrank Telephone communication., April 23, 1974.
(2) Paramount Retirement Counselling, Montreal. Telephone communication October 25, 1973.
(3) *The Ottawa Journal*, June 13, 1972.
(4) Alberta. Department of Manpower and Labour. Letter dated March 26, 1974.
(5) Saskatchewan. Department of Labour. Letter dated March 29, 1974.
(6) Manitoba. Department of Labour. Letter dated April 1, 1974.

The Ontario[1] Ministry of Labour does not provide programmes of counselling and planning in preparation for retirement or offer the technical consultation necessary to interested employers or unions. An in-house Pre-Retirement Counselling Program has been implemented in this Ministry and the initial result indicated that it is an effective method of dealing retirement problems.

The Senior Citizens Bureau, Ministry of Community and Social Services is the agency of the Ontario Government with the chief responsibility for dealing with problems of aging. The Senior Citizens Bureau offers both counselling and technical consultation to an individual, employer, employee or union aproaching the Bureau and asking for advice. Printed resources, in the form of pamphlets and other publications, are also available to the public

The Nova Scotia[2] Department of Labour does not administer legislation pertaining to retirement plans. Conciliation and Mediation Officers of the Department will assist labour and management during the drafting of a new or renewal of a collective agreement. The Prince Edward Island[3] Department of Labour has not taken any action since it is felt that the problem is virtually non-existent in that province.

The New Brunswick[4] Department of Labour has been assigned the responsibility of responding to the specific problem of pre-retirement training and preparation. Accordingly, a program has been started to carry out the general duties of counselling and planning. The first project is near completion and will result in a two-day seminar May 4 and 5, 1974 in Memramcook, New Brunswick, for members of all CUPE locals in the Province between 62 and 65 years of age. Departmental staff and a committee of CUPE have organized the seminar. Representatives from all agencies federal and provincial, who have identifiable programs affecting retirement have been invited to attend and explain the functions and services of their respective agencies.

In a recent survey of Family Life Education programs[5] sponsored by community agencies and voluntary associations in Canada, pre-retirement programs were conducted in larger metropolitan areas. The Victoria Citizens Counselling Centre of Victoria, British Columbia reported programs of this type. The Jewish Family Service of Baron de Hirsch Institute of Montreal also conducted pre-retirement programs as well as The Centre de services sociaux of Trois-Rivières, Quebec.

(1) Ontario. Ministry of Labour. Letter dated April 11, 1974.
(2) Nova Scotia. Department of Labour. Letter dated April 9, 1974.
(3) Prince Edward Island. Department of Labour. Letter dated March 26, 1974.
(4) New Brunswick. Department of Labour. Letter dated March 29, 1974.
(5) Reynolds Barbara Plant. "A Survey of Family Life Education Programs Sponsored by Community Agencies and Voluntary Associations in Canada", unpublished, The Vanier Institute of the Family, Ottawa, 1974.

*Recommendation 8*

That the NES strengthen and improve its services to older workers in respect of counselling and job finding and that in larger centres a special officer be appointed to carry these responsibilities.

*ACTION TAKEN*

Manpower Counsellors are trained to service all age categories on the basis of individual need. "By this means it is hoped to make a broader range of opportunities available to all and avoid labelling individuals as 'old', 'disadvantaged', etc."[1]

Canada Manpower has implemented a new Manpower Delivery System which will apply services and programs in a more effective and comprehensive way. The concept is to provide three levels of service tailored to the individual client's needs. The first level is assistance to make the client job ready and features the use of self-help methods. The key to this process is a Job Information Centre where job vacancies will be displayed enabling clients to decide themselves which jobs they think they can fill. Level I service to clients will also include an Employment Opportunity Library which will contain information on the services and programs of the department as well as appropriate information on the services and programs of other government departments and agencies; and other assistance which can be provided without formal counselling.

Level II is similar to the service now provided, but in the future will be specifically directed to those people who, while basically job ready, require additional counselling and help. This could involve training or retraining through the Canada Manpower Training Program, assistance in finding employment in another area and in moving to that area through their clearance system and the Canada Manpower Mobility Program, or other of our services to gain employment.

Level III consists of concentrated in-depth counselling and the application of programs and services designed to help those clients most in need. Counsellors may also utilize outside agencies for special assistance to help remove whatever barriers exist in order to make the client job ready. Once this is done, these clients may be referred to a job, or may make job selections as in Level I.[2]

*Recommendation 12*

That periodic health appraisals be more widely available to older people from physicians in solo and group practice and also on an experimental basis in outpatient departments and through programs initiated by local health departments: and further that the cost of such appraisals be covered by prepayment plans.

(1) Manpower and Immigration. H. L. Douse, "On Growing Old", April 1969.
(2) Canada Manpower and Immigration. *Annual Report, 1972-73*, pp. 3-4.

*ACTION TAKEN*

The Medical Care Act of 1966-67, Chapter M-8 of the Revised Statutes of Canada, 1970, authorized payment by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans. All the provinces participate in this scheme, either on a prepayment basis or, in some cases, without charge to residents.

A Background Study prepared for the Science Council of Canada, August 1973, reports that there has been a definite trend in the direction of group practice to service all age groups which should become more prominent as the advantages, such as efficiency and ability to provide continuing and more complete service to the patients and continuing education to the doctor, become move evident. Group clinic practice is well established notably in the West but many problems remain of which two are of the greatest importance:

> "those having to do with distribution, for the sitting of these group clinics is dictated by economic factors not necessarily related to the need for service; and those respecting the provision of comprehensive care. So long as the only source of income is payment for specific medical services rendered to patients, a clinic will not be able to offer in sufficient quantity the auxiliary services (social, welfare, preventive) so necessary for the provision of comprehensive care in many, particularly urban, districts."[1]

The Manitoba Health Service Commission[2] has undertaken a study, supported by a 1972 National Health and Welfare Grant, to test the hypothesis that efficiency in the delivery of health services is increased by the formation of group practices in the light of proposed ambulatory care facilities.

There is no closed form of group practice in Canada similar to those in the U.S. where medical help is available on a contract basis with a group. Medicare in Canada makes it possible to seek care on a private basis. If there is a group practice such as that at the Sault Ste. Marie Health Centre[3] the province pays a set fee per member per month to cover all the medical care needs of its members.

The Saskatchewan Regional Health Services Branch promotes the principles of positive health, providing preventive health services and coordinating the work of health agencies, public, private and voluntary.[4] Alberta[5] has 25 health units besides those in the cities of Calgary and Edmonton Health Departments providing preventive public health services to almost the entire population of Alberta.

At the present time an annual health examination is a benefit of the Ontario[1] Health Insurance Plan. However, the conclusion of the task force of the Ontario Council of Health was "that periodic health examinations for planning purposes be restricted to the following: (a) during the first five years of life there should be approximately seven routine health examinations to be programmed at the discretion of the physician; (b) between the ages of 5 and 44, routine examinations should be carried out approximately every ten years, e.g., at the ages 14, 24, 34 and 44 and (c) beyond age 44, examinations should be carried out every five years, e.g., at ages 49, 54, 59, 64, 69 and 74."

*Recommendation 13*

> That more experiments be undertaken with multiple screening for chronic diseases, not only by physicians in dealing with their patients, and by health institutions when patients are admitted, but on a broader community basis by local health departments and/or voluntary health organizations.

*ACTION TAKEN*

Multi-phasic screening is still regarded to be in the experimental stage. Multi-phasic screening was pioneered by the Kaiser-Permanente group, Oakland, California in the 1950s and computerized in 1964.

> "Critics of the multi-phasic test, in general, claim that much of the testing is in vain, that it detects very few abnormalities that would not be detected in any event, and that getting abnormalities early has little affect upon the outcome of most diseases; but simply consumes more physician time with worried people. The Kaiser-Permanente people readily admit that they have no scientific answer for such a charge and that the effectiveness of the system is open to challenge. However, they continue to process some 2000 per month."[2]

A number of specific screening programs are being carried on in Canada. These cover various populations for different conditions, for example, for psychological, mental and visual problems, metabolic abnormalities, genetic hearing defects, cardiovascular faults, cancer, etc. Of these only eight are primarily concerned with the

(1) *Background Study for Science Council of Canada*, August 1973. Special Study No. 29, Health Care in Canada, A Commentary, p. 95.
(2) Health and Welfare Canada. Research Projects and Investigations into Economic and Social Aspects of Health Care in Canada, 1972 p. 15.
(3) Science Council of Canada. Background Study for Special Study No. 29, August 1973, p. 96.
(4) Saskatchewan. Department of Public Health. Letter dated September 12, 1973.
(5) Alberta. Department of Health and Social Development, *Annual Report, 1971-72*, p. 8.

(1) Ontario. Ministry of Community and Social Services. Letter dated November 28, 1973.
(2) Robertson, H. Rock, *Health Care in Canada: A Commentary*, Background Study for the Science Council of Canada, Ottawa, 1973 p. 124.

evaluation of the screening process itself.[1] These eight projects are carried out by the following groups.[2]

Study #782 University Hospital of Saskatchewan, Saskatoon, Saskatchewan

#790 Provincial Department of Public Health of Saskatchewan

#791 University of Western Ontario, London,

#794 University of Manitoba, Winnipeg, Manitoba

#798 Provincial Department of Health of British Columbia

#810 Ontario Cancer Institute, Toronto, Ontario

#821 St. Paul's Hospital, Vancouver, British Columbia

#823 University of Toronto East General Hospital

Screening clinics for specific diseases such as glaucoma, are open to various age groups in the provinces. Most provinces commented about the need to establish the value of multi-phasic screening for chronic diseases before undertaking such an expensive service.

*Recommendation 14*

That health counselling of people middle-aged and older, including matters as diet, rest, recreation and living habits be provided through well adult clinics, day care centres, health services in housing projects, pre-retirement courses and health maintenance programs generally: and that initiative in establishing such programs and facilities be taken by the local health department.

*ACTION TAKEN*

The survey conducted by the Canadian Council on Social Development and reported in *Beyond Shelter* shows that social work counselling was available on site or as a special development service in 6.1 per cent of all developments; in or for the general community in 44.5 per cent and not available in 49.4 per cent. Medical chekup was available in 11.1 per cent on site or as a special development service; 8.0 per cent in the community and not available in 80.9 per cent of the cases studied.[3]

The Report goes on to state that "except in hostel and mixed developments (particularly those that contained a high proportion of very old and incapacitated residents) sponsors generally left health services to private physicians and nursing agencies. They did not concern themselves with the prevention of health problems; rather they restricted their role to ensuring that residents received treatment in emergency situations. For example, only 19 per cent of developments reported that their residents had a regular medical checkup service available."[1]

At the University of Ottawa Medical School researchers are using a $38,000 grant to see how well a public health nurse promotes and maintains the health of senior citizens in seven publicly-run apartment complexes.[2] This is a three-year project that will be completed in 1975. Through the use of control and experimental groups, the study will measure the effects of public health nursing on the health of senior citizens. The health of the senior citizens is measured in terms of their functional ability using a morale scale which measures psychological well-being and an index of independence which measures ability to do self care activities such as bathing and dressing and instrumental activities such as shopping, cleaning.

Dr. Gustave Gingras, world-renowned specialist in rehabilitation medicine and President of the Canadian Medical Association, in a talk on the medical plight of Canada's elderly, expressed his disappointment by the lack of any day hospital or day-care programs for the elderly. "There is much talk of keeping people out of institutions, yet while the talk goes on the emphasis remains on placement in institutions."[3] Some Day Care Centres are available in the larger cities, e.g. Greater Vancouver which takes in almost 50 per cent of the total British Columbia population, has a Day Care Centre Project and the North Shore Day Care Centre, developed under a LIP grant, has established a need for such a service in that area.[4]

The Community Care Services (Metropolitan Toronto) Incorporated[1] was issued a Charter by Letter Patent on December 13, 1971 with the following objectives.

A. To enable aged, handicapped, chronically ill and convalescent persons to remain in familiar settings and retain involvement with their neighbourhood by:

(i) the daily provision of a well-balanced meal;

(ii) relieving some of their isolation and loneliness through friendly visits, group participation in social and recreational events and formal programs, and such social care services as day camps, shopping, escort services, telephone chains, transportation,

(1) *Ibid.*, p. 138.
(2) Science Council of Canada. Telephone Communication April 19, 1974
(3) Canada Council on Social Development. *Beyond Shelter*, Ottawa, 1973, p. 128. This report is based on data up to and including 1970.

(1) *Ibid.*, p. 391.
(2) *On Growing Old*, June 2, 1973.
(3) *Ibid.*, p. 3.
(4) Social Planning and Review Council of British Columbia. *A Study of Community Care for Seniors*, Vancouver, 1972, p. 91.
(5) Social Planning Council of Metro Toronto, *The Aging—Trends, Problems, Prospects*, Toronto, 1973, p. E30.

learning opportunities for employment and volunteer services and other such similar activities;

(iii) offering counselling and advisory services and other types of assistance peculiar to our individual agencies.

B. To encourage the development of similar dietary, social and community health services where they do not exist.

C. To operate such enabling services for the aged as are provided for under the Elderly Persons Centres Act, 1966 and Regulations, as amended from time to time, and to cooperate with others who provide services provided under such acts of the Provincial and Federal Governments as are compatible with the objectives of the organization.

In 1971 a Health Research grant was given to Deer Lodge Hospital, Winnipeg,[1] to determine the feasibility of having a voluntary agency, such as the VON, supervise a hospital-based activity and therapeutic program in a Day Hospital for the elderly.

The Annual Report of the Department of Social Services, Government of Saskatchewan,[2] 1971-72 lists an expenditure of some $60,000 in grants to community services for the aged; these include two Day Centres and two Senior Care Centres. A Day Care Hospital was recently approved for Edmonton. Ottawa has just opened a day care centre for the elderly. The main deterrent to the operation of such centres is the lack of transportation.

The Victorian Order of Nurses,[3] working with municipal health departments, provides health counselling to Senior Citizens Organizations on a group and individual basis. Good nutrition is an important element of a health program and has always been a concern of VON branches. Six branches now coordinate and administer Meals on Wheels programs, providing meals to some 3,000 recipients. An evaluation of this service is being made in the Richmond-Vancouver Branch to determine if the function should be broadened. Meals on Wheels programs are, for the most part, operated by voluntary organizations which leads to fragmentation and lack of continuity, depending on the voluntary help. The Annual Report for 1971-72 mentions counselling service for senior citizens only in connection with the Windsor-Essex County and Peel Branches.

The Ontario Ministry of Community and Social Services[4] is particularly interested in sponsoring pre-retirement courses and in 1972 issued a brochure "Retirement and Preparation for Retirement"—a Selected Bibliography and Sourcebook. An Ontario Government survey showed that those between 45-65 are not interested in concrete plans for retirement. Slightly more than half of those surveyed had plans for the use of leisure; fewer than half had considered health or exercise programs, although 89 per cent had financial plans. The survey also showed that only 10 per cent of workers from 15 urban areas in Ontario intended to enrol in retirement planning courses and 43 per cent did not know that such courses existed. Pre-retirement courses are offered in most large urban areas as night-school options.

*Recommendation 16*

That research be undertaken into the effects of regular exercise, various types of organized recreation, and other forms of group and individual activity on the physical and mental health of older people, and that grants under the Fitness and Amateur Sports Act be made available for this purpose.

*ACTION TAKEN*

In 1971 the Fitness and Amateur Sports Branch convened a conference in Ottawa to state national goals, to define clear objectives and to enumerate priorities for research in recreation. On this basis research grants-in-aid programs are structured. Programs are aimed at the Canadian people as a whole rather than any specific age group. Again in December 1972 the National Conference on Fitness and Health recommended:

*Recommendation 21*[1]

It is recommended that the Federal Government make available funds to support pilot training programs in physical recreation for the aged and handicapped.

The conference recommends more specifically that:

—television exercise programs for the aged be established;

—the Federal Government explore the possibility of establishing scholarships in cooperation with the provinces to provide the opportunity for study of physical recreation programs for the aged and disabled.

The National Advisory Council on Fitness and Amateur Sport will issue a publication in the near future describing to what extent each recommendation has been implemented. As of April 1, 1974 the Research and Planning section of the Fitness and Amateur Sport Branch provides grants for research in the area of physical fitness. Individuals or groups who wish to conduct research in the area of fitness and aging can submit proposals to this section.

(1) Health and Welfare Canada Research Projects and Investigations into Economic and Social Aspects of Health Care in Canada, 1971, p. 123.
(2) Saskatchewan. Department of Social Services, *Annual Report, 1971-72*, Regina.
(3) Victorian Order of Nurses *Annual Report, 1972*, p. 23.
(4) Ministry of Community and Social Services, November 28, 1973, Letter plus enclosures.

(1) Canada. Health and Welfare Canada. *Recommendations of the National Conference on Fitness and Health*, Ottawa, 1972, p. 16.

The Fitness and Amateur Sport Branch does not work actively in programming, but rather it acts as a consultant to other groups. Future plans include a booklet on physical activities for the aging, a film and a videotape for leaders of fitness classes.

The Department of Community and Social Services of Ontario is tentatively planning a conference on Fitness and Aging for the Fall of 1974. The Fitness and Amateur Sport Branch hopes that this will serve as a model for other provinces.

*Recommendation 17*

(a) That Home Care programs for elderly people be greatly extended for those who are discharged early from hospital or who would otherwise require to be admitted; and

(b) That these programs include medical and nursing care, physiotherapy and other forms of rehabilitation, visiting homemaker service and use of sick room equipment; and

(c) That the cost of such programs be provided for under the Hospital Insurance Diagnostic Service Act, through Health Grants or under a more comprehensive Health Plan.

*ACTION TAKEN*

As the Hospital Insurance and Diagnostic Services Act and the Medical Care Act (effective July 1, 1968) extend services to virtually all Canadians, the voluntary organizations are enabled to concentrate their services in areas complementary to medical rehabilitation e.g. psychological assessment, sheltered workshops, or to continue to provide medical rehabilitation service in the home and the community on a fee-for-service basis, purchased by the provincial or local governments aided by federal-provincial cost-sharing programs. Organized Home Care programs may mobilize the resources of a number of voluntary agencies and provide coordinated rehabilitation services to include medical and nursing care, physiotherapy, patient aides and related services to the patients who can undergo a phase of rehabilitation in their own homes.

The British Columbia[1] Hospital Insurance Service Level 8—Home Care—includes a range of services and programs which enable an individual to maintain and remain in his own home. The basic philosophy is to maintain the individual's maximum capacity to function independently and to prevent or delay hospitalization.

There are three pilot Home Care projects in the province: Simon Fraser Health Unit, Coquitlam; South Central Health Unit in Kamloops; and Greater Victoria. These three projects will provide valuable information regarding costs and staff requirements. However, the focus is on home care as a basis for earlier hospital discharge, not a continuing service nor an alternate to hospital admission. These projects were developed as a result of concern over the high cost of hospital care rather than from a concern for home care as a preferable alternative.

The Department of National Health and Welfare, through its Medical Services, provides a community service to Indian people throughout the province. The Pacific Region is divided into four zones—South Mainland (Vancouver office) Vancouver Island (Victoria), North East Zone (Prince George) and North West Zone (Prince Rupert). Each zone has approximately seven health unit offices with public health nurses who provide a health care program including home nursing and supervision to registered Band Indians. There may be some overlapping of services with the provincial health units.

The Province of Alberta[1] as of 1971 had not set up an overall program for home care, probably because it has been able to provide a high level of acute hospital care, nursing home care and care in senior citizens' lodges. However, the Victorian Order of Nurses does provide home care in Calgary as a pilot project and a small number of home visits are made by public health nursing staff throughout the province. The Home Care program for Edmonton was scheduled for 1973 but would not seem to have materialized.

The first formal Home Care program in Saskatchewan[2] was developed in 1959 by the department of rehabilitation medicine at University Hospital, Saskatoon. Starting with just 10 patients with neurological disabilities, the program in 1971 had an annual caseload of nearly 400 patients referred from all four hospitals in the city and from the community at large. Since March 1971 each hospital is responsible for services and supplies for its own discharged patients and for patients who would ordinarily be admitted to that hospital, while a full-time coordinator works with all hospitals. The average age of patients treated in the Saskatoon program in 1971 was 61. The province participates with University Hospital in financing the home care plan. Within each region of the province, teams of psychiatrists, social workers and community nurses are responsible for clinic and domiciliary services for out-patients living in their own foster homes. Home Care programs are active in Moose Jaw, Prince Albert, Saskatoon and Regina, in the last mentioned the VON operates the program. In 1972, 52 per cent of those receiving home care were over 65. Home Care is not an insured health service in Saskatchewan. Some programs are financed by health grants and others are an extension of regional health services.

(1) Social Planning and Review Council of British Columbia, *A Study of Community Care for Seniors*, Vancouver, 1973, pp. 37-8.

(1) *Hospital Administration in Canada*, December 1972, "Home Care Across Canada", p. 32.
(2) Saskatchewan. Department of Public Health. Letter dated September 12 1973.

In Manitoba[1] Home Care programs have been in operation in all Winnipeg hospitals for several years but only for selected patients who were being discharged from hospital. Care Services branch of the Department of Health and Social Development have also operated a Home Care program for their clients. The nursing care in both these programs is given by VON staff. Home Care programs were being established for rural Manitoba as of July 1, 1973.

Ontario's[2] local Home Care programs are available to 99 per cent of the population of the province with no specific age limitation. It is not regarded as a substitute for chronic hospital care or accommodation in nursing homes or homes for the aged. Therefore at the present time, it does not include patients whose needs are for maintenance or indefinite support services, categories which include a predominance of aged persons.

Quebec[3] Home Care programs serve 75 per cent of the population. All Home Care programs in the province are members of l'Association des Services de Soin à Domicile de la Province de Québec which was formed in 1968. Most of these services are hospital-based. The VON operate two Home Care programs in Hull and Montreal funded by the Provincial Government.

A Home Care program was established as pilot projects in three areas in New Brunswick[4] in 1972. In 1973 the program was under study for expansion to other areas and for the possible coverage of drugs and other supplies.

Nova Scotia[5] has no Home Care program as yet. The Nova Scotia Council of Health first report (February 1973) emphasized the need for a well-organized and effective Home Care program.

A Home Nursing Care program has been introduced in Prince Edward Island[6] and will eventually cover the Island. It is under the direction of the Division of Public Health Nursing of the Department of Health, and involves registered nursing care and consulting physiotherapist services. The entire cost is borne by the Department of Health with no charge being made to the patient.

Hospital based Home Care programs has been established in Grand Falls and in St. John's, Newfoundland.[7] The program was only initiated in the Fall of 1972.

(1) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.
(2) Ontario. Ministry of Community and Social Services. Letter dated November 28, 1973.
(3) *Hospital Administration in Canada*, December 1972, "Home Care Across Canada", p. 35.
(4) New Brunswick. Department of Health. Letter dated August 17, 1973.
(5) Nova Scotia. Department of Public Health. Letter dated October 31, 1973.
(6) Prince Edward Island. Department of Health. Letter dated August 28, 1973.
(7) Newfoundland and Labrador. Department of Health. Letter dated August 10, 1973.

In February 1970 a Federal Government grant was given to Deer Lodge Hospital, Winnipeg, to study the role of day hospitals in Home Care programs for the elderly and to demonstrate the feasibility of having a voluntary agency such as the VON supervise a hospital-based activity and therapeutic program in a day hospital.

The Department of National Health and Welfare funded under the Grants Welfare program a study of Visiting Homemaker Services in Canada under the auspices of the Canadian Council on Social Development (formerly known as the Canadian Welfare Council). Their report was released in 1971,[1] based on data collected in 1968-69.

The Report contains the following:

> "The Canada Assistance Plan, enacted in 1966, made federal financial assistance available for homemaker services and has stimulated the further growth of the service as evident in the 29 new services reported to have been established in the period 1965-69. In addition, many of the thirty agencies on which information was not available either through the original sample interviews or the mailed questionnaire are known to have been established during this period."

"Scope of Homemaker Services" includes:

> "In the care of the aged, chronically ill or disabled who need continuing part-time assistance on a long-term basis in order to remain in their homes. Although until now homemaker service in Canada and indeed in other countries, has mainly been for a limited period of time, there is growing recognition of and effort to meet longer-term need of this kind."[2]

Transportation is the main problem to the extension of this service to rural areas.

The only specific legislative act for homemaker service is in Ontario which passed the Homemakers and Nurses Services Act, 1958, as amended by the Homemakers and Nurses Services Amendment Act, 1968-69. The remaining provinces use their social assistance legislation to encourage the development of homemaker services. The 50-50 sharing with the Federal Government by all provinces of the cost of this service under the Canada Assistance Plan covers those "in need" or who "might be in need" if they did not receive the service. The Canada Assistance Plan does not apply to Home Care programs.

(1) The Canadian Council on Social Development. *Visiting Homemaker Services in Canada. Report of a Survey with Recommendations* Ottawa, 1971, 157 pages.
(2) *Ibid.*, p. 5.

*Recommendation 18*

> That facilities be provided more widely in the community to which sick elderly people could go or be brought for on-the-spot assessment, treatment counselling, rehabilitation and related services, such facilities to include outpatient departments of hospitals, geriatric clinics and special clinics as required, concerned with mental health, speech and vision defects, dental care and rehabilitation.

*ACTION TAKEN*

A National Health Grant was awarded to Dr. J. E. F. Hastings,[1] University of Toronto, to head a research group to examine the economic and social implications in the development of community health centres. The Committee on the Cost of Health Services had recommended that priority be given to establishing community health centres in Canada and this was adopted by the Conference of Health Ministers in June 1971. The Hastings project had as its general purpose to study and make recommendations on the delivery of ambulatory care at the community level through various type of health centres and on how to encourage the development of such centres. Many forms of service were examined (hospital clinics, university clinics, private medical groupings, community clinics, nurse practitioner units, combined health-social service units, public health clinics, mental health clinics, etc.). Another research project on the same subject was undertaken by Dr. A. Peter Ruderman, Ph.D., with the assistance of a grant from National Health and Welfare. His project set out to make an analysis of available data to determine whether community health centres offered economic advantages over other forms of medical practice.

In the Hastings Report, which was submitted in July 1972, the concept of a health centre was defined as one which must promote a better balance between health promotion and prevention, diagnosis and treatment, and rehabilitation. "The emphasis of a community health centre must be on high quality initial and continuing care for meeting the health needs of individuals and families. There must be a balance in services among health promotion and prevention, diagnosis and treatment and rehabilitation. There must also be provision for dealing with urgent problems. Health promotion includes counselling to prepare people for the various phases of life, education to improve living habits, family planning... For providing the basic medical services the minimum service unit should consist of personnel whose continued skills are those usually now found in the general or family physician... The basic dental service unit should consist of personnel whose combined skills are those usually now found in the dentist, dental hygienist and chairside assistant..."[2]

(1) Canada. Health and Welfare Canada. *The Community Health Centre in Canada*, Ottawa, 1972.
(2) *Ibid.*, p. 1.

The Hastings Report concluded that no examples of the full concept of a community health centre presently exist. There are local community service centres in Ontario, Quebec, Saskatchewan and Manitoba which attempt to integrate health and social services for the total family. The Report recommended that:

> "Community health centres should be established and linked with hospitals and other health services in a fully integrated health services system... Community health centres should be established as non-profit corporate entities and in sufficient numbers so that new funding methods develop to promote the best use of resources.
>
> Community health centres must offer a setting where care is provided through a multidisciplinary team. Pay systems, alternative to the present form of fee-for-service, which are conducive to the team approach and which are attractive to health professionals must be developed.
>
> They must promote a better balance between health promotion and prevention, diagnosis and treatment and rehabilitation. They must, as necessary, relate to other health care services and community social services on a coordinated and integrated basis."[1]

The Hastings Report has the general endorsement of the Federal and Provincial Governments.[2] These comments and recommendations submitted by the Hastings group deal with family care health centres rather than centres directed towards the treatment of one age group, such as the over 65. There are few geriatric clinics in Canada.[3] Clinics such as those operated by Dr. Goldstein in Ottawa and Dr. Bayne in Hamilton are regarded as innovative and worthy of reporting in the Canadian Medical Association Journal.

In Ottawa Dr. S. Goldstein, M.D. has established a psychogeriatric services at the Royal Ottawa Hospital which is regarded as a community based program. He works with the Social Welfare Department, Homes for the Aged and Nursing Homes in the Area. Surveys show that the proportion of mental patients in nursing homes is as high as 60-80 per cent.[4]

In Ottawa, the Nursing Homes and Special Care Branch of the Carleton Social Welfare Department has, since 1957, operated an Assessment and Placement Service. More than half the nursing home beds in Ottawa are occupied by patients assisted by this Service. In Hamilton, since 1971, Dr. J. R. D. Bayne has developed a similar Assessment and Placement Service for the aged.

(1) *Ibid.*
(2) Standing Committee on Health, Welfare and Social Affairs, May 29, 1973.
(3) Dr. E. David Sherman, M.D., address to VON Annual Meeting, May 1973, "Current Concepts in the Health Needs of the Elderly".
(4) *Canadian Medical Association Journal*, March 3, 1973, p. 579.

According to Statistics Canada, List of Canadian Hospitals and related Institutions and Facilities, 1973,[1] there are only 21 convalescent/rehabilitation centres with a bed capacity of 2,521 for all age groups. In addition, Toronto, Trois Rivières and Quebec City are credited with rehabilitation centres.

The Toronto Rehabilitation Centre is an out-patient facility dating back to the early 1920's. Originally it offered only occupational therapy and physiotherapy but over the years it has been expanded to include speech therapy, social service. From the beginning, therapy has been given in the home as well as in the Centre. Since 1958 the Home Care Program for Metro Toronto has referred cases requiring therapy to the Centre's Mobility Therapy Department. Consequently, in 1971 nearly half of the Centre's total caseload was handled by the Mobile Therapy Department. Reasons for referral to the mobile therapy department were—tolerance too low to tolerate transportation to the Centre, old age, an important factor in the winter months, and unsuitability for transportation such as obesity, steep stairs which could only be negotiated by stretcher, etc. In 1971 the percentage of home patients receiving occupational therapy had fallen, while the percentage of those getting physiotherapy had risen. In the Centre, on the other hand, there was little change in the relative proportions of the two caseloads. Since the Mobile Therapy Department was in a supportive role, the Centre did not assume responsibility for the patient's overall care. The Home Care Program must coordinate all of the services being given to the patient. In 1971 the Government medical insurance covered the cost of transportation of a therapist to the home, but not the cost of the patient to the out-patient clinic. Therapy in the home creates problems from both the patient's and the therapist's point of view and is more costly.[2]

In British Columbia[3] assessment and treatment services are provided by eighteen health units throughout the province and by nine health units in the Greater Vancouver region. The availability and comprehensiveness of these services vary from one region to another based on population numbers and distribution. Many of the large health units have to cope with enormous distances and limited travel budgets, frequently almost inaccessible areas and extreme weather.

In 1973 Alberta[4] established three geriatric "day" hospitals; one in Edmonton and two in Calgary—on a pilot project basis. Patients spend several hours in therapeutic activity and return home the same day. Patients are transferred by two buses which accommodate wheelchair as well as ambulatory patients.

Saskatchewan[1] has community health and social centres in rural areas where regular medical clinics provide medical assessment of health problems. Manitoba[2] also operates 16 health units throughout the province which provide a service to the total population including the elderly.

There is no Canada Assistance Plan sharing in the operating and maintenance grants for Day Centres which would include some assessment, treatment, counselling, rehabilitation and day care. Ontario, under the Elderly Persons Centres Act provides 100 per cent capital funding in conjunction with the municipalities and non-profit organizations for the development of Day Centres.

In Quebec the Maimonides Hospital and Home for the Aged in Montreal added a Day Hospital to its facilities in 1966. In June 1971 the average daily attendance was 25. The objective of the day hospital is

> "to provide for aged people who were suffering fairly severe psychiatric and medical disorders and were too deteriorated emotionally and physically to utilize the existing services of social clubs and recreation centres which would help them function well enough to continue living in their own homes, thus making their admission into an institution unnecessary."[3]

The Baycrest Centre for Geriatric Care in Toronto is operated on a similar basis.

The Prince Edward Island[4] Department of Health reported that general diagnostic and treatment services are available equally to persons of all ages.

New Brunswick[5] is divided into 5 regions with a major clinic centre in each region. There are also mobile clinics which travel to smaller communities.

Community health services are under study in Nova Scotia.[6]

On-the-spot assessments and required services are provided universally in all out-patient clinics in Newfoundland and Labrador.[7] An extensive Community Care Program (i.e. Boarding Care) exists in Mental Health with continual supervision and assessment.

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(1) Statistics Canada. Cat. 83-201, List of Canadian Hospitals.

(2) Kavanagh, T. "A Two Year Comparative Study", *Canadian Medical Journal*, July 10, 1971, The Science Council of Canada Study No. 29 concluded that "the importance of Rehabilitation Medicine has not yet been fully realized, the Centres are still struggling for recognition".

(3) Social Planning Council of British Columbia, *A Study of Community Care for Seniors*, Vancouver, 1971, p. 35.

(4) Alberta. Department of Health and Social Development, News Release, March 21, 1973.

(1) Saskatchewan. Department of Public Health. Letter dated September 12, 1973.

(2) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.

(3) Novick, Louis J. "A Geriatic Day Hospital Program", *On Growing Old*, Volume 9, No. 2, June 1971.

(4) Prince Edward Island. Department of Health. Letter dated August 28, 1973.

(5) New Brunswick. Department of Health. Letter dated August 17, 1973.

(6) Nova Scotia. Department of Public Health. Letter dated November 19, 1973.

(7) Newfoundland and Labrador. Department of Health. Letter dated August 10, 1973.

*Recommendation 19*

That bedside nursing in the home be extended to urban areas now without them, and increasingly to rural areas, and that these services be provided or integrated closely with local or district health departments.

*ACTION TAKEN*

The Medical Care Directorate of the Health Programs Branch of National Health and Welfare Canada organized a survey in 1971-72 of "outreach" facilities available across Canada for all age groups. "Outreach facilities" denote those offering non-institutional special care programs which contribute to the health and welfare needs of special population groups. The VON, YMCA and social action organizations are included in certain provinces.

The attached table shows the total number of "outreach" facilities across Canada for all age groups. A further breakdown shows that in Ontario slightly less than half of the facilities were located in Toronto; facilities are almost equally divided between Montreal and the rest of Quebec and Vancouver has 204 units available while the rest of the province has 281 centres. However except in a few instances home nursing services are not included in their lists of facilities and services. The majority of the services relate to clinical services, alcoholism, drug addiction, family planning, etc.

NON-INSTITUTIONAL SPECIAL CARE FACILITIES AND PROGRAMS 1971-72

CATALOGUE 83-519

CANADA

TABLE 1. TOTAL NUMBER OF FACILITIES

| Province | Number of facilities | % |
|---|---|---|
| Newfoundland | 20 | 0.71 |
| Prince Edward Island | 26 | 0.92 |
| Nova Scotia | 188 | 6.63 |
| New Brunswick | 123 | 4.34 |
| Quebec | 386 | 13.61 |
| Ontario | 849 | 29.83 |
| Manitoba | 284 | 10.01 |
| Alberta | 300 | 10.58 |
| Saskatchewan | 175 | 6.17 |
| British Columbia | 485 | 17.10 |
| CANADA | 2,836 | 100% |

TABLE 2

BREAKDOWN OF CANADIAN TOTAL BY CATEGORIES

| | | |
|---|---|---|
| (1) Medical, nursing, or paramedical programs or services | | 27.60% |
| (a) Offering wide range of services | 5.99% | |
| (b) Nursing (e.g. Victorian Order of Nurses) | 1.02% | |
| (c) Associations for Rehabilitation etc. | 2.57% | |
| (d) Offering more limited range of services | 18.02% | |
| (2) Comfort and/or distress centres | | 46.16% |
| (a) Day care programs and nurseries | 1.59% | |
| (b) Hostels | 6.42% | |
| (c) General | 38.15% | |
| (3) Community and ethnic development groups | | 6.67% |
| (a) Community development | 3.39% | |
| (b) Ethnic development | 3.28% | |
| (4) Educational programs and groups | | 3.42% |
| (5) Information centres | | 7.12% |
| (6) Legal help or information | | 2.79% |
| (7) Financial support programs | | 6.03% |
| (8) Other | | 0.21% |
| Total | | 100% |

The establishment of organized home care programs was initially slow but by 1967 there were 26 programs including a number in rural areas in the provinces of Quebec and Saskatchewan, while several in the Province of Ontario extended their catchment areas beyond the original city limits. The Province of Quebec, Ontario and Saskatchewan have developed province-wide plans for home care. Most of the major cities in Canada now have provisions for home care beyond the traditional home nursing services organized in Canadian municipalities by the Victorian Order of Nurses and Les Infirmières Visiteuses in Quebec and the catchment areas served by local or regional health units and city health departments.

Voluntary associations such as the VON which provides nursing care, the Canadian Arthritis and the Rheumatism Society which provide physiotherapy, and the Canadian Red Cross Society which provides patient aids and homemaker services have made major inputs to the development of home care in Canada.[1]

Home Care programs are financed by the provinces and are not shared with the Federal Government. With one or two exceptions all the provinces have developed or are in the process of developing programs, usually in collaboration with the Victorian Order of Nurses.

Newfoundland[2] offers home care in three large centres. Prince Edward Island[3] is in the process of introducing the system under the Department of Health. The entire

(1) Canada. Health and Welfare Canada. Health Care Series No. 27, *A Report to the United Nations, International Labour Organization and World Health Organization*, January 1971.
(2) Newfoundland and Labrador. Department of Health. Letter dated August 10, 1973.
(3) Prince Edward Island. Department of Health. Letter dated August 28, 1973.

cost will be borne by the province. Nova Scotia[1] has no public supported home care program, but it is under study.

New Brunswick[2] in 1972 introduced three pilot projects financed by the Department of Health. The public Health Nursing Service has an adult health supervision and treatment program. The geriatric program provides treatment and service in the home environment, thereby allowing the individual to remain in his home, avoiding the possibility of hospitalization and/or premature placement in a nursing home.

In Quebec VON groups in Hull and Montreal have been part of special study committees to look at Government funded programs such as home care services.[3]

In Ontario[4] bedside nursing in the home exists in all urban areas and most areas as an integral part of Home Care. Bedside nursing services are purchased from local providers. Victorian Order of Nurses is the predominant local provider in most locations and makes available its nursing services to other "purchasers" outside the scope of Home Care as well. About six local areas are not served by the VON and nursing service is obtained by Home Care as a special Health Unit project. In the latter situations home nursing frequently is not available to persons who are not admitted to or not eligible for Home Care. In virtually all locations served by voluntary nursing organization, there is excellent coordination between the voluntary nursing organization, the local Home Care Program and the local and district Health Department.

Home Nursing services are being introduced in the Prairie Provinces. In April 1973 the Manitoba[5] Government proposed to extend financial help to care for people at home. Saskatchewan[6] has the system working in 6 urban areas and 12 rural areas but it is not an insured service. Some programs are financed by health grants and others are an extension of the regional health service.

In Alberta[7] the development of Home Care programs is one of major areas of concern of the VON branches. The Calgary program, with VON administration, has completed its two-year pilot stage and is now assured of funding for the next three years. Programs in the other cities are at various stages of planning and it is anticipated home care will start in Edmonton in late 1973.

(1) Nova Scotia. Department of Health. Letter dated November 19, 1973.

(2) New Brunswick. Department of Health. Letter dated August 17, 1973.

(3) Victorian Order of Nurses for Canada, *Annual Report, 1972*, Ottawa, p. 52.

(4) Ontario. Ministry of Commuunity and Social Services. Letter dated November 28, 1973.

(5) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.

(6) Saskatchewan. Department of Public Health. Letter dated September 12, 1973.

(7) Victorian Order of Nurses, *Annual Report, 1972*, Ottawa, p. 42.

In British Columbia[1] a coordinated home care service is being developed on a trial basis in Victoria by the province and Municipal Departments of Health.

The Federal Government has proposed to the provinces a new formula for fiscal arrangements which eventually would be based on the per capita. If accepted, the provinces will be able to use their gross funds to meet their most urgent requirements. With this new flexibility home care programs could be expanded if desired.

*Recommendation 21*

> That arrangements be developed to make all these services available also in rural areas, by training lay personnel to assist the health professionals, and by ensuring prompt communication and transportation services.

*ACTION TAKEN*

Saskatchewan[2] has extended its services to rural areas more extensively than other provinces which have confined themselves to major urban areas.

Transportation to rural areas is always a problem but the Annual Report for the VON, 1972, states that "branches are extending their boundaries so that service can be available to a larger number of people particularly those who live beyond the limits of towns and cities." Voluntary agencies are also organized to provide transportation to older people who receive treatments from clinics, etc. The VON Annual Report also goes on to say that "clerical and other auxiliary staff such as homemakers and home aides are being used in an effort to increase the efficiency of professional personnel." "Educators of health personnel, aware of the shift in emphasis from institutional to community care, are seeking more opportunities for observation or experience for professional and paraprofessional students with community agencies. VON branches cannot meet all the requests for student experience..." The VON is aware of the need to improve management of human resources and question whether "nurses have been relieved of all responsibilities that can be done by clerical personnel? What level of preparation is required to provide nursing care at a safe and acceptable level?"[3]

Ontario[4] sponsors a Senior Volunteers in science program whereby senior citizens are trained to assist professionals and in Prince Edward Island[5] many senior citizens work as volunteers in the sheltered workshop.

(1) Social Planning and Review Council of British Columbia, *A Study of Community Care for Seniors*, Vancouver, 1972, p. 38.

(2) Saskatchewan. Department of Public Health. Letter dated September 12, 1973.

(3) Victorian Order of Nurses for Canada. *Annual Report* Ottawa, 1972.

(4) Ontario. Ministry of Community and Social Services. Letter dated September 12, 1973.

(5) Prince Edward Island. Department of Health. Letter dated August 28, 1973.

In Manitoba[1] some lay workers are presently being employed on a part-time basis as homemaker/aides. Courses are currently being given or are in the planning stage. It was noted that aides to the health professional should be employed under the same criteria in both urban and rural settings and perform similar functions.

*Recommendation 22*

(a) That definite decisions be reached without delay about the range of institutional facilities and services essential for the short and long-term care of the chronically ill; and

(b) That particular attention be given to the definition of various kinds of sheltered accommodation; and

(c) That where essential facilities are in short supply the capital costs involved in providing them be eligible for assistance under the hospital construction program or such modification of the latter as may be necessary; and

(d) That in planning the above facilities due account be taken of the new possibilities of short-term active treatment and rehabilitation with early discharge home as contrasted with long-term largely custodial care, in dealing with chronic disease.

*ACTION TAKEN*

No national standard terminology has been arrived at for institutions which provide care for the elderly chronically ill. Not all so-called nursing homes provide nursing care. The function of the establishment differs from province to province. Individual provinces are developing a "level of care" system but the type of care provided at various levels differs.

The Federal Government no longer provides grants for the construction of hospitals; these terminated in April 1970.

Hospital requirements are under study in both Newfoundland[2] and Prince Edward Island[3] in an effort to arrive at a sound basis for planning for necessary care facilities.

Nova Scotia[4] reports that assistance under provincial construction grants has been expanded. The Health Services and Insurance Commission has established guidelines as to the range of institutional facilities and services that are essential for short and long-term care.

(1) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.

(2) Newfoundland and Labrador. Department of Health. Letter dated August 10, 1973.

(3) Prince Edward Island. Department of Health. Letter dated August 31, 1973.

(4) Nova Scotia. Department of Public Health. Letter dated November 19, 1973.

The Department of Health in the Province of New Brunswick[1] has developed definitions and descriptions of the types of facilities required for short and long-term chronic care. The planning of facilities in the province is based upon age and sex-related norms.

The New Brunswick Department of Health has defined the various levels of care within the nursing homes as well as in other sheltered accommodation such as rehabilitative and extended care.

Hospital construction plans take into consideration the type of facilities required for chronic and rehabilitative care. Capital grants are provided by the Provincial Department of Health for the construction of approved new nursing home facilities. Plans take into consideration such new concepts as day care surgery which will enable the patient to be discharged from hospital at an early date. The province also has an active home care program to complement the shortening of the length of stay of active and chronic care patients.

Department of Social Services in Quebec[2] has plans to initiate new regional reception centres where persons needing care will be interviewed, assessed and allocated to the appropriate category of care institution. A criteria is being established to standardize admission procedures throughout the province. This plan was announced by the Deputy Minister at a Seminar on Gerontology held in Montreal in November 1973.

In Ontario[3] chronic hospitals and nursing homes have been supported to fill the need for the short and long-term care of the chronically ill. Homes for the Aged, Adult Charitable Institutions, Group Homes, Foster Homes, Homes for Retarded Persons, including the aged, handicapped and retarded, have been developed and supported to fill this need. Capital grants are available for many of these from the Province; operating and maintenance grants are shareable, in most instances, under the Canada Assistance Plan Agreement.

Attention is being given to a clearer definition of the various types of sheltered accommodation. At the present time a Committee composed of representatives of the Ministry of Health together with the Ministry of Community and Social Services, is undertaking a study of Institutional Care with a view to developing an inventory of the facilities as they presently exist in both Ministries. As a part of this exercise levels of care are being defined for the various Institutional Service components. At this time (November 1973) five such levels have been determined: domiciliary care, supervisory care, nursing or other professional care, continuing nursing or other professional services and diagnosis and intensive treatment.

(1) New Brunswick. Department of Health. Letter dated August 31, 1973.

(2) Ouellet, Aubert, "Politique du Ministère des affaires sociales relative à l'hébergement des personnes âgées," given at Symposium on Gerontology, Hôpital Notre-Dame de la Merci, Montreal, November 17, 1973.

(3) Ontario. Ministry of Community and Social Services. Letter dated November 28, 1973.

These levels represent the spectrum which exists from purely domiciliary or rest home care at level one to highly active treatment oriented centres for both physical and mental disorders at level five.

Simultaneously with this study group is another Government study of "group homes" which includes a categorization of this type of accommodation by intensity of care of community based homes which are provided for and operated by a number of Ministries within the Provincial Government. This group should provide a comprehensive review of the total community based sheltered accommodation provided by all Ministries of the Provincial Government of Ontario.

As part of the current Government policy is to shift from institutional to community care for the handicapped, particularly the mentally retarded, primary responsibility for services to the retarded is being transferred, as of April 1, 1974, to the Ministry of Community and Social Service.

The Province of Ontario also recognizes and funds short-term active treatment and rehabilitation facilities. Priority is given in the provincial capital program for facilities of this type.

Manitoba is in the process of conducting a special study "Aging in Manitoba".(1) No doubt this study will reveal gaps in the service. Manitoba provides cash grants and fund for debt retirement. It is expected that the extension of the home care program will lessen the demand for institutional services.(2)

Institutional facilities and community support services have increased in Saskatchewan.(3) Each health region (ten plus the Northern Health District) has either an extended care facility or approval for additional beds through conversion or renovations.

Many communities have health care programs to assist the patient in his home following discharge from an institution or, as an alternative, prior to admission to in-patient care. The service varies considerably due to the local resources. The more sophisticated type of home care can be found in the cities of Regina, Saskatoon, Prince Albert and Moose Jaw. The regional programs mainly provide the services of nursing, homemaking and limited drugs, medical supplies and equipment. A home care service has been added as an alternate to a small hospital in nine areas. In communities where the small hospital has closed, assistance is available to establish a health and social centre to consist of an out-patient service, on-call nurse, home care program and social activities for the aged.

(1) Manitoba. Department of Health and Social Development, *Aging in Manitoba*, Volume 1, Winnipeg, 1973. This is the first of ten volumes.
(2) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.
(3) Saskatchewan. Department of Public Health. Letter dated September 12 1973.

Particular attention has been given to the definition of various kinds of sheltered accommodation through the development of a levels-of-care system. Each institution is designated as providing certain levels of care which dictate the type and extent of service available.

In addition to hospital construction grants in Saskatchewan there are grants for special care homes and provisions for long-term financing through CMHC.

A joint (Alberta Council on Aging and Department of Health and Social Development) study of the general needs of institutionalized and non-institutionalized senior citizens across Alberta was planned for 1973.

The final report of the Geriatric Reactivation Study carried out by the School of Rehabilitation Medicine of the University of Alberta, September 1972, reported that there were 28 auxiliary and 71 nursing homes caring for some 8,500 people with an average age over 75. The purpose of the study was to test the hypothesis that upgrading of staff in extended care facilities results in improved over-all patient condition.(1)

Auxiliary hospitals in Alberta care for long-term patients. Nursing Homes have a less disabled population. Only a few auxiliary hospitals and no nursing homes provide rehabilitative nursing care.

A study of community care for seniors was conducted by the Social Planning and Review Council of British Columbia(2) and a report was submitted in December 1972. The preface commented that "day services, home care and nursing in the home, for instance, had not been fully included in the planned health care system for all British Columbia which was developed primarily in hospitals and extended care facilities... In general throughout the entire province the lack of comprehensiveness of service was most apparent in (1) home care and (2) intermediate, chronic or special care." The report went on to remark that in many cases the income level made senior citizens ineligible for special care facilities and yet they had insufficient funds to pay the rates in private hospitals and rest homes.

*Recommendation 23*

> That patients with chronic illnesses be cared for in wards or wings of general hospitals, or in other facilities integrated with the hospital system, instead of in completely separate and often isolated institutions as so frequently at present.

*ACTION TAKEN*

As stated under No. 22, health requirements are under study in all provinces.

Newfoundland(3) reports that the integration of patients with chronic illnesses into the regular hospital system is

(1) Bostrom, M. and K. Gough (eds.). *Geriatric Reactivation Study*, School of Rehabilitation Medicine, University of Alberta, Edmonton, 1972.
(2) Social Planning and Review Council of British Columbia, *A Study of Community Care for Seniors*, 1972, p. 1.
(3) Newfoundland and Labrador. Department of Health. Letter dated August 10, 1973.

being considered in present planning. A comprehensive survey of the whole system of health services and related social services is now being conducted in Prince Edward Island.[1] The matter of integration of chronically ill patients within a general hospital is under consideration.

The recommendation has not been fully accepted by planners in the Province of Nova Scotia[2] as tuberculosis care is still being provided on a segregated basis. Centres such as Yarmouth, Windsor and Sydney Mines are providing two levels of care in their hospitals.

In New Brunswick[3] it is already the practice that patients with chronic illnesses are cared for in wards or wings of the public hospital.

The Ministry of Health for the Province of Ontario[4] agrees with the general intent of the recommendation and particularly with the necessity of integrating the chronic illness facilities into the overall system. The province is promoting the concept that chronic patients would be cared for on a programatic basis which involves assessment of each patient in a particular geographic area and then referral to the facility which will best meet the needs of that particular individual. Quebec[5] has a similar concept.

This practice of integration has been the policy in Manitoba[6] for several years. Extended Treatment Units (chronic care) are all located adjacent to general hospitals.

Saskatchewan[7] reports that most extended care facilities now have an affiliation with a general hospital. One exception is the Souris Valley Extended Care Hospital at Weyburn; it is attached to an acute psychiatric care centre with a general hospital reasonably close. A policy statement issued in June 1973 stated that the government had adopted the policy that acute care general hospital beds would be used for the care of patients requiring extended or chronic care (level 4) in those communities that do not now have organized level 4 services in separate level 4 facilities or in conjunction with general hospitals.

The Social Planning and Review Council of British Columbia[8] in their December 1972 report commented on the lack of comprehensiveness of services throughout the whole province in personal care (known also as intermediate, chronic or special care). It was the view of the Council that this level of patient "requires initial and continuing medical assessment. . ." These patients should be treated in the Extended Care Unit of an acute hospital, or in an extended care hospital (or in a private hospital, in which case, the BCHIS is not responsible for coverage).

One of the recommendations of the Interdisciplinary Ad Hoc Committee on Teaching, Research and Service in Geriatrics[1] within the University of Toronto (1973) related to the establishment of acute geriatic units in General Hospitals where the multiplicity of problems of the elderly can be dealt with by those with special interest in, capability for, and awareness of these problems. It was also suggested that there should be more long-stay units associated with acute hospitals and the Committee suggested that instead of closing active beds, they should be converted to long stay beds.

*Recommendation 24*

> That in all institutional facilities a positive attitude be adopted toward the possibility of rehabilitating elderly people and that provision be made for programs designed to return them "from helplessness and dependency to self care and a considerable degree of independence.

*ACTION TAKEN*

There is a definite trend, though slow, towards rehabilitation of the elderly but some provinces have been able to make more progress than others. Rehabilitation Services are available under the Medical Care Act, the Hospital Insurance and Diagnostic Services Act and the Canada Assistance Plan.

The Maritime[2] provinces report that a positive attitude towards the possibility of rehabilitating elderly people is one of their objectives. The Health Services and Insurance Commission of Nova Scotia[3] reported that recently, through a crash program, they were successful in sponsoring eleven students in Occupational Therapy, with the anticipation that they would work in provincial hospitals providing needed services to the elderly.

In Ontario[4] activation and rehabilitation programs in Homes for the Aged, both charitable and municipal, have long been a focus of attention. The adjuvant program and related care programs have given great stress to

(1) Prince Edward Island. Department of Health. Letter dated August 31, 1973.
(2) Nova Scotia. Department of Public Health. Letter dated November 19, 1973.
(3) New Brunswick. Department of Health. Letter dated August 31, 1973.
(4) Ontario. Ministry of Community and Social Services. Letter dated November 28, 1973.
(5) Ouellet, Aubert, "Politique du Ministère des Affaires sociales relative à l'hébergement des personnes âgées". Symposium sur la gérontologie, Hôpital Notre-Dame de la Merci, Montréal, 17 novembre 1973.
(6) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.
(7) Saskatchewan. Department of Public Health. Letter dated September 12, 1973.
(8) Social Planning and Review Council of British Columbia, *A Study of Community Care of Seniors*, Vancouver, 1972.

(1) Faculty of Medicine, University of Toronto. Letter dated November 23, 1973.
(2) Newfoundland and Labrador. Department of Health. Letter dated August 10, 1973.
New Brunswick. Department of Health. Letter dated August 17, 1973.
Prince Edward Island. Department of Health. Letter dated August 28, 1973.
(3) Nova Scotia. Department of Public Health. Letter dated November 19, 1973.
(4) Ontario. Ministry of Community and Socal Services. Letter dated November 28, 1973.

this, as have the activities programs and the full use of volunteer groups, such as the Home Auxiliary.

The 1970 Report of the Ontario Council of Health on Rehabilitation Services (Health Care Delivery System, Supplement No. 6) was critical of the province's system for the delivery of rehabilitation services on the basis that a multiplicity of public and voluntary agencies and organizations have developed limited services to meet specific demands, without concern for the effect each development might have on the overall pattern. This has resulted in unnecessary duplication in many areas, gaps in others.

Acceptance of their expanding role in the field of chronic illness has stimulated a number of general hospitals to organize chronic care units and co-ordinated home care programs have been developed across the province. Services necessary for more comprehensive programs of care are being added by the more progressive hospitals, nursing homes and homes for the aged. Increased attention has been given in some quarters to the development of ambulatory day care programs designed to provide a transition between the hospital and community life and to maintain as many people as possible out of hospitals of all types.

In Manitoba[1] the system for assessment of residents in personal care homes and those applying for placement is designed to require rehabilitation assessment.

In designing the level of care criteria for extended care patients in Saskatchewan,[2] one sub-group (4(c)) is specifically tailored to encourage rehabilitation even though it may be required at a slower and modified pace. Two comprehensive rehabilitation centres have been approved for the province, one for the south and one for the north. They are encouraged to provide the support services for the outlying areas and are funded to provide the sophisticated staff and equipment required for the patient in need of comprehensive rehabilitation. School of Rehabilitation Medicine, University of Alberta, 1972, Geriatric Reactivation Study, experimented with a Travelling Rehabilitation Team which was to provide formal and specific instruction to staff at institutions caring for the aged.

In Alberta a Geriatric Reactivation Study[3] was undertaken by the School of Rehabilitation Medicine by the University of Alberta to measure the effect of intensive, multi-disciplinary rehabilitation (staff) education and related consultative services. Results indicated that staff attitudes tended to shift to a greater degree of acceptance of patients as individuals. This staff also demonstrated increased knowledge and skills in rehabilitative nursing.

(1) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.

(2) Saskatchewan. Department of Public Health. Letter dated September 12, 1973.

(3) Brostrom M. and K. Gough, *Geriatic Reactivation Study*, School of Rehabilitation Medicine, University of Alberta, Edmonton, 1972.

The SPARC study of British Columbia[1] estimate that there are approximately 500 beds in rehabilitation units in six provincial hospitals and two federal hospitals in Vancouver and Victoria. The standard of .5 beds per 1,000 total population (all ages) would place the provincial overall need at 1,093 beds. Many hospitals throughout the province have a physiotherapy department, frequently shared with or provided by the Canadian Arthritis and Rheumatism Society which offers in-patient and out-patient as well as home treatment to arthritics and non-arthritic patients referred by a physician.

The Science Council of Canada, Special Study No. 29 concluded as follows with respect to rehabilitation services in general.

> "A multiplicity of public and voluntary organizations and agencies have developed services to meet specific needs, without sufficient study of the effect each development might have on the overall pattern. This has resulted in unnecessary duplication in some areas, gaps in others, and organizational fragmentation which has led to a lack of continuity in patient care, inefficient use of manpower and physical resources, and rising costs...
>
> The picture is a familiar one, typical, in some respects, of most other elements of the Health Care System. But the importance of Rehabilitation Medicine has not yet been fully realized, the centres are still struggling for recognition. It can only be urged here that in the regional planning that must come about, the place of rehabilitation will receive full attention."[2]

*Recommendation 25*

> That provision for meeting the needs of mentally ill and confused older people be greatly improved, inter alia, through adequate assessment, which is regarded by the Canadian Mental Health Association as "the first essential in a comprehensive program", a wider use of smaller facilities, including nursing homes and foster homes located close to the places in which the aged live, and a "more hopeful attitude" towards programs of rehabilitation which should be extended, especially in psychiatric hospitals and psychiatric units of general hospitals.

## *ACTION TAKEN*

The services available to those requiring health care, especially mental health service, can only be assessed in terms of the total social and cultural milieu, the nature of the aged population's housing, the existence of resources which will help them remain in their own homes, provision for day care, the availability of hospital

(1) Social Planning and Review Council of British Columbia. *A Study of Community Care for Seniors*, Vancouver, 1972 p. 36.

(2) The Science Council of Canada, *Health Care in Canada: A Commentary*. Special Study No. 29, Ottawa, 1973. p. 100.

care, including acute, extended care and rehabilitation facilities and the role of the provincial psychiatric hospital and its policies.[1]

In British Columbia[2] the mental health services are provided as community services. There are 24 mental health centres established throughout the province which serve their local community and other communities by travelling clinics. These services are directed to all age groups and a variety of problems, of which psychogeriatrics and family counselling are basic to service to older people. Those in outlying areas must travel to a designated centre to obtain these services. "The community health services have expressed concern about the fact that the centres are not involved to any great extent in offering services to the elderly patient. Other programs under the Mental Health Branch, such as boarding homes, in-patient services and sheltered workshops provide services which enable the long-term hospital patient to return to the community and tend to bring more of this older group to the community health centre."[3]

The Province of Alberta[4] is reported to have probably the largest number of auxiliary hospitals and nursing home beds per capita in the country and they are endeavouring to put these into an integrated system to facilitate the transfer and movement of patients from one to the other. The Mental Health Services Division in Alberta is in the process of encouraging what it calls "Approved Homes", with a graduated rate of fees depending on the level of attention required. The number of patients in such homes will be small, probably three as a maximum. Volunteer programs are active in some regions which are designed to brighten the day of patients in nursing homes and auxiliary hospitals.

Saskatchewan[5] reported a remarkable reduction in the patient population in mental hospitals from 3,111 in January 1963 to 307 in January, 1973. This has resulted from the considerable growth of out-patient services and of services rendered in general hospital psychiatric units and a tremendous growth in follow-up services, domiciliary visits having risen from a very small number in 1903 to around 30,000 in 1973. Approved homes are being widely used as an alternative to long-term hospitalization.

Under the Manitoba[6] Mental Hospital Foster Home Program 2,000 patients have been placed in the community since 1967.

The lot of the elderly has improved in Ontario[7] but it is still difficult to help the mildly confused elderly person with limited means to obtain a protective setting unless there is concomitant physical "illness" which justifies coverage of nursing home care by public funds. Of major concern also is the case of the ex-psychiatric patient discharged into residential Homes for Special Care. Not all benefit from the reduction in services.

In the Province of Quebec,[1] Bill 65 has brought services organized on a regional basis in order to make treatment available to all and in addition has helped in the classification of patients in psychiatric hospitals between those requiring medical services and those requiring custodial care. Classification provides directions as to what policy to follow in order to help those people.

Prince Edward Island[2] has not the comparative facilities to deal with the acute mentally ill as the physically ill. Two new buildings are on the planning board for the use of chronically ill patients. During the past ten years the chronically ill have been placed in foster homes which has worked quite well if the patient is able to be involved in the community life. Similar improvements and similar problems are evident in the other Atlantic Provinces.[3]

A problem common to most areas is the lack of professional and trained staff to care for the mentally ill and confused older people.

*Recommendation 27*

> That, as in the case of nursing homes, study be given by the appropriate authority to the place and function of homes for the aged, and that in particular attention be given to prevailing admission policies, the possibility of alternative accommodation in sheltered semi-independent housing for relatively well ambulant patients, the place of rehabilitation or "reactivization" programs, and the careful selection and training of the staff.

*ACTION TAKEN*

The March 1971 issue of *On Growing Old* (a quarterly publication of The Canadian Council on Social Development) reports on a shift in emphasis regarding policies for old people: the newly organized Department of Social Affairs in Quebec[4] announced a change in policy which would enable old people to live out their lives independently rather than in institutions. Thus, approval for 40 out of 107 projected homes for the aged was dropped pending a study of need in the field. On the other hand, the same periodical for June 1971 commented on four new homes for the aged in Nova Scotia[5] as well as proposed new homes which would provide some 350 beds. Recent trends in the fields of aging indicate that more and more persons formerly cared for in institutions will

(1) Canadian Mental Health Association. Letter dated September 27, 1973.
(2) *Ibid.*
(3) Social Planning and Review Council of British Columbia. *A Study of Community Care for Seniors*, December 1972, p. 35.
(4) Canadian Mental Health Association. Letter dated September 27, 1973.
(5) *Ibid.*
(6) *Ibid.*
(7) *Ibid.*

(1) *Ibid.*
(2) *Ibid.*
(3) *Ibid.*
(4) Canadian Council on Social Development, *On Growing Old*, Volume 9, No. 1, March 1971 p. 9.
(5) Canadian Council on Social Development, *Op. Cit.*, Volume 8, No. 2, June 1971.

receive services in their own homes and communities. Hence the pressure to expand community services to carry additional loads formerly handled in other ways will be heavy during the 1970s. This same view was expressed at the Workshops held during the annual meeting of the Canadian Council on Social Development held in Ottawa in September 1973. The great need is to help people maintain their independence by extending assistance to those living in their own homes. The expansion of "Meals on Wheels" and other voluntary services is towards this end, but professional social workers would prefer that such services be organized under a social scheme to avoid the gaps that arise when the whole program relies on voluntary help.

The Social Planning Review Council of British Columbia in "A Study of Community Care for Seniors" commented on the lack of "comprehensiveness of services" in Home Care and Personal Care.[1] One of the big problems is that congregate personal care in the private sector is beyond the means of those needing care, particularly those with some income which makes them ineligible for special care facilities.

Under what are termed "master agreements" Alberta bears the cost of constructing and equipping homes for the aged and housing units on municipal land. Projects are operated by provincially incorporated foundations which include municipal councillors in their membership; net costs of operation are borne by the municipalities. The Welfare Homes and Institutions Branch of the Department of Social Development is responsible for the licensing and maintaining of standards in homes for the aged and infirm. The Senior Citizens Shelter Assistance Act, 1972, provides homeowner assistance grants in an amount equal to the provincial school levy for homeowners aged 65 and over in respect to their private residence or when they reside in an "eligible mobile unit". This Act also provides an annual renter assistance grant for senior citizens.[2] Alberta also had a Pilot Project published in July 1973 on the Medical Problems and the Use of Medical Services Among Senior Citizens in Alberta. During 1973 the University of Alberta conducted a "geriatric reactivation study" in nursing homes to determine the effectiveness of intensive, multi-disciplinary rehabilitation (staff) education and related consultative services.[3]

Saskatchewan[4] is giving consideration to having a "common admission and discharge committee" for all levels of care in a particular region. The Department of Social Services is promoting reactivation and a rehabilitation philosophy is encouraged. In Saskatchewan, the aged and infirm persons are cared for in a provincial special-care home in three provincial geriatric centres, two under the jurisdiction of the Department of Welfare and one under that of the South Saskatchewan Hospital Centre, and in municipal, voluntary and proprietary homes for the aged. Capital grants, amounting to 20 per cent of actual construction costs are available for special care homes, such as nursing homes, supervisory care homes or sheltered care homes. Further, an annual maintenance grant of $12 per bed is paid to such homes.

The total bed capacity for "personal care homes" and hostels in Manitoba in 1972 was given as 6,230 compared with 2,900 beds in 1960.

The White Paper on Health Policy for Manitoba[5] no doubt reflects problems common to all provinces in the education of persons associated with health care:

> "Programmes for different types of levels of workers are compartmentalized. Training for different levels is not cumulative. For example, a licensed practical nurse who is interested in taking more training to become a registered nurse cannot add to her already completed training and experience. Neither can a student who has completed a community college course as a welfare worker, with experience and training, easily extend her training to become a social worker . . . Only infrequently are courses structured in such a way that students begin working in 'teams' with their classmates in other professional groupings."

"Aging in Manitoba—Needs and Resources" is an ongoing research project.

In Ontario[6] mechanisms are now being developed to integrate the planning of nursing homes and homes for the aged, so that there is neither a duplication of parallel type facilities in the community nor are there gaps allowed in specific geographic regions by virtue of the fact that neither a home for the aged nor a nursing home is provided.

Since 1972 the Ontario Ministry of Community and Social Services has been working with the Ontario Association of Homes for the Aged and other related agencies, to develop a new admissions policy that will limit the over-utilization of institutional care when alternatives may be found which are more desirable in terms of psychosocial and other reasons. Community outreach programs are being developed such as Foster Homes, Meals-on-Wheels, Day Centres, Vacation Care and sheltered, semi-independent housing.

Community Care Services, (Metropolitan Toronto) in its 1972 Annual Report stated that although some supportive care services do exist, many more are needed to close the gaps in the health and social care systems. "The hope of closing these gaps lies with grass root organizations."

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(1) Social Planning and Review Council of British Columbia. *A Study of Community Care for Seniors*, Vancouver, 1972.
(2) Canada. Health and Welfare Canada, *Social Security and Public Welfare Services in Canada*, 1972.
(3) Bostrom, M. and K. Gough (eds.), *Geriatric Reactivation Study*, Edmonton, University of Alberta, School of Rehabilitation Medicine, 1972.
(4) Saskatchewan. Department of Public Health. Letter dated September 12, 1973.
(5) Manitoba. Department of Health and Social Development *White Paper on Health Policy*, Winnipeg, 1972.
(6) Ontario. Ministry of Community and Social Services. Letter dated November 28, 1973.

In Quebec[1] the Aged Couples Homes Act authorizes the province to erect and maintain homes for aged couples or to make agreements (including the provision of grants) for their erection, upkeep and administration with persons, societies and corporations, public or private. In November 1973 Quebec promulgated a new socio-health policy that would screen applicants for domiciliary care so that the elderly will be directed to appropriate treatment centres and many others encouraged to remain independent with the assistance of supportive services.

In New Brunswick[2] the Department of Health has studied the place and function of homes for the aged: "A Study of Extended Care for the Aged, Chronically Ill and Disabled in the Province of New Brunswick". Several nursing homes are presently building accommodation for relatively well persons along with reactivation programs and training of staff.

In Nova Scotia[3] all admissions to Homes for Special Care are arranged through a Provincial Classification Committee. The primary functions of the Committee are to consider and examine all requests for admission to Homes for Special Care and to arrange periodic reviews of patients whose physical and/or mental condition may have changed. Private homes caring for elderly citizens are inspected by the Public Assistance Division and licensed under the provisions of the Boarding Home Act. Consultative Services are provided in respect to staffing, budgeting and maintenance. The Department of Public Health provides a regular consultative service in respect to diets and nutrition for patients in all homes and, in addition, gives technical, medical and nursing information to homes providing accommodation for the aged. Homes for Special Care include: Licensed Nursing Homes, Licensed Boarding Homes, Senior Citizens' Residences and Homes for the Aged. Each municipally-operated home requires the appointment of a Board of Visitors who inspect the home at least four times each year and report to the municipal council operating the home. Copies of the reports are also forwarded to the Minister of Public Welfare.

The first report of the Nova Scotia Council of Health[4] (February 1973) proposed a "progressive care approach" and defined a number of levels of care ranging from active treatment to personal care for people who are not ill but need support. The emphasis was on non-institutional care.

In their Annual Report for 1973 the Newfoundland Department of Social Services and Rehabilitation reported that sufficient emphasis has not been replaced on the urgent need for beds where nursing care can be provided.[5] There has been a very significant decrease in recent years in the number of applicants seeking accommodations who are ambulatory. During that fiscal year approval for the construction of five new homes was given. Provision is being made in each of these new homes for nursing care to the extent of approximately 25 per cent of the bed capacity.

The study of NHA-financed housing for the elderly—"Beyond Shelter" concluded there is a need for better liaison between housing developments of the type studied and other forms of accommodation, such as community foster care programs, intermediate or special care homes in order to produce continuity of care for old people.

*Recommendation 29*

> That, on the lines proposed by the Royal Commission on Health Services, a Nation-Wide Universal Health Service program be instituted to provide a comprehensive range of services including Medical Care, Nursing Care, Dental Care, Home Care, Prescription Drugs and Prosthetic Appliances: and that, if staging is required in the introduction of all or any part of this program, older people be given special consideration.

*ACTION TAKEN*

Under the Medical Care Program established under the Medical Care Act, the coverage provided by the various provinces varies somewhat but the basic coverage is the same throughout Canada. Routine dental care and prescription drugs are not covered by Medicare to out-patients. Welfare recipients are provided with necessary drugs.

There is no nation-wide program for nursing care, drugs, or prosthetic appliances.

The only dental program for the older population exists in Alberta.[6] The Council on Health Care of the Canadian Dental Association announced at their March 1974 meeting that in Alberta persons over 65 years and their dependents will be eligible for dental services up to a limit of $1,000 for each two consecutive year period. The Provincial Government will pay 90 per cent of the cost of dental work up to June 30, 1974, and they will pay 95 per cent of the cost from July 1, 1974 to December 31, 1975.[7]

*Recommendation 30*

> That the above comprehensive program be financed mainly, if not altogether, by tax payments so that premiums, if any, may be kept to a minimum and the use of the means test, which we unequivocally reject, may be rendered unnecessary.

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(1) Canada. Health and Welfare Canada, *Social Security and Public Welfare Services in Canada*, 1972, p. 52.
(2) New Brunswick. Department of Health. Leter dated August 17, 1973.
(3) Nova Scotia. Department of Public Welfare, *Annual Report, 1971-72*, p. 55.
(4) Nova Scotia. Council of Health. *Health Care in Nova Scotia, A New Direction for the Seventies*, Halifax, 1973, 187 pages.
(5) Newfoundland. Department of Social Services and Rehabilitation, *Annual Report, 1973*, St. John's, Newfoundland, p. 49.
(6) Canada. Health and Welfare Canada, Dental Health. Telephone communication, March 28, 1974.
(7) *Journal of Canadian Dental Association*, Vol. 40 No. 3, 1974, p. 186.

*ACTION TAKEN*

Under "Medicare", established under the Medical Care Act, the Federal Government contributes half of the average national cost of insured services to those provinces operating medical care insurance plans which meet certain minimum criteria. Residents aged 65 and over pay no medical premiums in any of the provinces except Quebec and British Columbia. In Quebec the premiums are based on the amount of taxable income. In British Columbia those with limited incomes may receive up to 90 per cent subsidy. Ontario has a one year residency requirement before premiums are eliminated. In both Ontario and Manitoba and premiums for the family unit are eliminated once either spouse reaches 65.[1]

A serious bottleneck in the provision of health services for old people is the shortage of professional personnel interested and trained in this field, e.g., physicians, nurses, physiotherapists, occupational therapists, orthotists, prosthetists, social workers, podiatrists.

*Recommendation 31*

(a) That professional schools which train professional workers for the above specialties place greater emphasis in their curricula on the medical, social and economic aspects of aging; and

(b) That grants under the Health and Welfare Training programs of the Federal Government be used to increase the supply of workers equipped for work in the field of Old Age; and

(c) That programs to stimulate greater interest in geriatrics on the part of the various professions indicated above be provided by the professional societies concerned in post-graduate refresher courses, in conferences and institutes and by means of professional literature.

*ACTION TAKEN*

With few exceptions Schools of Social Work[2] report that elective courses in geriatric care have been offered but there was not sufficient interest on the part of students to implement the course. Similarly elective seminars have been advertised with the same result. There is no direct financial input either by the Federal Government or professional societies to stimulate interest in geriatrics within the Schools of Social Work. On the whole the Directors feel that there is an increasing emphasis on aspects of aging particularly in social policy and planning.

Some work is being done in Schools of Social Work in Ontario in the field of aging. The Faculty of Social Work, University of Toronto[3] has three professors interested in the subject on a personal basis. For example, Dr. Nathan Markus, used his sabbatical leave to continue his studies in research in the field of aging. Health and Welfare Canada supported his research. Two other professors have been active in accommodation problems for the elderly and in income security. Field work opportunities for students in the Faculty of Social Work have been expanded and there are more placements in institutions and programs for the aged this year than in previous years.

On a statistical basis little progress has been made: of 398 Master of Social Work theses completed at the Toronto School of Social Work, between 1942 and 1962, only thirteen are related to the field of aging; in the period 1963-1973, of 440 individual Master of Social Work theses only 18 dealt with the aged. In addition, three group research reports, out of a total of 44, dealt with the aged. Between 1966 and 1973, a total of 729 Master of Social Work degrees have been granted by the University of Toronto, an average of 104 graduates per year. It is estimated that between 5 and 8 per cent are engaged in the field of aging. From the above it is evident that there has been little movement on the part of social work students and graduates to do research and to practices in the field of aging.

The School of Social Work, University of Windsor,[4] offers a half-course option (Services for Aging) in the fourth year and a half-course option is again available to the graduate students on Intervention for the Aged. They have had two Master's theses on aged persons in the last two years. They also arrange field work placements in the fourth and fifth years in settings where work is directly with the aged persons.

Wilfrid Laurier University[5] is increasing interest on problems of the aged in its clinical and social policy courses. There is a university project on pre-retirement planning carried on by the educational services and this has been quite successful.

The School of Social Welfare, University of Calgary,[6] reports that they have two graduates of their master's program who are particularly involved in the geriatrics field. A serious drawback is the lack of provision either in the form of finances or professional staff for the supervision of students in field situations.

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(1) Canada. Health and Welfare, Medical Care Division. Telephone communication, March 28, 1974.

(2) Replies were received from ten Schools of Social Work:
University of Toronto, Toronto, Ontario
University of Windsor, Windsor, Ontario
Memorial University, St. John's, Newfoundland
University of Saskatchewan, Regina, Saskatchewan
Dalhousie University, Halifax, Nova Scotia
University of Calgary, Calgary, Alberta
Carleton University, Ottawa, Ontario
McGill University, Montreal, Quebec
Wilfrid Laurier University, Waterloo, Ontario
University of British Columbia, Vancouver, British Columbia

(3) University of Toronto, Faculty of Social Work. Letter dated October 24, 1973.

(4) University of Windsor, School of Social Work. Letter dated August 20, 1973.

(5) Wilfrid Laurier University, School of Social Work. Letter dated August 30, 1973.

(6) University of Calgary, School of Social Welfare. Letter dated October 9, 1973.

While specific instruction in geriatric medicine is not now available at the majority of the schools of medicine across Canada, several have plans to introduce some aspects into their curriculum or clinical training.[1] For example, the University of Calgary,[2] a new school of medicine, plans for the provision of information to the health needs of elderly people in their residency training in family practice. Consideration is being given to structuring a geriatrics department at University of British Columbia Faculty of Medicine.[3] Students at the School of Rehabilitation Medicine receive lectures on rehabilitation problems in old age. The School of Nursing also has a lecture course on geriatric nursing. Shaughnessy Hospital, which has well established geriatric programs, will be a setting for more formal teaching of this subject.

The Faculty of Medicine at Western Ontario[4] has established an ad hoc committee on Geriatric Medicine which is considering ways and means of giving greater emphasis to Geriatrics in the undergraduate medical curriculum. The Continuing Education Program is also provided a refresher Day in Geriatric Medicine April 10, 1974.

The Faculty of Medicine at the University of Alberta[5], has provided fragmentary exposure to elective programs in geriatric medicine. In 1970 the Continuing Medical Education Division conducted a workshop in Geriatric Medicine which they hoped would attract some 20 physicians. In fact, only nine attended in addition to 44 nurses. Another effort was made in April 1974. The consensus is that it has not been possible to stimulate sufficient interest in the medical problems of the elderly to influence graduates to do full time work in the field.

There has been considerable progress at the University of Manitoba[6] where as early as 1968 the Curriculum Revision Committee recommended that 12-15 hours of instruction in geriatrics be provided in the Core Curriculum for medical students. The second year student now has 12 hours. In January 1972 there was established a Geriatric Clinical Teaching Unit at Deer Lodge Hospital available to third year medical students, as well as students from other disciplines such as Nursing, Physiotherapy, Occupational Therapy and Environmental Studies. The Royal College of Physicians and Surgeons of Canada recognize up to 12 months of experience on the Geriatric Clinical Teaching Unit as accepted training. However, professional training in the medical field is somewhat impeded because the Royal College of Physicians and Surgeons of Canada does not have a subspecialty of Geriatrics. A third year major elective is also available to third year students.

Queen's University[7] in 1967 established a School of Rehabilitation Therapy which has already graduated three classes of physiotherapists and occupational therapists. While specific instruction is not being given in Geriatric Medicine, Rehabilitation Medicine, which is an important part of the modern concept of health care delivery to older people, has been established as a department in the Faculty of Medicine at Queen's. The establishment of a Division of Geriatric Medicine is presently underway in the University Department of Medicine with a clinical base in the university-affiliated hospital at St. Mary's on the Lake in Kingston.

A Residency Training Programme in Rehabilitation Medicine has been established within the Faculty of Medicine and a number of postgraduate and continuing medical education courses in the area of Rehabilitation Medicine and Geriatric Medicine have been offered in recent years. At least one recent graduate from Queen's is engaged in Rehabilitation in the Geriatric age groups.

A study in the area of Geriatric health care delivery is also being conducted by the Department of Community Medicine at Queens.

Within the Institute of Medical Science, the University of Toronto,[8] a major study on the epidemiology of psychiatric disease in the elderly is being carried out at the Clarke Institute. Within the Faculty of Medicine various departments are engaged in different approaches to the problems identified by the Senate Committee:

Department of Behavioural Science.

Department of Obstetrics and Gynaecology—two members have special interests in geriatric gynaecology in addition to undergraduate and graduate programs regarding the problems of aging in the female.

Department of Opthalmology—special studies on "Electroretinogram in senile macular degeneration". In this connection a visual testing service has been set up at the Toronto General Hospital to detect early functional defects in aged people.

Department of Pharmacology—maintains a part-time appointment for clinical pharmacologist with special experience in geriatrics.

Department of Preventive Medicine—Specialist in Gerontology has assembled a study group on teaching of geriatrics within the medical school.

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(1) Replies were received from nine Medical Schools:
University of Calgary, Calgary, Alberta
University of British Columbia, Vancouver British Columbia.
University of Western Ontario, London, Ontario
University of Alberta, Edmonton, Alberta
University of Manitoba, Winnipeg, Manitoba
Queen's University, Kingston, Ontario
University of Toronto, Toronto, Ontario
Dalhousie University Halifax, Nova Scotia
McGill University, Montreal, Quebec

(2) University of Calgary, Faculty of Medicine. Letter dated August 14, 1973.

(3) University of British Columbia, Faculty of Medicine. Letter dated August 20, 1973.

(4) University of Western Ontario, Faculty of Medicine. Letter dated September 18, 1973.

(5) University of Alberta, Faculty of Medicine. Letter dated September 18, 1973.

(6) University of Manitoba, Geriatric Clinical Teaching Unit. Letter dated October 16, 1973.

(7) Queen's University, Department of Rehabilitation Medicine. Letter dated October 2, 1973.

(8) University of Toronto, Faculty of Medicine. Letter dated November 23, 1973.

Although there is considerable activity in this field at the University of Toronto, the Dean of Medicine has expressed the view that it is difficult to assess the effect of these programs in relation to recent graduates who have specialized in working with the aged, since geriatrics, per se, is not a separately categorized discipline. Canada boasts at most 25 gerontologists.[1]

Although Schools of Social Work and Medicine have not acknowledged any federal grants for geriatric study, Health and Welfare Canada (Welfare) have provided the following information relative to welfare services for the total population.

An increased supply of welfare workers and improvements in their qualifications is encouraged by the provisions of the Canada Assistance Plan of 1966 and the National Welfare Grants program. Funds are not allocated to any particular field of welfare, but are allocated in response to demand.

The Canada Assistance Plan provides for federal sharing (50 per cent) with the provinces in extensions and improvements of welfare services since the base year 1964-65. Included as items of shareable costs are those associated with attendance at conferences and seminars if the topics are related in a direct way to the planning, development or provision of welfare services. Shareable expenditures related to training costs include costs of in-service training programs, including fees for instructors hired for the purpose, and costs of employees taking formal training on a full or part-time basis. The primary objective of these provisions is to support improvement of the social work qualifications of personnel engaged in the provision of welfare services. Training in other disciplines can be supported if there is clear evidence that the skills obtained will be used on a continuing basis in the provision of welfare services. In addition to graduate training, social service training at the technical level is covered by these provisions. However, full-time undergraduate university training is excluded since it is more appropriately covered under other arrangements.

The National Welfare Grants program provides funds for manpower utilization and development, including grants to Schools of Social Work for teaching and field instruction, welfare scholarships, and welfare fellowships to individuals seeking advanced training in the social welfare field.[2]

The basic nursing education course has no special content related to geriatrics as the nurse must be prepared to meet general situations. If a specialty is required in operating room nursing, urology, etc., competence in the chosen field is acquired through special courses which may be a certificate course or by in-service training. If a nurse were interested in specializing in geriatric care, she would be advised to apply for employment in an institution which is noted for its expertise in this field. Other training is acquired through "institutes" which may be of three days or three weeks' duration. From information available there are no "certificate courses" available in geriatrics. Graduates in nursing science may also take a Master's degree in a specialty which could be geriatics.[3]

Community colleges in Ontario which are now involved in preparing students for a nursing career include nursing homes for the elderly as centres where practical experience may be gained. For example, Algonquin College in Ottawa channels its students through six nursing homes on the basis of two days a week over a period of approximately four months.

*Recommendation 32*

> That at the local level devices be developed to ensure cooperative planning and action between the Departments of Health and Welfare in Municipal Governments and between them and other local Government Departments and the various voluntary and professional organizations in the community concerned with the health and welfare of the elderly.

*ACTION TAKEN*

The Social Planning and Review Council of British Columbia[4] in their report—A Study of Community Care for Seniors—released in December 1972—commented on the lack of instructional resources and programs for the elderly in British Columbia. Particular reference was made to the lack of coordination of community services: overlapping and missing areas; lack of uniformity in funding or costs of services; lack of uniformity in geographic units for planning and delivery of services and lack of communication between government departments, between community agencies (public, private and institutional), between professionals.

The Alberta study (Medical Problems and the Use of Medical Services Among Senior Citizens in Alberta April 1973) recommended that at the local level in Edmonton, the Socal Service Advisory Committee assume a strong coordinating role, acting on behalf of all city departments in closer liaison with various private agencies in the city. The report referred to programs for the elderly sponsored by L.I.P. and O.F.C. and commented that basic programs cannot be left to casual efforts only. "In all cases health and related service programs should be strengthened and/or developed in the context of the overall blueprint..."[5]

(1) Canadian Council on Social Development *On Growing Old*, 2 June 1973.
(2) Canada. Health and Welfare Canada. Letter from Deputy Minister of Welfare, dated February 12, 1974.
(3) Canadian Nurses Association. Ottawa. Telephone Communication, April 10, 1974.
(4) Social Planning and Review Council of British Columbia. *A Study of Community Care for Seniors*, Vancouver 1972.
(5) Snider. Earle, *Medical Problems and the Use of Medical Services Among Senior Citizens in Alberta: A Pilot Project*, Edmonton, Medical Services Research Foundation of Alberta, 1973.

In their report to the Government of Saskatchewan, the Senior Citizen's Commission recommended that "the provincial government establish an Agency as part of a new deal for the elderly in Saskatchewan."[1] This agency would consist of a provincial council, regional councils and local council to ensure co-operation in planning. The objectives and purposes of each council are set forth in this report.

A similar comment was made in the White Paper on Health Policy for Manitoba July 1972: "If the strength of the public health services in Manitoba lies in its internal structure, its weakness is found in its relationship to other services. In most parts of the province, public health personnel do their work quite independently of the local hospital and the local practising physicians. There is no formal integration."

In February 1971 the Section on Aging, Ontario Welfare Council submitted its report of the Health Aids Committee.[2] It considered the provision of an initial assessment and referral service at points where older people tend to gather, such as Elderly Persons Centres, senior citizens housing and senior citizen organizations as an effective way of building a bridge between services for older people. It endorsed the recommendation of the Select Committee on Aging that the province make grants-in-aid for the establishment of information and referral services for the aged in every community, using available community welfare councils, regional welfare offices, health departments or units and other appropriate agencies. A study prepared by the Public Policy Concern for Information Canada in March 1971 recommended that the Government of Canada pursue the objective of supporting the efforts of the Canadian people in the 1970s to create Community Information Centres as person-centred, two-way media of enquiry and expression. In 1970 Ontario launched a community information centre project to investigate through involvement the role of the government in such centres. One of the recommendations that came out of this study was that specialized centres, such as information centres for the aged, be supported by the appropriate government departments.

Quebec's[3] proposed policy (November 1973) emphasizes decentralization and the establishment of regional centres which will determine the individual's need.

In February 1973 the Minister of Public Health of Nova Scotia released the first report of the Nova Scotia Council of Health. The council was asked to study the health system of the province and recommend a program designed to improve the delivery of health care in the future. The report recommended a complete restructuring of the administration of personal health services emphasizing administrative boards at the local level. These community boards would be responsible for the administration of all health services in their area and would be able to integrate health services with other social services. Regional boards, made up of representatives of community boards, were also proposed. They would assist with joint planning between communities in specified areas and develop and administer cooperative programs. The new organization is intended to encourage a new and more flexible approach to health care delivery that will emphasize community-oriented treatment programs concentrating on improved home care and ambulatory care and emphasizing prevent.[4]

A comprehensive survey of the whole system of health services and related social services is now being conducted in Prince Edward Island.[5] The Provinces of New Brunswick[6] has established an Inter-departmental Committee on the Care of the Aged. This Committee has not yet made a final report, but is expected to do so within the next few months.

*Recommendation 33*

> That Provincial Departments of Health establish special branches to concern themselves with the health problems of older people and that there be a continuing liaison between such branches and corresponding branches in Departments of Welfare in order to endure joint consideration of matters of mutual concern, such as rehabilitation service, care of elderly people in institutions, organized Home Care programs, etc.

*ACTION TAKEN*

Concern has been voiced about the need to establish special age-structured sections within the Department of Health. There appears to be a growing emphasis on health programs for the total population.

The Province of Alberta does not have a special section within the Department of Health and Social Development, although there are other age-structured sections such as the Department of Culture, Youth and Recreation.[7]

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(1) Saskatchewan. Department of Social Services, *If you feel . . . change is possible*, Report by the Senior Citizen's Commission, Regina, 1974, p. 64.

(2) Ontario Welfare Council Section on Aging. *Report of the Health Aids Committee*. February 1971, p. 7.

(3) Ouellet, Aubert, "Politique du Ministère des Affaires sociales relative à l'hébergement des personnes âgées". Symposium sur la gérontologie, Hôpital Notre-Dame de la Merci, Montréal, 17 novembre 1973.

(4) Canadian Medical Journal. March 3, 1973. Vol. 102, No. 5, *Special Report*.

(5) Prince Edward Island. Department of Health. Letter dated August 28, 1973.

(6) New Brunswick. Department of Health. Letter dated August 17, 1973.

(7) Snider, Earle, *Medical Problems and the Use of Medical Services Among Senior Citizens of Alberta: A Pilot Project*, Edmonton, Medical Services Research Foundation of Alberta, 1973, p. v.

A recent report by the Senior Citizen's Commission in Saskatchewan[1] recommended that the services to the aged provided by the Departments of Public Health and Social Services be integrated formally into an agency.

In 1972 the Department of Health and Social Development for the Province of Manitoba[2] established a branch for the elderly with a social worker as the director.

It is not anticipated in Ontario[3] that the formal structure of the Ministry of Health will include special branches responsible for age-structured components of the population and more specifically for the health problems of the elderly.

New Brunswick[4] has recently appointed an Extended Care Consultant to provide consultative and advisory services to all divisions of Health. There is also an interdepartmental Committee on the Care of the Aged.

Although there are many services being provided to the aged, it has not been deemed necessary to establish a separate department to correlate the function of such services in Nova Scotia[5] or to Newfoundland.[6] In Prince Edward Island[7] there is a Division of Aging in the Department of Social Services but not in the Department of Health.

*Recommendation 36*

> That the data related to the aged which is provided by provincial hospitalization and health insurance schemes be more fully analyzed, interpreted and made more readily available.

*ACTION TAKEN*

Statistics Canada staff coordinates information provided by the provinces. The staff do not analyze information re specific age groups.

A change has been made in the statistical program to show a breakdown in the category age 65 and over into 65-74 and 75 in the annual publication of hospital separations from 1969 onwards.[8]

*Recommendation 37*

> That statistics relating to the health of the aged, as currently assembled by the Department of National Health and Welfare and the Dominion Bureau of Statistics, be reviewed with a view to their extension and improvement: and that in this connection particular attention be given to the definition of various kinds of sheltered accommodation.

*ACTION TAKEN*

Statistics are always under review and a working party on patient classification system has produced a revised draft which is now with the provinces for study. Other changes which have taken place are:

(1) The publication of new primary sites of malignant neoplasms by age, including 65-69, 70-74, 75-79, 80-84 and 85.

(2) The initiation of a program to list and survey special care facilities which would include nursing homes and homes for the aged. Funds are currently being sought to accelerate and improve the coverage of this survey.[9]

*Recommendation 38*

> That greater financial assistance be provided for research into the nature of aging, the cause and control of diseases and disabilities with a high incidence among old people, and into the effectiveness of existing programs of prevention, diagnosis, treatment and rehabilitation.

*ACTION TAKEN*

The Deputy Minister of Health made the following statement to the Standing Committee on Health, Welfare and Social Affairs on May 20, 1971:

> "I do not think we have figures on geriatrics.... (It) is pretty hard to identify as being geriatric research because cardiology, for example, or respiratory disease research—a lot of it is for geriatric patients. It is not identified as such..."
>
> "I think a lot of the research which is not called geriatrics is really research in geriatrics."

The following is taken from the introduction to Volume I, "Aging in Manitoba, Needs and Resources, 1971"—

> "Historically, within the field of special gerontology and that of health and welfare services to the aged, research has proceeded at an irregular pace with a great diversity of problems being investigated. Both the problems being considered and the pacing have reflected continuously changing emphases with resultant stop-gap measures to cope with pressing problems in a manner appropriate to emergency solutions rather than to long-range planning..."[10]

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(1) Saskatchewan. Department of Social Services, *If you feel a change is possible*, Regina, 1974, p. 64.
(2) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.
(3) Ontario. Ministry of Community and Social Services. Letter dated November 28, 1973.
(4) New Brunswick. Department of Health. Letter dated August 31, 1973.
(5) Nova Scotia. Department of Public Health. Letter dated October 29, 1973.
(6) Newfoundland. Department of Health. Letter dated August 10, 1973.
(7) Prince Edward Island. Department of Health. Letter dated August 31, 1973.
(8) Canada. Statistics Canada. Letter dated August 24, 1973.
(9) Canada. Statistics Canada. Letter dated August 24, 1973.
(10) Manitoba. Department of Health and Social Development. Division of Research, Planning and Program Development. Report 1.1.73.

*NOTE:* See Recommendation 80.

*Recommendation 51*

That consideration be given to the advisability of establishing a committee of knowledgeable citizens to be advisory to the minister and the department or agency on all aspects of social housing.

*ACTION TAKEN*

In Newfoundland[1] the Newfoundland Association for the Aging has been organized with the objective of bringing the housing and other needs of the aging to the attention of the government and the public generally. There is close liaison between organization and the Newfoundland and Labrador Housing Corporation (1967).

The Nova Scotia[2] Housing Commission and its Executive Committee are composed of knowledgeable citizens to whom staff members are responsible.

There is a Board of Directors of the New Brunswick[3] Housing Corporation charged with this task. In addition the province has a committee on Care for the Aged and a Task Force on Housing Needs. The Department of Social Service has a "Desk for the Aged" to provide advisory services.

The Prince Edward Island[4] Housing Authority (1969) has a Board of Directors representative of citizens from outside the Public Service. In cooperation with the Department of Development and CMHC, an Island study of housing requirements is being undertaken.

Quebec[5] now has regional health and social service councils charged with the responsibility of encouraging regions to define their housing priorities and submit their plans. The councils will regulate and supervise charitable institutions within their territory, presumably including non-profit housing sponsors.

Ontario[6] Housing Corporation's Board of Directors has representatives along the lines suggested.

Manitoba[7] has no citizens advisory committee as such. An effort is made to involve senior citizens through meetings with various groups both urban and rural.

Saskatchewan[8]—The Saskatchewan Housing Corporation Act (1973) provides for the establishment of a Housing Advisory Committee.

Alberta[9] Housing Act provides for an Alberta Housing Advisory Committee which to date (August 73) has not been constituted. Annual briefs are submitted by Alberta Senior Citizens Homes Association and Alberta Council on Aging. Only in 1970 did the province take advantage of NHA funds to assist its housing foundations program for elderly.

The administration of public housing in British Columbia[10] is undergoing a restructuring at the present time. The British Columbia Housing Management Commission created in 1967 brought together the three levels of public servants involved in housing: two representatives from CMHC, two from the province and one from the municipality.

*Recommendation 56*

That the provincial department or agency accept as a matter of principle the importance of enabling old people to continue in their own homes as long as possible and that where group living short of medical care, is desired or required, it be provided in relatively small projects scattered throughout the community rather than in large institutions.

*ACTION TAKEN*

The principle of enabling older people to stay in their own homes as long as possible is generally accepted across Canada but few provinces have taken constructive action to assist those occupying privately owned homes.

The National Housing Act has provision for rehabilitation grants to improve neighbourhoods, but as of September 1973 not all provinces* had signed the federal-provincial arrangements.

Provinces differ as to the best location for senior citizen housing: Manitoba prefers to build close to downtown, within walking distances of shops and amenities; in New Brunswick public housing may only be built in municipalities with hospitals and auxiliary homes. To overcome the difficulties faced by the elderly who have to go to shopping centres for their marketing, a modern senior citizen development at Pierrefonds, Quebec, provides free transportation for its residents to nearby shopping centres.

"Beyond Shelter"[11] records that, up to 1970, of the 746 developments built under the provisions of the National Housing Act, 244 developments or 33 per cent had 20 or less dwelling units and/or hostel beds; 153 developments or 20 per cent had 21-40 units and/or hostel beds; 199 developments or 27 per cent had 41-80 units and/or hostel beds; 95 developments or 13 per cent had 81-149 units and/or hostel beds; and 55 developments or 7 per cent had 150 or more units and/or hostel beds. Thirty-two per cent were located in metropolitan areas; 7 per cent were situated in major urban areas and 61 per cent in small towns.

(1) Newfoundland and Labrador Housing Corporation. Letter dated August 7, 1973.
(2) Nova Scotia Housing Commission. Letter dated August 28, 1973.
(3) New Brunswick Housing Corporation. Letter dated October 26, 1973.
(4) Prince Edward Island Housing Authority. Letter dated August 6, 1973.
(5) Canadian Council on Social Development Ottawa. *Beyond Shelter*, 1973, p. 67.
(6) Ontario Housing Corporation. Letter dated July 31, 1973.
(7) Manitoba Housing and Renewal Corporation. Letter dated August 8, 1973.
(8) Saskatchewan Housing Corporation. Letter dated August 2, 1973.
(9) Alberta Housing Authority. Letter dated August 20, 1973.
(10) Canadian Council on Social Development Ottawa, *Beyond Shelter*, 1973, p. 87.
* Ontario.
(11) The Canadian Council on Social Development. *Beyond Shelter*, 1973, p. 43.

A British Columbia study of community care for seniors, included among "Pressing Needs" supportive services to help maintain the elderly in their own homes, including assistance with shopping, home repairs, library services and transportation. Sixty per cent of the homemakers interviewed indicated a wide gap in this service to senior citizens.[1]

The Prairie Provinces lead in this field. In May 1973 Saskatchewan[2] passed Bill No. 59 which provides for grants to certain elderly persons to assist them in making repairs to their homes with a view to enabling them to remain independent longer. Manitoba's[3] provincial employment program included work activity projects directed towards improving the standard of housing privately owned by senior citizens. The program has now reached out to 10,000 homes and is judged a success. The Alberta[4] Hospital Services Commission is giving a priority to home care programs to enable the elderly to remain as long as possible in their own homes. Programs are already available in cities and a few towns and plans are underway to extend the services to smaller communities.

In November 1973 the Minister of Social Affairs for the Province of Quebec[5] released a "White Paper" which set out proposals to establish policy for those in "The Third Age" group. The main emphasis is on future planning oriented toward community assistance to enable the elderly to remain in their own homes as long as possible.

The Advisory Task Force on Housing Policy[6] submitted its report to the Province of Ontario in June 1973. Forty-six briefs were submitted to the Task Force and fifteen public meetings were held dealing with special housing needs of senior citizens. All aspects of housing problems were covered: the need for "in-home services" to assist more elderly people to remain in their homes, the pros and cons of high-rise buildings, the type of units, integration with young adults with children, etc. The Ontario Welfare Council[7] has been working with senior citizen groups, with elderly individuals and with relevant social agencies to find out what the priority problems are and what might be done to relieve them with special emphasis on helping the elderly to maintain their independence. Recommendations will be included in the Agency's 1974 annual brief to the Ontario Government.

(1) Social Planning and Review Council of British Columbia. *A Study of Community Care for Seniors*, Vancouver, 1972, p. 39.
(2) Saskatchewan Housing Corporation. Letter dated August 2, 1973.
(3) Manitoba Housing and Renewal Corporation. Letter dated August 8, 1973.
(4) Alberta Housing Corporation. Letter dated August 20, 1973.
(5) Ministère des Affaires Sociales—Document de travail. Document préliminaire visant à l'établissement d'une politique du MAS à l'égard du troisième age. November 1973.
(6) Ontario. Advisory Task Force on Housing Policy. Report, June 1973.
(7) Ontario Welfare Council. *Ottawa Journal*, December 27, 1973.

New Brunswick[8] endorses the objective of maintaining senior citizens in self-contained accommodation. Group homes are usually small.

The Nova Scotia Housing Corporation,[9] through the Municipal Housing Authorities, only accommodates those elderly people who wish to move from their existing housing. The type of building used by N.S.H.C. ensures continued independent living with the advantages of being part of a group in cases of emergency and for reasons of social comfort. Only in the Halifax Metropolitan Area is the N.S.H.C. forced, by reasons of economics, to build senior citizen housing projects of greater size than twenty to thirty apartments.

The Prince Edward Island Housing Authority[10] policy is to supply senior citizens' housing in localities in or near where the demand has been established. In most instances units have been built in small groups—generally six to ten units on any one site. The main exception to this has been in Charlottetown.

Newfoundland[11] also agrees with the concept and assists wherever a need is demonstrated.

*Recommendation 59*

> That, with the advice and financial assistance of the two senior levels of Government, each municipality survey the nature and extent of local need and develop a comprehensive and balanced plan for meeting it, with the understanding that such plan must fit in with that of the province, and at the same time be integrated with the municipality's own total housing program.

*ACTION TAKEN*

As a result of amendments to the National Housing Act, the Federal Government provides 90 per cent of financing and the province the other 10 per cent which means that the municipality has no financial responsibility to assume in respect of housing accommodation. Newfoundland[12] and Prince Edward Island[13] assume full responsibility for the programs for the municipalities (except in the few large centres in each province) because of the lack of any economic base in the municipalities. Studies are now being carried out in this area by New Brunswick.[14]

Nova Scotia[15] requires a resolution from the municipality.

(8) New Brunswick Housing Corporation. Letter dated October 26, 1973.
(9) Nova Scotia Housing Commission. Letter dated August 28, 1973.
(10) Prince Edward Island Housing Authority. Letter dated August 6, 1973.
(11) Newfoundland and Labrador Housing Corporation. Letter dated August 7, 1973.
(12) Newfoundland and Labrador Housing Corporation. Letter dated August 7, 1973.
(13) Prince Edward Island Housing Authority. Letter dated August 6, 1973.
(14) New Brunswick Housing Corporation. Letter dated October 26, 1973.
(15) Nova Scotia Housing Commission. Letter dated August 28, 1973.

As of the Summer of 1973, Ontario[1] required the municipality to determine its need if family and senior citizen housing is managed by a Housing Authority. The Ontario Task Force report of August 1973 criticized the system prevailing during the period of its review:

> "Municipal development regulations are almost always administered in the absence of a municipal housing policy. The housing goals of most municipalities are not explicitly formulated, but are simply implicit in the numerical distribution of population and residential density. These are intended to control the development of land rather than ensure adequate accommodation. Regional development planning is a provincial responsibility, but proceeds with little reference to housing... The Province has indicated that it intends to delegate responsibility and authority for regulating community development to municipalities particularly at the regional municipality level. The formulation and application of provincial regional plans has proceeded with little regard to this intention, at least in the Central Ontario Region."[2]

Manitoba[3] and Saskatchewan[4] emphasize that they implement housing programs in close cooperation with the municipality which must substantiate any requests made to the province. Saskatchewan has a research team investigating the need for additional housing especially in smaller municipalities which were formerly excluded from the Act. Alberta[5] develops its planning and programs in collaboration with the municipalities.

*Recommendation 60*

> That through the cooperation of municipal health and welfare departments and with financial aid from the Provincial Government ancillary services be made available and accessible to elderly people.

*ACTION TAKEN*

Supportive programs which help elderly persons to remain active and involved in their community and to remain in their own home need to be expanded to be accessible and responsive to the distinctive needs of the elderly. They are:

Meals on wheels
Friendly visiting
Telephone checks
Transportation
Counselling
Information
Home Aid
Day Care
Recreational and social clubs
Employment skills unlimited
Sheltered workshops
etc.

In British Columbia over 50% of the supportive services to the elderly, such as meals on wheels, friendly visiting, recreational camps and summer centres for seniors are being provided by church groups or informal groups of persons rendering supportive person-to-person services. These programs were developed and operated by volunteers. More than fifty per cent of the volunteers in the programs are over 65 years of age. Some 70 senior citizens located in key population areas throughout British Columbia[6] assist their contemporaries to solve their problems whatever they may be. The Counsellors are volunteers who are assisted financially with individual expenses up to $40 a month. The program was administered by the Division of Aging, Department of Rehabilitation and Social Improvement.

In Ontario, the Community Care Services (Metropolitan Toronto) Incorporated evolved because of the desire of voluntary services to cooperate with groups providing complementary services. It is a type of umbrella organization that deals with all levels of government, with other voluntary groups and with funding sources with and on behalf of the groups involved. It makes use of the provisions of the Elderly Persons Centres Act, 1966 and Regulations.[7]

The Canadian Council on Social Development, *Beyond Shelter*[8] reported that public housing residents had a considerably lower rate of physical incapacity than non-profit housing residents: 76 per cent of public housing developments reported that over three-quarters of their residents had no physical incapacity—compared with 55 per cent of non-profit developments. This difference may be accounted for by the large proportion of hostel accommodation in the non-profit sector. There was not a great deal of regional variation in residents' health—except in Quebec. There only nine per cent of developments reported that over three-quarters of their residents had no physical incapacities.

The Study also reported that a homemaker service was available as a special development service in 7% of the developments and as a community service in 33%. A homemaker service was available in four per cent of the self-contained developments, compared with 18 per cent of the hostels and mixed developments. In 39% of the self-contained developments it was available in the community. Such services are more likely to be available in Ontario and least likely in the Atlantic Provinces.

(1) Ontario Advisory Task Force on Housing Policy, Toronto, 1973.
(2) *Ibid.*
(3) Manitoba Housing and Renewal Corporation. Letter dated August 8, 1973.
(4) Saskatchewan Housing Corporation. Letter dated August 2, 1973.
(5) Alberta Housing Corporation. Letter dated August 20, 1973.
(6) British Columbia. Department of Rehabilitation and Social Improvement. Division on Aging. *Annual Report 1972*, p. N57.
(7) Social Planning Council of Metropolitan Toronto. A Special Report in the Trends Series, 1972-73. *The Aging.*
(8) Canadian Council on Social Development. *Beyond Shelter*, Ottawa, 1973, p. 108.

Meal delivery was available in six per cent of the developments; in another 32 per cent it was available as a general community service. This service is more likely to be available in metropolitan and large urban areas than in small towns. Again it is more available in Ontario than in other provinces.

Home nursing was supplied as a special development service by public health nurses or the Victorian Order in only eight per cent of the developments; in another 65% it was available as a general community service. Seventy-five per cent of self-contained developments had the service available from the community. Home nursing was most available in Ontario and least available in Quebec. This is explained by the fact that most Quebec developments have nurses on their own staff although not necessarily providing "home nursing" to particular residents.[1]

Only nineteen per cent of the developments provided a regular medical checkup for residents. In 11% it was provided on site and in the other 8% in the community. Again such a service was more available in metropolitan developments than in major urban and small town areas. A full-time physician was on staff in only two developments. In three per cent a physician made regular daily or weekly visits. In another 29% a doctor was available on call. Of course a physician was more likely to be available to developments with a high proportion of incapacitated residents—and much more likely in Quebec.

Telephone contact service was operated in 17% of the developments surveyed, and was most likely to be available in British Columbia, Quebec, Prairies, Ontario and Atlantic Provinces, in that order.

Volunteer transportation was being provided for 24 per cent of all developments: thirty per cent of non-profit developments had service but only 14% of the public housing developments for senior citizens. Public transport systems were non-existent or ineffective in most developments. The Social Planning Council of Metropolitan Toronto considered the lack of adequate public transportation as a special problem in their 1973 report. "It is not only access to transportation that is important. Suggested improvements include consideration of vehicle design, rerouting buses, maintaining buses on subway lines and adjusting traffic signals and safety installations."[2]

Many municipalities provide cheaper transportation to their senior citizens. The Provincial Government in British Columbia, according to the annual report of the Department of Rehabilitation and Social Improvement (March 1972) subsidize British Columbia Hydro bus transportation for a nominal fee, valid in the Greater Victoria and Greater Vancouver areas.[3]

(1) *Ibid.*, p. 132.
(2) Social Planning Council of Toronto, *The Aging*, Toronto 1973, p. E32.
(3) British Columbia. Department of Rehabilitation and Social Improvement, *Annual Report 1972*, Victoria.

The Manitoba Housing and Renewal Corporation[4] reports that they require any plan submitted to them for the housing of elderly people to include space for centres which are generally organized on behalf of the tenants by the tenants or by private social agencies.

The Department of Social Affairs, Province of Quebec[5] has announced new policies for the care of the aged. The emphasis is now on providing supportive services to the aged to enable them to maintain their independence.

*Recommendation 61*

> That the municipal department or agency responsible for housing cooperate with other municipal departments and voluntary organizations in the community in the establishment of advisory and referral centres to assist old people with their housing and other problems related to their changing conditions and needs.

*ACTION TAKEN*

With few exceptions organized information and referral services are operated as a department or services of social planning councils in large centres. Elderly people seem to be unaware of the services offered and do not usually consult them.

British Columbia has its senior citizen counsellor program who are assisted financially with individual expenses up to $40 a month. Referral Services are provided to a limited degree from the Provincial Department of Rehabilitation and Social Improvement, from private family agencies and centres in Vancouver and Victoria. Skilled counselling services are very limited throughout the province. Information centres have been set up in many communities in the Lower mainland. These are community operated to offer assistance to all age groups.[6]

The Prairie Provinces seem to be particularly well organized in this field, e.g., the Alberta[7] Housing Corporation has a liaison with the Hospital Services Commission and the Department of Social Development as well as a consulting service with the Alberta Senior Citizens' Homes Association and the Alberta Council on Aging. In Manitoba[8] the Age and Opportunity Bureau in Winnipeg is active in this area and in Saskatchewan[9]

(4) Manitoba Housing and Renewal Corporation. Letter dated August 8, 1973
(5) Ouellet, Aubert, "Politique du Ministère des Affaires sociales relative à l'hébergement des personnes âgées. Symposium sur la gérontologie, Hôpital Notre-Dame de la Merci, Montréal, novembre 1973.
(6) Social Planning and Review Councils of British Columbia, *A Study of Community Care for Seniors*, Vancouver, 1972, p. 39.
(7) Alberta Housing Corporation. Letter dated August 20, 1973.
(8) Manitoba Housing and Renewal Corporation. Letter dated August 8, 1973.
(9) Saskatchewan Housing Corporation. Letter dated August 2, 1973.

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there are advisory and referral centres to assist the elderly with their housing and other problems. These include the Provincial Inquiry Centre, Community Switch Boards, Senior Citizens' Commissions. The province also assists in the organization and support of pensioners organizations in all communities throughout the province.

In Ontario[1] the housing element is the responsibility of the Ontario Housing Corporation while the other elements are channeled through the appropriate Ministries.

New Brunswick[2] has an interdepartmental committee which is now in the process of studying such problems as setting up adequate advisory facilities for its senior citizens. In Nova Scotia[3] the municipality housing committee is in contact with municipal welfare and health departments but does not have a formal referral system. In Prince Edward Island[4] and Newfoundland[5] the Provincial Housing Corporation will be organizing activities because of the small economic base.

*Recommendation 62*

> That changes be made in zoning laws where necessary to make a variety of housing accommodation, such as cooperative residences, small houses and flats, boarding houses, etc., more widely available throughout the community.

*ACTION TAKEN*

In most provinces the municipality initiates by resolution its requirement for public housing for the elderly and for others requiring low cost housing accommodation. If there is a local Housing Authority it establishes the need and the method to carry out the project. The Provincial Corporation has the overall responsibility as it finances the project and assumes responsibility to completion.

Canada's small rural towns present special problems to those wanting to develop satisfying housing for the elderly chiefly because the population base is too small to afford many public facilities and services. New Brunswick[6] uses central planning to probably a greater extent than other provinces. Zoning is a municipal responsibility. Prince Edward Island[7] has special arrangements with CMHC whereby senior citizens units are constructed on sites not served by sewage collection and treatment because of the many areas in Prince Edward Island which have not this service.

The Nova Scotia[8] Housing Commission is attempting to make full use of the available by-laws in its land assembly areas to make a wide variety of housing available to the public. The Newfoundland and Labrador[9] Housing Corporation is investigating current and future needs of housing for the aged; they will be working closely with Municipal Governments particularly in the larger urban centres.

The Prairie Provinces state that because of the availability of land, zoning has not become a problem. In Saskatchewan[10] it has not been necessary to change the zoning laws to allow for a variety of housing accommodation for the elderly. Because of the relative availability of land, the types of houses constructed have met with zoning regulations and where there have been minor technicalities involved, the municipal councils have been very co-operative in allowing minor changes to permit the construction of the desired units. Alberta[11] has encountered no major problems in zoning and the Housing Corporation reported that the co-operation of the municipalities has been excellent. Zoning procedures in Manitoba[12] provide for a general mix of housing types. It has been regarded by the Manitoba Housing Corporation as a wise policy to try to disperse housing as much as possible throughout the community to avoid the problems created by adverse community reaction to huge housing projects.

*Recommendation 63*

> That the municipal department or agency include on its staff one or more specialized persons to assist voluntary sponsoring groups and, in particular, to provide information regarding monies available from all sources, building regulations, local bylaws, siting, procedures, etc.

*ACTION TAKEN*

Few municipalities have staff qualified to assist voluntary sponsoring groups except to refer them to the proper Housing Authority which is qualified to do this. Town Clerks are qualified to supply information regarding zoning bylaws, etc.

*Recommendation 65*

> That Municipal Governments accept responsibility for providing leadership and initiative in the planning and development of the range of community services required for the well-being of old people, themselves establishing or financing those services that fall under their statutory jurisdiction while working with voluntary agencies or other levels of Government in the establishment of others.

(1) Ontaro Housing Corporation. Letter dated July 31, 1973.
(2) New Brunswick Housing Corporation. Letter dated October 26, 1973.
(3) Nova Scotia Housing Corporation. Letter dated August 28, 1973.
(4) Prince Edward Island Housing Authority. Letter dated August 6, 1973.
(5) Newfoundland and Labrador. Housing Corporation. Letter dated August 7, 1973.
(6) New Brunswick Housing Corporation. Letter dated October 26, 1973.
(7) Prince Edward Island Housing Authority. Letter dated August 6, 1973.
(8) Nova Scotia Housing Commission. Letter dated August 9, 1973.
(9) Newfoundland and Labrador Housing Corporation. Letter dated August 7, 1973.
(10) Saskatchewan Housing Corporation. Letter dated August 2, 1973.
(11) Alberta Housing Corporation. Letter dated August 20, 1973.
(12) Manitoba Housing Corporation. Letter dated August 8, 1973.

*Recommendation 66*

(a) That on the initiative of the Municipal Government, the local welfare council or other appropriate body, a representative committee, including appointees from the Municipal Government, be established for the purpose of surveying the local situation with respect to community services and facilities available to old people, and

(b) That this committee include in its investigation not only those health and welfare services, such as visiting nurses and homemakers, which would enable the aged to live in their own homes rather than in institutions, but also facilities and programs in the areas of recreation, education and community service which would enable them to continue as participating and contributing members of society, and

(c) That on the basis of the above survey, a plan be developed (i) to ensure communication and cooperation among all organizations and groups seeking to serve the aged and (ii) to extend and improve existing facilities and programs, and to establish new ones as required, and

(d) That in the implementation of this plan financial and technical help be sought from provincial and federal authorities along the lines indicated in later sections of these recommendations.

*ACTION TAKEN*

In Newfoundland[1] and Prince Edward Island[2] the province accepts the overall province-wide leadership in arranging community programs because of a lack of a financial base in small communities.

In 1968 Halifax, Nova Scotia[3] established a Social Planning Department which recommends programs and services to meet the needs of the elderly and to collaborate with others to provide an umbrella of services. In 1971 a study was carried out by the city of Halifax on the Problems Encountered by Aging.

In Quebec,[4] health and welfare are provincial matters; the municipalities only show an interest in recreation and leisure programs.

The Ontario[5] Select Committee on Aging, 1967, reiterated the views expressed by the Senate Committee Recommendations. Sixty per cent of the recommendations of the Select Committee have been fully or partially implemented. The remainder are still under review or are considered "not practical for Ontario alone without cooperative changes at the federal level" or are no longer applicable.

In Manitoba,[6] the Provincial Government accepts responsibility for overall province-wide leadership, and only in the city of Winnipeg, through its public health program, does a municipality take an active role. The Department of Health and Social Development has undertaken an extensive survey of the needs and resources concerning older persons. Volume one was published in 1973[7]

In Saskatchewan[8] the Municipal Governments are becoming increasingly involved in encouraging the development of community services for the aged. Provincial grants are made to community based projects such as meals-on-wheels, information and referral services, etc. The Municipal Parks and Recreation Boards in most provinces take an active part in providing facilities for older people and in arranging programs for them.

The 1973 study on the needs of the elderly in Alberta[9] recommended that at the local level in Edmonton, the Social Service Advisory Committee assume a coordinating role, acting on behalf of all city departments in closer liaison with private agencies.

The Social Planning and Review Council of British Columbia completed a study of the needs of the aged in British Columbia.[10] At the moment British Columbia is in the midst of considerable reorganization of its social services, and further information is not available.

Generally speaking, the services and resources available to elderly people depend to a large extent on municipal funds, the demand on these funds and the local potential for planning and developing programs. All services must be supported by the total citizen group by taxes, voluntary efforts and contributions. The financial assistance provided under the Canada Assistance Plan has been effective in releasing funds of voluntary agencies to accelerate community projects.

Senior citizen groups are very active in all provinces but they are not supported from public funds. A few organizations such as "The Good Companions" in Ottawa receive assistance from the United Appeal and, in this case, the accommodation was provided by a local service organization.

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(1) City of St. John's, Newfoundland. Letter dated August 15, 1973.
(2) Prince Edward Island. Department of Social Services. Letter dated August 24, 1973.
(3) City of Halifax, Nova Scotia. Letter dated November 23, 1973.
(4) City of Montreal, Quebec. Letter dated August 14, 1973. City of Sherbrooke, Quebec. Letter dated August 2, 1973.
(5) Ontario. Ministry of Community and Social Services. Letter dated November 28, 1973.
(6) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.
(7) Manitoba. Department of Health and Social Development. *Aging In Manitoba*, Volume I—Introductory Report, Winnipeg, 1973.
(8) Saskatchewan. Department of Social Services. Letter dated August 21, 1973.
(9) Snider, Earle. *Medical Problems and the Use of Medical Services Among Senior Citizens in Alberta: A Pilot Project*, Edmonton, Medical Services Research Foundation of Alberta, 1973.
(10) Social Planning and Review Council of British Columbia. *A Study of Community Care for Seniors*, Vancouver, 1972.

The Social Planning Council of Metropolitan Toronto in their "Trend Series, 1972-73" remark:

> "Existing service systems are changing but remain inadequate to meet the demands for services by the elderly. What is needed is a concept for a continuum of services and facilities from which individuals can select in accordance with current and changing needs. To this end it is necessary to examine the range of requirements of those in need of services, modify patterns of delivery and create more and possibly new systems tailored to the requirements of the elderly...
>
> Administrators of health and social services are becoming extremely sensitive to social, economic and political forces and to their impact on their institutions. Such administrators are well on their way to bringing about changes that are required to make our hospitals comprehensive community health centres.
>
> The Government is becoming the enunciator of social policy on health and social service matters and increasingly a purchaser of services. Services are beginning to change from a production to a marketing orientation and organizations are looking to the people they serve."[1]

*Recommendation 68*

> That the Municipal Government, through its local public welfare department where such has been instituted, accept responsibility for seeing that an information and referral centre is established for the use of old people and others in the community seeking advice on their problems.

*ACTION TAKEN*

Neighbourhood information centres are to be found in many Canadian cities in a variety of shapes and guises. *Information Centres: A Handbook for Canadian Communities,*[2] published by the Consumers' Association of Canada lists Information Centres in Canada. The following table[3] illustrates the number of Information Centres by province:

| | |
|---|---|
| Alberta | 6 |
| British Columbia | 17 |
| Manitoba | 7 |
| New Brunswick | 2 |
| Newfoundland | 1 |
| Nova Scotia | 3 |
| Ontario | 43 |
| Prince Edward Island | 1 |
| Quebec | 19 |
| Saskatchewan | 2 |
| Yukon | 1 |
| TOTAL | 102 |

(1) Social Planning Council of Metropolitan Toronto, *The Aging—Trends, Problems, Prospects*, Toronto, 1973, pp. E14-15.
(2) Consumers Association of Canada. *Information Centres: A Handbook for Canadian Communities*, Ottawa, 1973.
(3) *Ibid.*, p. I—i-iii.

Some are financed entirely through local United Appeal contributions, some entirely by their Municipal Government and others through a mixture of Government grants and contributions from the community at large and/or from voluntary organizations. A review of community information centres for all age groups was carried out by the Government of Canada in December 1970.

In March of the same year the Canadian Welfare Council (now the Canadian Council on Social Development) issued a report of their Committee of the Division on Aging on Information and Referral Services for the Aged in Canada.[4] They found that direct services for the aged were in short supply practically everywhere in Canada. With few exceptions, organized information and referral services are operated as departments or services of social planning councils in large centres. Services provided appeared to be oriented to the types of problems which the general public identified with "welfare". The bulk of the information was given by telephone and personal visits were discouraged.[5]

In the Spring of 1971 the Canadian Council on Social Development initiated a National Consultation on Community Information and Referral Services.[6] The steering committee in its recommendations emphasized the necessity for the neighbourhood information centre to reflect the characteristics, needs and aspirations of the neighbourhood in which it operates and that the centre should be supported but not controlled by funding bodies including Governments. Among the guiding principles to be followed was the recommendation that the centre should provide information to cover all aspects of social development including: income security, social welfare, health, manpower and employment, recreation, legal assistance, consumer protection. The Report set out the responsibilities of the three levels of Government: Federal, Provincial and Municipal.

*Partners in Information,* a study of community centres in Ontario, was published in December 1971. At that time some 15 provincially supported centres were included in the study.[7]

In 1971 the Consumers' Association of Canada sponsored a study of community information centres in Canada. The study, undertaken in conjunction with the Canadian Computer-Communications Task Force, presented a comprehensive overview of the centres, their functions and activities.[8] As a follow-up the Association sponsored a further investigation with the assistance of the Federal Department of Communications with the special view of determining the role of data banks in assisting the centres in handling requests for information for their users.

(4) Canadian Welfare Council, *Information and Referal Services For The Aged in Canada*, Ottawa, 1972, 18 pages.
(5) *Ibid.*, pp. 6-8.
(6) The Canadian Council on Social Development. *Issues for Citizen Information Services*, Ottawa, 1971.
(7) Government of Ontario. *Partners in Information*, Toronto, 1971.
(8) Starrs, Cathy, *Making Connections*, Consumers Association of Canada, Ottawa, 1973.

*A Handbook for Canadian Communities—Information Centres* (1973)—has been compiled and is being prepared for publication. It lists the various centres throughout Canada showing the various groups which the centre serves such as native people, ethnic groups, immigrants, alcoholics, drug addicts, welfare and legal requirements, etc. Senior Citizen Information is provided by some centres.

Basic services are available in British Columbia through the provincial offices of Rehabilitation and Social Improvement, from private agencies in Vancouver and Victoria and from the social services departments of several hospitals. SPARC survey in 1972 reported that skilled counselling services were limited throughout the province.[1]

The survey on the medical problems and the use of medical services among Senior Citizens in Alberta[2] found that the physician was the "father confessor" for the aged rather than organized services of which the elderly were frequently unaware. It was found that counselling, a necessary health-related service for the aged, was badly needed. The Annual Report of the Alberta Health and Social Department 1971-72 lists three information and Referral Centres in its preventative social services.

Saskatchewan[3] reports that some communities have information and referral services established by interested people in the area. They rely heavily on provincial subsidy. In Manitoba[4] information and referral centres are available in larger urban areas such as Winnipeg and Brandon. The main information and referral services, outside Government offices, used by the elderly in Winnipeg are those offered by the Age and Opportunity Centre, a private agency funded by United Way and provincial and municipal grants.

*Recommendation 69*

> That the Municipal Government, through its public welfare department where such has been established, and the voluntary family welfare agency, if such exists, extend and improve counselling services to old people, and that, under the auspices of one or both, a carefully supervised foster home placement service for old people be developed.

*ACTION TAKEN*

The problem of terminology is encountered under this item. In some provinces "foster home" refers to homes for children only; in other provinces it relates to persons released from mental institutions who still require some degree of supervision and are placed with private families who provide the necessary care and supervision.

The 1972 study conducted by the Social Planning and Review Council of British Columbia[5] concluded that skilled counselling was very limited throughout the province although some 70 volunteers are paid a nominal sum by the province to provide advice and referral services to the elderly at various places throughout the province. The study recommended that there be an increase in counselling services at the municipal level to assist those senior citizens who wish to maintain their own homes. British Columbia in 1972 had some 7,400 beds in licensed boarding home care facilities, i.e., for mobile persons whose physical and/or mental disability is such that they need supervision. These homes are licensed under the Community Care Facilities Licensing Act if the capacity is over three boarders.

The 1973 report on the problem and the use of medical services among the senior citizens in Alberta[6] observed that present programs tend to overlook the vast majority of senior citizens who live on their own and attempt to remain independent. "More health and related programs should be of the 'outreach home-centered' variety. Programs today rely too often on individual initiative and physician care exclusively.... Greater efforts should be made towards the establishment of counselling and visitor programs to help reduce feelings of anxiety and loneliness among the elderly." The Annual Report of the Department of Health and Social Development for Alberta, 1971-72 commented that they were working towards the acquisition of private homes for patients discharged from hospitals.

Saskatchewan[7] reports that there are no counselling centres set up specifically for the aged nor are there supervised foster homes placements available to the elderly in the province.

In Manitoba[8] counselling services are available in Winnipeg and the large urban centres; otherwise the availability and quality vary. Provincial Care Services in Winnipeg provide a program for those in need of out-of-hospital care, including foster homes.

One of the recommendations of the Ontario[9] Select Committee on Aging 1967 was that studies be initiated of requirements in each region of Ontario for domiciliary, sheltered and foster care for aged persons. This has been done. Homes for special care and supervised boarding homes come under the Ontario Nursing Homes Act. The term "foster home" is usually reserved for accom-

(1) Social Planning and Review Council of British Columbia. *A Study of Community Care for Seniors*, Vancouver, 1972, p. 7.
(2) Snider, Earle. *Medical Problems and the Use of Medical Services Among Senior Citizens in Alberta: A Pilot Project*, Edmonton, Medical Services, Research Foundation of Alberta, 1973, p. vi-v.
(3) Saskatchewan. Department of Social Services. Letter dated August 21, 1973.
(4) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.
(5) Social Planning and Review Council of British Columbia. *A Study of Community Care for Seniors*, Vancouver, 1972.
(6) Snider, Earle. *Medical Problems and the Use of Medical Services Among Senior Citizens in Alberta: A Pilot Project*, Edmonton, Medical Services Research Project, 1973.
(7) Saskatchewan. Department of Social Services. Letter dated August 21, 1973.
(8) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.
(9) Ontario. *Final Recommendations of the Select Committee on Aging*, 1967, 5th Session, 27th Legislature, 15-16 Elizabeth II.

modation for children. In 1967 counselling on family and indivdual problems of aging was available in 20 Ontario cities at family service agencies.

The economic status of municipalities in Newfoundland[1] and Prince Edward Island[2] do not permit independent programs. Provincial authorities assume responsibility except in the capital cities where voluntary organizations participate.

Nova Scotia[3] has been active in the foster home program for adults discharged from mental hospitals. Municipalities share in the cost and are active in the regional boards. The city of Halifax reported that a shortage of foster homes prevented them from launching a more extensive program to provide for others.

*Recommendation 70*

> That local institutions and agencies serving adults, including the schools and universities, the churches, social agencies, the public library, art galleries and museums, community centres and other recreational groups, experiment with changes in their programs and procedures with a view to encouraging greater participation on the part of older people.

*ACTION TAKEN*

There has been an increased awareness of the senior citizen all across Canada. They enjoy reduced fares on almost every form of transportation, public buses, airlines, etc. However, some municipalities have not found it possible to reduce fares for senior citizens on local transportation facilities. (Example—Halifax). Admission to theatres is also available at a reduced rate and the National Arts Centre in Ottawa not only provides reduced admission prices for some events but also arranges special programs for senior citizens.

The United Church of Canada prepared an outline of a series of evening programs to assist congregations who are concerned with the problems of the aged.[4] Within the past year, the United Church of Canada has also engaged a commercial research organization in Toronto to study various aspects of the requirements of the elderly.[5] The theme for the social action branch of The Canadian Catholic Conferences in 1972 was the rights, dignity and needs of the elderly to promote parochial action in this field.[6]

Senior citizens are organized across the country and have been very effective in making their cultural and recreational requirements known to their municipalities. In Ottawa civic staff of the Department of Parks and Recreation are working at 20 subsidized housing developments, supervising recreation programs such as swimming, crafts classes, etc. The city also provides transportation to various events organized by voluntary agencies. Community colleges and some universities provide courses in continuing education which are of interest to senior citizens. Pre-retirement courses are also offered at the secondary education level in most large centres and in regional secondary schools.

A Canadian Institute of Religion and Gerontology is being organized in Toronto with the aim of helping churches and religious orders to set up programs for the aging for retirement. It is also hoped to provide enriching study for senior citizens in such subjects as cultures, scripture, etc.[7]

*Recommendation 71*

> That municipalities, in seeking to fill the gaps between existing and needed services and facilities, give particular attention to the possibility of establishing homemakers' services and day-care centres.

*ACTION TAKEN*

A "homemaker" differs from the domestic in that he or she works under professional supervision. In some areas training is mandatory, some being provided at community college level, whereas in other areas no special training is required. In the period 1958-69 the total number of homemakers in Canada increased more than five-fold, much of this increase having been aided by federal cost-sharing since 1969 under the Canada Assistance Plan. A survey[8] by the Canadian Council on Social Development released in March 1971 reported that homemaker services tend to be concentrated in the larger cities with 42% of the agencies and two out of every three homemakers located in urban centres of over 100,000 population. Within Canada the supply of homemakers was unevenly distributed as between provinces and population centres of different sizes. At that time Manitoba was the most favourably endowed with the equivalent of 32 full-time homemakers per 100,000 population, followed by British Columbia with 21 and Ontario with

(1) Newfoundland and Labrador. Department of Health. Letter dated August 10, 1973.
(2) Prince Edward Island. Department of Social Services. Letter dated August 24, 1973.
(3) Halifax, Nova Scotia. City Planner. Letter dated November 23, 1973.
(4) United Church of Canada. *Resources for Senior Adult Work*, Toronto.
(5) Environics Research Group Ltd., *Survey of Media Patterns and Preferences of Senior Citizens in Metropolitan Toronto*, Toronto, 1972, 13 pages and 19 page questionnaire.
(6) Canadian Catholic Conference, Social Welfare Bureau, *The Aged in the Family of Man*, Ottawa, 1972.
(7) Canadian Institute of Religion and Gerontology, Toronto. Letter dated December 8, 1973.
(8) Canadian Council on Social Development, *Visiting Homemaker Services in Canada*, Ottawa 1971, pp. 13-14.

11. The survey covered the total need for homemakers by families including the elderly. Rural areas and communities under 10,000 population were the least well served with the notable exception of British Columbia. *Beyond Shelter*[1] (1973) reported that homemaker service was available in 7% of the NHA developments and as a community service in another 33%. The service was most likely to be available in Ontario and least likely in the Maritime Provinces.

The cost of the service to the recipient is geared to income; the recipient of an old age pension with the supplement pays nothing whereas those with independent income pay the full cost. The local United Appeal usually contribute to the cost of this program.

The Visiting Homemakers Association of Canada located in Ottawa report a shortage of homemakers to meet the demand for their services.

The term "Day Care Centre" is usually associated with the care of children. Because of this it is impossible to determine from provincial annual reports whether the statistics refer to "Day Care Centres" for children or the elderly. Prince Edward Island[2] reported that there were no day care centres for the elderly and Halifax was endeavouring to find a location for one centre.[3] Ottawa[4] in the fall of 1973 opened its first Day Care Centre for the elderly and it is reported that the great deterrent is the lack of transportation to and from the centre.

The Social Planning and Review Council of British Columbia[5] reported that Vancouver is in the process of developing personal care and supervision along with socialization and activity programs. Vancouver has one Day Care Centre and the North Shore area under a LIP program has established a need for such a service.

A day hospital is a facility which enables patients to arrive in the morning, spend several hours in therapeutic activity and return home the same day. In March 1971 the Health and Social Development Minister of Alberta announced that three geriatric "day" hospitals would be established in Edmonton and Calgary, on a pilot project basis.[6] Two will be located in Calgary, the other in Edmonton.

(1) Canadian Council on Social Development, *Beyond Shelter*, Ottawa, 1973.
(2) Prince Edward Island. Letter dated August 24, 1973.
(3) City of Halifax. Letter dated November 23, 1973.
(4) Island Lodge. Telephone Communication, November 28, 1973.
(5) Social Planning and Review Council of British Columbia, *A Study of Community Care for Seniors*, Vancouver, 1972, p. 91.
(6) Government of Alberta, News release, March 21, 1973.

*Recommendation 72*

That careful consideration be given also by Municipal Governments to the need for sheltered workshops open to all persons in the community, including the aged, who are unlikely to enter or re-enter the labour market, but who require work activity in a protected setting.

*ACTION TAKEN*

The Canadian Council on Social Development in their survey of NHA-financed housing for the elderly found that there were crafts rooms in 25 per cent of the developments; in another 12 per cent there was one nearby in the community.[7] Such a room was much less likely to be available in self-contained units than in hostel and mixed accommodation; only 13 per cent of self-contained developments had a crafts room, compared with 61 per cent of hostel and mixed. A crafts room was more likely to be in non-metropolitan areas.

Senior Citizen Organizations have taken advantage of grants under New Horizons to establish handicraft centres where articles are produced for sale; such centres are to be found in St. John's, Newfoundland and in Sydney, Nova Scotia.

There are only two sheltered workshops for the elderly in Canada; both of these are operated by Jewish welfare organizations, one in Toronto and one in Montreal.

*Recommendation 73*

That, in line with their constitutional responsibility for the provision of essential welfare, educational and recreational services, Provincial Governments give particular attention to the serious gaps and deficiencies currently existing in all of these fields, as they relate to the needs of old people.

*Recommendation 74*

That, with a view to bringing about the changes called for in the above situation, Provincial Governments through their departments of health, welfare and education provide strong leadership to local communities and in particular assist their efforts through initiating and publicizing a program of technical advice and field service and through the preparation of materials for program planning and staff training.

*ACTION TAKEN*

Although all the provinces are falling short in what should be done to fill the serious gaps and deficiencies existing in all fields related to senior citizens, most provinces are as active as their budgets permit, taking

(7) Canadian Council on Social Development, *Beyond Shelter*, Ottawa, 1973.

NOTE: See Recommendation No. 81.

into account the demands made by other problems such as pollution control, etc. Some of the provinces have divisions on aging.

Since 1967 the functions of the Division on Aging in the Department of Rehabilitation and Social Improvement for the Province of British Columbia[1] have been gradually directed toward service-oriented programs for the elderly. Over 70 senior citizens located in key population areas throughout the province assist their contemporaries to solve their problems whatever they may be. These counsellors are volunteers who are assisted financially with individual expenses up to $40 a month.

Persons in receipt of any portion of the Federal guaranteed income supplement of the Provincial Supplementary Social Allowance are entitled to free transportation over the British Columbia Bus system in Greater Vancouver and Greater Victoria on payment of a $5 fee every six months.

Over 25 activity centres for adult handicapped persons during the period under review were assisted in various amounts from $300 to $1,700 per month.

The Division on Aging maintains almost daily contact with many senior citizen and pensioner organizations.

In Alberta a joint (Alberta Council on Aging and Department of Health and Social Development) study of the general needs of institutionalized and noninstitutionalized senior citizens across Alberta was scheduled for 1973. The pilot project on Senior Citizens in Alberta[2] (1973) stressed the need for more activities for Senior citizens.

The Senior Citizens Commission of Saskatchewan assumed the responsibility of examining deficiencies and making recommendations regarding new programs, especially for small communities. Their report[3] issued in January, 1974, recommended that the provincial government establish an Agency as part of a new deal for the elderly in Saskatchewan. Guidelines for the duties and responsibilities of various levels of this Agency are outlined.

The Manitoba[4] Department of Health and Social Development reported that the Provincial Government has taken more responsibility over the past decade in the development of courses for staffs in care facilities, for encouraging and assisting administrators of care facilities in developing programs, holding seminars and particularly in assisting care facilities in the development of activity programs and the training of staff for such.

In 1967 Ontario[5] established a Select Committee on Aging. As of October 1973 42% of the recommendations of the Committee which dealt with all aspects of aging, had been implemented and another 18% had been partially implemented. There was a 9% increase in the implementation of recommendations between May 1971 and October 1973. In March 1970 the Department of Social and Family Services of the Ontario Government held the first Ontario Elderly Persons Centres Conference to discuss the best way to develop a provincial network of high quality day centres for older people. Again in Ontario the province sets aside one week each year devoted to the aging. Kits are prepared and sent to communities and organizations; in 1973 the emphasis was on "Living can be Ageless". For the first time the Provincial Government introduced a province-wide pre-retirement campaign directed toward men and women who are 40 years of age and over.

During the years 1967-70 the Government of Quebec[6] funded a program to train people in the specialized care of older persons. The program was conducted by the Grey Nuns of Montreal.

Nova Scotia[7] has a Social Development and Rehabilitation Division within its Welfare Department which emphasizes the importance of community participation to determine the needs of the people. During 1971-72, 30 students were employed to plan activity programs in 15 Homes for the Aged and Disabled. There is also a Social Research and Planning Division which serves as a coordinating and resource body for the planning and organization of research projects, studies and briefs relating to the changing needs of the Department and as an instrument for disseminating information on welfare programs in Nova Scotia. One of the projects has been the preparation of a directory of social services in the Halifax-Dartmouth region. Although the emphasis is on family and youth, many of the programs could be used by the aging.

In New Brunswick[8] The Community Relations Division coordinates the Department of Welfare Programs with private welfare services. This involves promoting and participating in programs for the full involvement and education of community groups, client groups, voluntary agencies and the general public with regard to services, goals and objectives in social welfare.

In Newfoundland[9] the Department of Rehabilitation and Recreation is responsible for aging. Prince Edward Island[10] has a Division of Services to Aging within their Department of Social Services.

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(1) British Columbia. Department of Rehabilitation and Social Improvement, Division on Aging. *Annual Report 1972*, p. N57.
(2) Snider, Earle, *Medical Problems and the Use of Medical Services Among Senior Citizens in Alberta: A Pilot Project.* Edmonton, Medical Services Research Foundation of Alberta, 1973.
(3) Saskatchewan. Department of Social Services *If you feel... Change is possible*, Regina, 1974, 144 pages.
(4) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.
(5) Ontario. Ministry of Community and Social Services. Letter dated November 28, 1973.
(6) Canadian Welfare Council. On Growing Old. Vol. 9, No. 1, March 1971, p. 9.
(7) Nova Scotia. Department of Public Welfare. *Annual Report for year ending March 31, 1972*, pp. 61 and 78.
(8) New Brunswick. Department of Social Services. *Annual Report 1971-72.*
(9) Newfoundland and Labrador. Department of Health. Letter dated August 10, 1973.
(10) Prince Edward Island. Department of Social Services. Letter dated August 24, 1973.

*Recommendation 75*

That grants be made available by Provincial Governments, independently or on a shared basis with the Federal Government, for:

(a) The construction and operation of day-care centres, community recreation centres and sheltered workshops;

(b) The conduct of training courses and institutes for professional, technical and volunteer workers in the area community services; and

(c) Demonstration projects for old people in fields like meal service, recreation programs, camping, preparation for retirement and adult education.

*ACTION TAKEN*

The Federal Government does not contribute by way of capital assistance to workshops but will contribute to the operational cost. Capital grants are made by Ontario and Alberta. All provinces share in the operational cost. Provincial grants are available for day care centres which are few for the elderly. The term "day care centre" in most provinces relates to facilities for children. Day care centres, where organized, are financed by the province, municipality, volunteer agencies and the United Appeal. Senior citizens recreation centres, where separate from the community centre, are usually provided by a local service agency. Operational costs come from fees, United Appeal and Municipal Parks and Recreation.

Ontario[1] is the only province to provide both capital and operating grants to elderly persons' centres and community centres. Ontario also reported that they are sponsoring many training courses and institutes for professional, technical and volunteer workers in the area of community services for the aged. Although Ontario does not have specific demonstration projects, the province supports a number of programs related to recreation, preparation for retirement and adult education, from at least two areas of the Ministry of Community and Social Services.

Manitoba[2] reports that some action has been taken in this area especially in the larger centres but much has to be done in the rural areas.

Many of the grants made by the Saskatchewan Government[3] for welfare or community services are cost-shared by the Federal Government. The grants are more related to program and staffing than toward capital costs of construction.

(1) Ontario. Ministry of Community and Social Services. Letter dated November 28, 1973.
(2) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.
(3) Saskatchewan. Department of Social Services. Letter dated August 21, 1973.

*Beyond shelter*[4] commented that group leadership or group work to assist residents to organize activities for themselves was available in only 9 per cent of the developments built under the NHA. In another 6 per cent of the developments, it was available elsewhere in the community. Hostel and mixed accommodation were considered more likely to have the services of a group worker on-site than were self-contained developments: the service was available in only 5 per cent of self-contained developments, compared with 17 per cent of hostel and mixed developments. Quebec had a considerably higher proportion of developments with group leadership services than other regions—perhaps because of its predominance of hostel accommodation as well as more widespread appreciation of social animation techniques in the province.

*Recommendation 76*

That the cost of homemakers be shared with municipalities on a basis which would permit the latter to provide this important service free to all old people who have a taxable income below a specified minimum, say $1,200 for a single person and $2,000 for a couple.

*ACTION TAKEN*

Financial assistance for homemaker service is available to a greater or lesser extent under provincial social legislation in all Canadian provinces.

Provincial and Municipal Governments underwrite the costs of providing homemaker service to recipients of social assistance. The service is on a "needs test basis" by virtue of the Canada Assistance Plan Agreement requirements.

*Recommendation 77*

That encouragement be given to local welfare departments to improve their counselling services and to make it available not only to people in financial need, but to all others in the community, including especially the elderly, and that the province share in the cost of this development.

*ACTION TAKEN*

Counselling and referral services come within the terms of the Canada Assistance Act but these services depend upon the province's and the municipality's ability to pay their share of the cost. Counselling services are usually available through regional offices but the problem seems to be that the majority of elderly people do not know of such services or where they are available. The study

(4) Canadian Council on Social Development, *Beyond Shelter*, Ottawa, 1973, p. 127.

by the Canadian Council on Social Development[1] found that in housing development surveyed social work counselling was available as follows:

| | Available on site or as a special development service | Available in or for the general community | Not Available |
|---|---|---|---|
| In all Developments | 6.1% | 44.5% | 49.4% |
| In Self-contained Developments | 4.1% | 45.1% | 50.8% |

Briitsh Columbia[2] has a senior citizen counsellor program. These counsellors are volunteers who are assisted financially with their individual expenses up to $40 per month. The program which comes under the Department of Rehabilitation and Social Improvement has been in operation for some years and has been well received.

The study on the Health Care and Non-Institutionalized Senior Citizen in Edmonton[3] recommended "greater efforts... towards the establishment of counselling and visitor programs to help reduce feelings of anxiety and loneliness among the elderly." The study found that the family doctor had become the "father confessor" and professional services where available were not being used to their maximum capacity.

The Province of Saskatchewan[4] plans to reorganize its social service department so that social workers will be able to devote more time to social services such as counselling for all age groups. Public Health nurses[5] made some 6,600 visits (34 per cent of total visits) to people over 65, one of their main aims being to promote rehabilitation activities.

Manitoba[6] reported that it funds the counselling offered through departmental offices and also makes funds available to the Age and Opportunity Centre and to the Brandon Senior Citizens Incorporated for counselling services.

Ontario[7] encourages local social service departments to increase counselling services through the media of such legislation as The General Welfare Assistance Act, the District Welfare Assistance Act, the District Welfare Administration Boards Act and a number of other programs of the Ministry of Community and Social Services.

(1) Canadian Council on Social Development, *Beyond Shelter*, 1973, pp. 128-129.
(2) British Columbia. Department of Rehabilitation and Social Improvement, *Annual Report, 1972-73*, p. N 57.
(3) Snider, Erle L. Department of Sociology, University of Alberta. April 1973. The Medical Services Research Project: *Health Care and the Non-Institutionalized Senior Citizen in Edmonton*, p. 149.
(4) Saskatchewan. Department of Social Services. Letter dated August 21, 1973.
(5) Saskatchewan. Public Health *Annual Report, 1971-72*, p. 47.
(6) Manitoba. Department of Health and Social Development. Letter dated December 2, 1973.
(7) Ontario. Ministry of Community and Social Services. Letter dated November 28, 1973.

A research team from the Canadian Council on Social Development in a survey of NHA-financed housing developments for the elderly found that social work counselling was more available in Quebec[8] than in other provinces. In the housing developments surveyed in Quebec, social work counselling was available in relation to 51 per cent of the developments: in 6 per cent of the cases it was available on-site and in 45 per cent of cases it was provided elsewhere in the community. However, social work counselling was available on-site in only 4 per cent of the self-contained developments and in 12 per cent of hostel and mixed developments.

In New Brunswick[9] the Department of Social Services administers social assistance under a comprehensive program and in Nova Scotia[10] municipalities are reimbursed by the province for at least 75 per cent of the costs of assistance, services and administration. In Nova Scotia[11] municipal welfare departments work in close liaison with the Social Development and Rehabilitation Division of the Provincial Department of Public Welfare and many persons are referred to this division for counselling and rehabilitation services.

In Newfoundland and Prince Edward Island[12] the province assumes full responsibility for the costs of assistance and services to all needy persons.

*Recommendation 78*

That the Welfare Branch of the Department of National Health and Welfare establish a special division for the purpose of providing technical advice and up-to-date information with regard to day care centres, homemakers, meal services, counselling and such other welfare services for the elderly as come within the department's terms of reference.

*ACTION TAKEN*

The Welfare Research Division of the Welfare Branch of Health and Welfare Canada has a Consultant on Aging who, on request, will provide information on various welfare services.

*Recommendation 79*

That the Department of Labour, similarly, through such of its branches as is appropriate, assist the provinces in the development of services for older people in occupational training, placement, and rehabilitation.

(8) Canadian Council on Social Development. *Beyond Shelter*, 1973, p. 127.
(9) Health and Welfare Canada. *Social Security and Public Welfare Services in Canada*, 1972, p. 49.
(10) *Ibid.*
(11) Nova Scotia. Department of Public Welfare. *Annual Report, 1971-72*, p. 54.
(12) Social Security and Public Welfare Services in Canada, *op. cit.*

*ACTION TAKEN*

The Department of Manpower and Immigration has an Older Workers Section, Special Programs Branch, which provides information on this subject.

*Recommendation 80*

That consideration be given to the possibility of earmarking for use in the field of aging a portion of the funds available for research, training and activity projects under the National Health Grants, the National Welfare Grants and the National Fitness and Amateur Sport Programs.

*ACTION TAKEN*[1]

Funds are not earmarked for specific purposes as each request for a grant is considered on its own merits. Otherwise funds may lie dormant awaiting worthy projects. The following are some projects carried out with the help of welfare grants:

1. Canadian Council on Social Development—Seminars for the development of administrators of Homes for the Aged and Training Institutes for directors of Senior Citizen Centres.
2. Jewish Home for the Aged, Toronto—Activity Programs for Mentally Impaired Aged, 1969 to 1973 —Final Report.
3. Windsor, Hants County, N.S.—Research project on existing facilities and those required for the Community Care of the Elderly, 1967/68 grant completed.
4. Department of Health and Social Development, Manitoba—A survey of the aged to determine factors associated with successful placements in foster homes (1967/68 grant).
5. Social Planning and Research Council, Hamilton and District—Effects of Aging Process (1967/68 grant).
6. Saskatoon Senior Citizens Services Association and the Social Planning Council of Saskatoon—Factors which contribute to the Social and Economic Independence of People Over 60, and an evaluation of community services for senior citizens (1967/68 grant).
7. Conseil des Oeuvres et du bien-être de Québec— A study of homes for the aged in the Québec Diocese (1967/68 grant).
8. During 1970-71 a welfare grant was awarded to Laval University to study the relationship between certain events which occur during the second part of an individual's life and his adaptation to change.

In 1973-74 the University of Calgary will be studying "Successful Aging and Future Activities".

Among Health grants are the following:

University of Ottawa—A grant to evaluate the effectiveness of public health nursing in helping the elderly to maintain the independence required for living in an apartment building.

New Mount Sinai Hospital, Toronto—A grant to evaluate the role of hearing rehabilitation in the elderly; to study quality control of currently available hearing aids and to investigate the feasibility of organizing a health care delivery program for aural rehabilitation in the elderly.

When Dr. Roxburgh appeared before the Standing Committee on Health, Welfare and Social Affairs in 1971, he assured them that the total research program relating to the problems of the aging is growing, particularly with respect to heart and stroke and this type of disease entity. An examination of the 1972 listing of research projects and investigations into economic and social aspects of health care in Canada reveals that at least 12 projects have a direct relationship to the health care of the aging. The Canada Assistance Plan also makes funds available on a shared cost basis to provincial and municipal departments of welfare for research in welfare services. Priorities are determined by the provinces.

Activity programs are encouraged under the New Horizons program introduced in September 1972. Under this program funds are provided to groups of retired persons to enable them to participate in community life. To February 4, 1974 a total of 1675 projects had been approved for a value of close to $10 million.

*Recommendation 84*

That research be undertaken with a view to learning more about the daily life of older people and, in particular, about their leisure time interests and their attitudes to community programs of various types in this area provided for their benefit.

*Recommendation 85*

That in view of our present lack of knowledge about the leisure time needs and interests of older people, programs in this field be envisaged frankly as experiments with provision for the careful evaluation of the results achieved.

*ACTION TAKEN*

A special committee was appointed by the National Committee of the Division on Aging of the Canadian Welfare Council in June 1967 to explore learning opportunities for older people.[1] The Committee gave

(1) Canada. Health and Welfare Canada. Letter from Mr. A. W. Johnson, Deputy Minister of Welfare, dated February 12, 1974.

(1) Canadian Welfare Council, *Report of a Special Committee on Learning Opportunities for Older People*, Ottawa, 1970.

priority to the discussion of learning situations which seemed most meaningful to older people with some emphasis on how older people learn. It began by experimenting with the guided conversation, in an attempt to discover what older people themselves see as their educational needs. It continued by reviewing and discussing a few successful programs for older people which had a large learning component. The Committee also recognized that information services designed to serve elderly people and their relatives on a city-wide basis might have an excellent source about the educational needs of elderly people. This expectation was confirmed in a report made to the Committee about requests received by the Information Service of the Social Planning Council of Metropolitan Toronto.

The report by this special committee also included a description of some training event. The Prairie Christian Training Centre Experimental Event for people who work with older persons was held at Fort Qu'Appelle, Saskatchewan. The main objective of this four-day workshop was to discover more adequate ways for developing leadership for work with older people. A similar training event was held in May 1969 at Naramata Centre for Continuing Education in British Columbia.[1]

In 1972 the Communications Committee of the Toronto Area of the Presbytery of the United Church of Canada presented a brief to the Canadian Radio Television Commission on the general neglect of senior citizens' special needs by the broadcast media. A follow-up research project on the media patterns and the needs of senior citizens was designed.[2] There are four phases to this project: (1) the assessment of existing programming for senior citizens, (2) a survey of senior citizens' media patterns and preferences, (3) participation of various community organizations in defining the needs of senior citizens and experimentation with new programs, and (4) project evaluation and recommendations.

The Canadian Council on Social Development (formerly Canadian Welfare Council) included two workshops on the elderly at its annual conference in September 1973. The consensus was that planning agencies should find out what senior citizens want rather than provide what the agency thinks they need.

In an address to the Canadian Association on Gerontology, October 18, 1973, on "Under-valuing knowledge and over-valuing Research", Dr. David Schonfield, University of Calgary commented as follows:

> "When we consider the study of aging, that young science of gerontology, a conflict between knowledge and research might seem far fetched. Investigations of aging processes have attracted very few scholars and Canadian neglect of this area is truly lamentable. Funding by the Federal Government is less than 2 per cent of the comparable United States figures, probably less than 1 per cent, at a time when American gerontologists complain bitterly of inadequate Government support. It is only too easy to begin listing the research gaps where Canadian practitioners are, or should be, crying out for more knowledge —effects of our cold climate on activities provided for the aged; industrial gerontology in general and problems of retraining older workers in particular; influences of inflation on early retirement; comparisons between services in public and private nursing homes; causes and prevention of accidents in traffic and in the home. It is easy to begin such a list; it is difficult to stop. Nevertheless there can be little doubt that our first priority should be in the training of those who work or intend to work with the aged and the aging. Acquisition of existing knowledge, however limited, must take precedence over creating new knowledge."[3]

He went on to decry the lack of responsibility for making proposals about aging:

> "This vacuum of responsibility is a major cause of the history of failure among many Canadian enterprises established on behalf of the older part of our population. The Division on Aging of the Canadian Welfare Council has disappeared, as has the Institut de Gerontologie at L'université de Montréal. The journal, Vivre Longtemps has published its last issue and the minute Aging Section of the Federal Department of Manpower has a reduced establishment. There are rumours that the Office on Aging of the Ontario Government is on its way out. Undervaluation of knowledge and experience is demonstrated when such enterprises are allowed to disintegrate instead of being cherished."[4]

*Recommendation 86*

> That the foregoing activities be encouraged and that particularly in the Dominion Bureau of Statistics and the Department of National Health and Welfare, staff and budget be provided to strengthen existing programs of research and fact-finding in the aging field.

*ACTION TAKEN*

Although Health and Welfare Canada only show one office as being specifically assigned to work in the field of aging, studies in various branches encompass the over 60 group as well as other age groups of our population. Similarly in Statistics Canada, studies on the aged are

(1) *Ibid.*, pp. 13-16.
(2) Enivronics Research Group Ltd., *Survey of Media Patterns and Preferences of Senior Citizens in Metropolitan Toronto*, Toronto 1972, 13 pages and 19 page questionnaire.
(3) Schonfield, David. "Under-Valuing Knowledge and Over-Valuing Research", University of Calgary, 1973, p. 5.
(4) *Ibid.*, p. 7.

included in the overall picture. Statistics Canada report that the following changes have been made in their statistical program:

1. The breakdown of the category age 65 and over into 65-74 and 75 in the annual publication of hospital separations from 1969 onwards.
2. The publication of new primary sites of malignant neoplasms by age, including 65-69, 70-74, 75-79, 80-84 and 85.
3. The initiation of a program to list and survey special care facilities which would include nursing homes and homes for the aged. Funds are currently being sought to accelerate and improve the coverage of this survey.[1]

In the Department of National Health and Welfare, Treasury Board has approved increases in staff and budget for the Research Programs Directorate.[2]

Since the Report of the Special Committee of the Senate on Aging was published, the National Welfare Grants administration has strengthened its consultative services in all areas of its responsibility. Expenditures for Research grants have increased also but are subject to budget restrictions.

Funds available on a shared-cost basis under the Canada Assistance Plan to the provincial and municipal departments of welfare for research are not limited, that is, sharing is limited only by the amount of the claims submitted by the provinces.

*Recommendation 87*

(a) That on the initiative of DBS consultations be instituted at an early date with appropriate Federal and Provincial Government Departments, and non-governmental organizations interested, for the purpose of improving present statistics related to aging.

(b) That, further, DBS, take the measures necessary to match its achievements in the field of economic statistics with an integrated system of social statistics, which would contain a section on aging.

*ACTION TAKEN*

(a) See Recommendation No. 86.

(b) There is no special section on aging; information on this subject is on the same basis as other age groups.

*Recommendation 88*

That the Federal Government review the experience it has had with research grants in health, welfare, and related fields such as housing and rehabilitation, and give consideration to means that might be employed, possibly through earmarking certain of these grants, to encourage the development of research on aging, especially in those areas of major need and expenditure that are now neglected.

*ACTION TAKEN*

During the 1971 review of National Health and Welfare Estimates by the Standing Committee on Health, Welfare and Social Affairs,[3] the question was asked if there had been an increase in the money spent on research in the geriatric field. The Deputy Minister replied that it was "pretty hard to identify as being geriatric research because cardiology, for example, or respiratory disease research— . . . a lot of it is for geriatric patients. It is not identified as such. I do not think we have figures on geriatrics". Speaking for the Medical Research Council, the witness states:

> ". . . this is not broken down as a separate item in the way in which we look at our grants. So I really cannot answer your question. I can assure that it is growing, at least as fast as the total program, because these areas are of active concern, particularly with respect to heart and stroke and this type of disease entity. . . .One of the areas of concern to the Medical Research Council is related closely ot this, and this is rehabilitation medicine. There is very little activity in research in rehabilitation medicine in Canada, and it is an area in which the Council has attempted to arouse further interest and activtity. This is not all related to geriatrics, of course, but a good deal of it is."

A comprehensive study of housing for the elderly financed by CMHC under the provisions of the National Housing Act was published in July 1973 by the Canadian Council on Social Development. It was supported by a grant from Central Mortgage and Housing Corporation.[4]

Health and Welfare expects the evaluation of the effects of the New Horizons programs to produce findings which may have implications for other departmental programs in the area, for example, of unmet needs of the elderly.

Health and Welfare Canada through its health grants are sponsoring increasing numbers of research projects dealing exclusively with the problems of the elderly and other projects which are related to the total population

(1) Canada. Statistics Canada. Letter dated August 24, 1974.
(2) Canada. Health and Welfare Canada, Health Manpower. Letter dated August 8, 1973.
(3) Standing Committee on Health, Welfare and Social Affairs. May 20, 1971.
(4) Canadian Council on Social Development. *Beyond Shelter*. Ottawa, 1973.

but are of great importance to senior citizens, such as home care, day hospitals, community centres, etc.[1]

The problem of aging such as

1. Prevention of disease and deterioration in the aged; and
2. Rehabilitation of senior citizens

are considered to be priority areas for the National Health Grant Program.[2]

*Recommendation 90*

That in all municipalities and/or appropriate local regions, on the initiative of the public authority where necessary, an officially recognized body be established to plan and coordinate programs, facilities and services for older people and that the concern of such bodies embrace not only the areas of health and welfare but also living arrangements, employment, education and leisure time activities.

*ACTION TAKEN*

A survey of municipalities of various sizes across Canada showed that civic coordinating and planning groups are concerned with the total population rather than one segment. A unique umbrella organization is the Community Care Services (Metropolitan Toronto) Incorporated (1971) which provides a correlated system for the organization and management of resources to assist the aged, handicapped, chronically ill and convalescent persons. The city of Pembroke has used a LIP grant to establish a Pembroke and Area Community Service Corporation which is interested in the requirements of the area's senior citizens. In Quebec the municipalities are only concerned with recreation and cultural facilities; other requirements are dealt with by the province.

*Recommendation 91*

That Provincial Governments accept responsibility for the establishment of appropriate bodies for the planning and coordination of programs for older people within their jurisdiction and, that in doing so consideration be given to the proposals contained in the Saskatchewan and Ontario reports.

*ACTION TAKEN*

Six provinces have separate branches or divisions of Government to deal with the problems of the elderly (British Columbia, Manitoba, Newfoundland, Ontario, Quebec and Prince Edward Island). The proposals contained in the Saskatchewan and Ontario reports were not implemented.

(2) Canada. Health and Welfare Canada. *Research projects and investigations into Economic and Social Aspects of Health Care in Canada*, 1971, 1972.

(3) Canada. Health and Welfare Canada. Letter dated August 8, 1973.

## (3) RECOMMENDATIONS THAT ARE NOT IMPLEMENTED

*Recommendation 3*

The Committee recommends that, on the initiative of the Federal Department of Labour, research be continued into the characteristics of older workers and the effect of age on specific abilities; and that efforts be made to get the findings of such studies translated into enlightened personnel policies and into conditions of work related to the changing capacities of the older worker.

*ACTION TAKEN*

Since 1966 the responsibilities of the Department of Labour have been altered. There is no research program on this subject being conducted within the Federal Government agencies, although studies and reviews are undertaken by the Older Workers Section of Canada Manpower. Dr. Leon Koyl of Sunnybrook Hospital, Toronto has developed a profile for measuring an individual's physical and mental capacities for work.

Investigation of aging process has attracted very few scholars. For example, of 398 Master of Social Work theses completed at the School of Social Work, University of Toronto,[3] between the years 1942-1962, only 13 are related to the field of aging. Between 1963-1973 of 440 Master theses, 18 dealt with the aged. It would appear that there is relatively little increase of interest among students in pursuing gerontological research questions.

*Recommendation 9*

That the Federal-Provincial Vocational Rehabilitation program be enlarged and strengthened to provide in greater measure for the rehabilitation of older workers, whose disability arises mainly from prolonged unemployment.

*ACTION TAKEN*

Health and Welfare Canada administers rehabilitation programs under the Vocational Rehabilitation of Disabled Persons Act.[4] Under this Act the Federal Government enters into agreements with the provinces for costs incurred by the province in undertaking a comprehensive program for the vocational rehabilitation of disabled workers. The province defines the eligibility of persons who are to be included; the main emphasis is on those persons who are suffering from a physical or mental disability.

The Rehabilitation Services Division of Health and Welfare Canada also includes a Work Activity Section. This section administers Part III of the Canada Assistance Plan which provides for shared funding by the Federal

(3) Correspondence School of Social Work, University of Toronto, October 24, 1973.

(4) Revised Statutes of Canada, 1970, Chapter V-7, Vocational Rehabilitation of Disabled Persons Act.

and Provincial Governments of programs to prepare unemployed persons for future employment. These programs use a comprehensive approach and include lifeskills, academic upgrading, counselling, family participation, and work exposure. Suggestions for programs are initiated by the provinces; projects may be sponsored through an agency or private group. The Federal Government pays fifty per cent of the cost; the remainder may be paid totally by the province, as is the case in Manitoba and New Brunswick, or the remaining fifty per cent may be shared by the province and the local municipality. At the present time the number of older workers involved in rehabilitation programs is minimal.[1]

*Recommendation 15*

That mass education programs for people of all ages with emphasis on the maintenance of good health throughout life as well as on the early detection of disease symptoms, be promoted extensively by Governmental and voluntary agencies, with the advice and cooperation of medical associations.

*ACTION TAKEN*

Health Education is under the Community Health section of Health and Welfare Canada. This section focuses on health education for people of all ages, not just the aging population.

Surveys conducted by organizations in British Columbia, Alberta and Ontario found that the majority of older people are unaware of the facilities, benefits and agencies which are already organized to assist them. There is great reliance on their physician to direct them when they are faced with a problem. Generally health literature is not for any one age group but is prepared for the total population. There is very little health education aimed at the elderly.[2]

"The benefits from effective instruction (in the promotion of health, information about illness, the available services and how to use them, etc.) could be very great, yet neither the effectiveness of such educational programs as do exist, nor the best ways of educating the public in matters of health so that they actually do something about it, have been studied in Canada... Only a considerable research effort, particularly in social and behavioural fields, can hope to provide some of the needed answers."[3]

Senior citizens in cooperation with Provincial Governments organize Senior Citizen Weeks. In Ontario in 1973 the theme was "Living can be Ageless."

*Recommendation 20*

That local health and/or welfare departments keep a register of all people aged 65 and over in their communities and that public health nurses and/or social workers make contact with such older people and visit them periodically if such visits are necessary and desired.

*ACTION TAKEN*

Except in a few isolated cases such as Pembroke and Woodstock, Ontario, local health and/or welfare departments have no registers of people over 65 except in those cases where welfare assistance is being provided.

In some major urban areas public health nurses visit senior citizen housing developments on a regular basis. The Ontario Housing Corporation has stated that it has no special health program policy but according to the Ottawa Housing Authority public health nurses and a community relations officer visit each senior citizen development once a week when they are available on call to residents.[4]

*Recommendation 28*

That all provisions of the Hospital Insurance and Diagnostic Services Act be extended to cover the use by the individual of all approved institutional facilties for health care, including tuberculosis and mental health hospitals.

*ACTION TAKEN*

The Hospital and Diagnostic Services Act[5] of 1957 has not been amended to include tuberculosis and mental health hospitals. These are the responsibility of the provinces.

*Recommendation 34*

That, similarly, at the Federal level a special branch or division concerned with the Health Care of the aged be established under the Director of Health Services in the Department of National Health and Welfare, and that close liaison be maintained between this branch and the corresponding body on the welfare side, as well as with the staff of other departments which carry responsibility for the health of older people, such as the Department of Veterans Affairs, and the Civilian Rehabilitation Branch of the Department of Labour.

*ACTION TAKEN*

There is no branch or division on the "health" side of National Health and Welfare concerned specifically with the health care of the aged to correspond with the "Consultant on Aging" who operates within the Welfare Research Division.

(1) Canada. Health and Welfare Canada, Rehabilitation Services Letter dated March 28, 1974.
(2) Gibbon, Mary. "Health Maintenance Nursing; Implication of a Community Nurse", Victorian Order of Nurses Annual Meeting, Ottawa, 1973.
(3) Background Study for the Science Council of Canada, *Health Care in Canada: A Commentary*, August 1973, Special Study No. 29, p. 135.
(4) *Ottawa Journal*, July 18, 1973, "Woman's death brings call for nurses".
(5) Revised Statutes of Canada, 1970, Chapter H-8, pp. 3753-3759.

Dr. M. Kozakiewicz, Senior Consultant, Rehabilitation, of Health Standards and Consulting of the Health Programs Branch is heading a committee on aging. This nine member committee will analyze the recommendations of the various reports on aging, particularly the Special Senate Committee on Aging, and determine which recommendations affect the socio-health needs of Canadians, which recommendations have been implemented and which can be implemented given the economic situation.[1]

*Recommendation 35*

That periodic surveys be made of the health status of older people in order to provide comprehensive, reliable and up-to-date information as a basis for health planning.

*ACTION TAKEN*

Surveys such as the National Nutrition survey covered the aged as well as other groups.[2]

There is no reliable data on a national basis to cover any group. Health and Welfare Canada in its brief to the Science Policy Committee recommended that national surveys be carried out to indicate the prevalance of various disabilities. There has been no such national survey since 1951.

*Recommendation 49*

That CMHC give consideration to the establishment of a national committee, analogous to the recently appointed national council on welfare, to advise on matters of policy and program in the field of housing for low-income families and for the elderly.

*ACTION TAKEN*

There is no national advisory committee as such but the Corporation makes grants under the NHA for the formation of study or advisory groups.[3]

*Recommendation 64*

That arrangements be made whereby old people requiring short-term hospital or nursing home care may retain for a reasonable period the right to return to their previous living quarters in assisted housing projects.

*ACTION TAKEN*

The cost of senior citizen accommodation in housing developments is usually geared to income. The length of time accommodation is kept depends on the individual's ability to pay.

*Recommendation 67*

That Municipal Governments take advantage of the municipal winter works program, the national health grants program, the national welfare grants program, the national fitness and amateur sport program, and also special provincial programs where they exist, to secure assistance with the cost of constructing facilities and developing services for the benefit of old people.

*ACTION TAKEN*

The extent to which municipalities participate in the provincial programs to extend and improve "care" facilities for the aged depends to a large extent on the financial priorities established for the municipality and its economic base. Health and Welfare Canada no longer provides direct financial assistance for the construction of hospitals, etc. Cost sharing is available under the Canada Assistance Plan for many services, such as counselling, etc., but again this depends on the municipality's ability to pay its share of the program.

National Health Grants are intended to support applied research and innovative methods of supporting health services. No capital funding is provided. Generally speaking, grants under this item are not designed for municipal participation. Similarly the National Welfare Grants Program relates to innovative programs in the research or demonstration fields. The latter refers to short-term projects which have as an objective the delivery of a service in an innovative way. A review of inventories for the past few years indicates that such programs have had no appeal at the municipal level.[4]

Local governing bodies have demonstrated an interest in participation in Local Initiatives Programs. Records of activities in such programs related to the aged were segregated for the first time in 1973-74. The objective of the L.I.P. is to reduce seasonal employment among the labour force in regional or specific areas. One of the conditions for awarding a contract under this program is that the discontinuance of financial assistance at the end of the contractual period will not create undue hardship in the communtiy. Activities resulting from this program provided a service to senior citizens such as mobile food services, shut-in marketers, leisure time activities, communications and transportation in rural areas.

(1) Canada. Health and Welfare Canada. Telephone Communication with Dr. Kozakiewicz on March 28, 1973.
(2) Canada. Health and Welfare Canada. *Nutrition Canada National Survey*, Ottawa, 1973.
(3) Central Mortgage and Housing Corporation Information Division. Letter dated November 2, 1973.
(4) Health and Welfare Canada. Health Economics and Management Services and National Welfare Grants Directorate. Telephone Information. April 9 and 8, 1974, respectively.

The following shows the contracts awarded by provinces to local governing bodies and to local action groups:

*Local Initiatives Programs 1973-74*

(Corresponds to a Winter-Works Program)

| | *Local Governing Bodies* | | *Local Action Groups* | |
|---|---|---|---|---|
| | *No. of Projects* | *Value* | *No. of Projects* | *Value* |
| Newfoundland | Nil | | Nil | |
| Nova Scotia | Nil | | 2 | 54,215 |
| Prince Edward Island | Nil | | Nil | |
| New Brunswick | Nil | | 2 | 30,544 |
| Quebec | Nil | | 36 | 1,220,970 |
| Ontario | 13 | 152,858 | 25 | 453,505 |
| Manitoba | 6 | 71,671 | 2 | 21,772 |
| Alberta | 9 | 103,005 | 2 | 49,062 |
| Saskatchewan | 2 | 23,480 | 2 | 78,332 |
| British Columbia | 13 | 245,802 | 6 | 193,414 [a] |

The National Conference on Fitness and Health met in Ottawa December 4, 5, and 6, 1972. Among its recommendations were the following:

*Recommendation No. 20*

> It is recommended that the federal government take steps to ensure the establishment of minimum standards for physical recreation facilities and programs in institutions for the care of the aged and disabled.[2]

More specifically, the Conference feels that the federal government should provide a strong leadership role to ensure:

- —that an on-going physical recreation program be offered to the aged and disabled in institutions, to maintain an optimal level of function and prevent physical and psychological deterioration;
- —that minimum standards of recreational programs and staffing be met in order to qualify for public construction of operational grants;
- —that accessibility and use of all recreation facilities for the disabled and aged is adequate, (i.e., construction of ramps, doorways and washrooms).

There is no information on subsequent action.

*Recommandation 81*

> That the Department of Labour and/or the Department of National Health and Welfare give encouragement to the provinces and their municipalities in the provision of sheltered work and the establishment of sheltered workshops, and that this encouragement, in addition to technical advice, promotional aids and help in developing standards include Federal-Provincial sharing in the costs of facilities where indicated and in the provision of work allowances.

*ACTION TAKEN*

There are approximately 350 sheltered workshops for the handicapped in Canada; the bulk of these are located in Ontario. Although such projects may benefit some older workers, they do not serve those of retirement age. The greatest number given assistance are the retarded. A survey conducted in 1973 showed that about 15,000 handicapped were assisted per day.

The Federal Government provides no capital assistance. Ontario provides 25 per cent capital assistance and Alberta has some provision for capital assistance. The Federal Government shares the operational cost but the initiative and the funding must come from the province in the first instance.

The Federal Government lends assistance to developing standards for the use of manpower counsellors in purchasing services, and determining the fitness of applicants for sheltered employment.

The subject of sheltered workshops will be given attention in the two-year review of the total social security system now underway. The review was begun in 1973 by the Federal Minister of Health and Welfare and the provincial Ministers of Welfare. A working party on social services will include the subject of rehabilitation services among its studies and in so doing may include those aspects of this subject which may have application for the aged.

The term "sheltered workshop" if broadly interpreted, ranges from the industrial type of workshop to activity centres. New Horizon programmes have relevance for leisure time activities.[3]

*Recommendation 89*

> (a) That consideration be given to the establishment of a national council on social research, as recommended to the Government in the past by such national organizations as the Social Science Research Council of Canada; the Commonwealth Institute of Social Research and that specific provision be made within the program of the council for research in gerontology;
>
> (b) That the council conduct or commission research on its own, particularly in the area of social policy, but that it should also make, or approve, grants for social research and training in social research to universities, professional schools, and non-profit organizations;
>
> (c) That the council be composed of outstanding social scientists and laymen, including a number with

(1) Manpower and Immigration. Data Records to March 14, 1974.
(2) Canada. Health and Welfare Canada. *Recommendations of the National Conference on Fitness and Health.* Ottawa, 1972, p. 15.
(3) Canada. Health and Welfare Canada. Letter from Mr. A. W. Johnson, Deputy Minister of Welfare dated February 12, 1974.

specific interest in gerontology, and that it also include up to one-third of its membership, representatives of Federal Government departments and agencies that are concerned with social research;

(d) That the advice and services of the council be available on request to Provincial Governments, universities and non-profit organizations;

(e) That in order to avoid duplication in the health field responsibility for the conduct and support of research in geriatrics be carried by the medical research council and that the latter give high priority in its program to the biological and medical aspects of aging, and to those diseases and illnesses which have a high incidence among older people;

(f) That the proposed council maintain close relations with the Dominion Bureau of Statistics and the various Government departments and agencies having responsibility in the area of social research, including the universities, with a view to reducing overlapping and ensuring that the efforts of all are mutually supportive;

(g) That, with particular reference to the field of aging, the council seek the cooperation of the Dominion Bureau of Statistics and departments of the Federal, Provincial and local Governments, and the major voluntary organizations concerned:

(i) in improving the collection and analysis of statistical data,

(ii) in stimulating and correlating research programs, and

(iii) in undertaking the variety of needed research that is recommended elsewhere in this report.

*ACTION TAKEN*

The recommendation that a National Council on Social Research be established has not been implemented. There are some private groups such as the Canadian Association on Gerontology whose founding meeting was held in Montreal on October 15, 1971. The objectives of the Association are summarized as follows:

"(a) To bring together persons interested in gerontology in the fields of biological sciences, medical sciences, psychology, social sciences and social welfare;

(b) To promote the study of aging in all its aspects;

(c) To promote improvement in the well-being of older people;

(d) To strengthen and improve communication between the relevant scientific disciplines and between persons engaged in research, education, professional practice and other interested workers;

(e) To promote and broaden education about aging at all levels;

(f) To promote active financial support for gerontological research and the application of its findings in the practical situation;

(g) To print, publish, distribute and sell journals, periodicals, and publications for the professional advancement of the members of the Association."(a)

*Recommendation 92*

(a) That the Federal Government establish a national commission on aging for the purpose of giving leadership in all matters concerned with a fuller life for older people in Canada;

(b) That the functions to be performed by this commission include the following:

(i) to examine intensively and follow up the recommendations contained in this Report of the Special Committee of the Senate on Aging,

(ii) to keep under review the needs and problems of older people and to develop recommendations on policy and program for dealing with them,

(iii) to develop working relationships with Federal Government departments and agencies, national voluntary organizations, and Provincial Government planning bodies concerned with aging, to the end that planning and coordination may be achieved,

(iv) to serve as a clearing house for information on projects, studies and developments generally in the field of gerontology, and to publish a bulletin and other literature for the dissemination of this information,

(v) to provide technical and financial assistance in the area of program development and staff training on request to provinces, local communities, universities, and other organizations, to the extent this assistance is not provided already through existing programs,

(vi) to sponsor and cooperate with other agencies in conducting conferences, seminars, and training courses for workers in the field of aging;

(c) That, until the national council on social research, recommended in the previous chapter, is established, the commission, in addition to the above functions, carry responsibility for the conduct, collation and support of research in the field of gerontology;

(d) That the chairman and members of the commission be selected because of their status, experience and competence, in various aspects of the field of aging, and that they include, up to one-third of their number, representatives of federal departments and agencies that carry major responsibility for services and programs for old people;

(e) That the basic budget of the commission be furnished by the Federal Government but that the commission be enabled and encouraged to receive contributions from other public and private sources;

(f) That the commission report annually to parliament;

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(1) Central Mortgage and Housing Corporation, *The Seventh Age*, Ottawa, 1872, p. 18.

(g) That the commission have associated with it an advisory committee including in its membership representatives of provincial planning bodies, where such exist, voluntary agencies, and old people's own organizations for the purpose of reviewing the activities of the commission and advising on policy and program;

(h) And, finally, that the work of the commission be evaluated at the end of a five-year period and that consideration be given at that time to the advisability of linking it with a broader body on social planning for the population generally which, in our judgment, is required if a comprehensive and an integrated system of programs and services is to be developed.

*ACTION TAKEN*

This recommendation has not been implemented.

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# THE SENATE

**Wednesday, October 23, 1974**

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

Prayers.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

PROPOSED SPECIAL JOINT COMMITTEE

**The Hon. the Speaker:** Honourable senators, the following message has been received from the House of Commons:

Resolved,—That a Special Joint Committee of the Senate and House of Commons be appointed to consider and make recommendations upon Parts I, II and III of the paper entitled "Employer-Employee Relations in the Public Service of Canada", prepared by the Chairman of the Public Service Staff Relations Board;

That 14 Members of the House of Commons to be designated by the House at a later date be the members on the part of this House of the Special Joint Committee;

That the said Committee have power to send for persons, papers and records and examine witnesses; to sit during periods when the House stands adjourned; to report from time to time and to print such papers and evidence from day to day as may be deemed advisable; and to delegate to subcommittees all or any of their powers except the power to report directly to the House;

Ordered: That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, some of its Members to act on the proposed Special Joint Committee.

Attest

Alistair Fraser

The Clerk of the House of Commons.

Honourable senators, when shall this message be taken into consideration?

**Senator Perrault** moved that the message be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report on the administration of the *Industrial Research and Development Incentives Act* for the fiscal year ended March 31, 1974, pursuant to section 17 of the said Act, Chapter I-10, R.S.C., 1970.

Rules of Procedure, dated October 1974, made by the Anti-dumping Tribunal under authority of section 25(1) of the *Anti-dumping Act*, pursuant to section 25(2) of the said Act, Chapter A-15, R.S.C., 1970.

## SCIENCE POLICY

REPORT OF COMMITTEE EXPENSES TABLED

**Senator Lamontagne**, former Chairman of the Special Committee of the Senate on Science Policy appointed in the Second Session of the Twenty-ninth Parliament on March 27, 1974, to organize and hold a Conference for the purpose of determining the feasibility of establishing a Commission on the Future with power to incur special expenses in connection therewith, tabled, pursuant to rule 84, a report on the said expenses.

## AGRICULTURE

REPORT OF COMMITTEE EXPENSES TABLED

**Senator Argue**, Chairman of the Standing Senate Committee on Agriculture, which was authorized by the Senate in the First and Second Sessions of the Twenty-ninth Parliament to examine from time to time any aspect of the agricultural industry in Canada and, on April 8, 1974, to incur special expenses in connection with any such examination, tabled, pursuant to rule 84, a report of the said expenses.

## BANKING, TRADE AND COMMERCE

REPORT OF COMMITTEE EXPENSES TABLED

**Senator Hayden**, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, which was authorized in the Second Session of the Twenty-ninth Parliament to examine and report upon any bill relating to competition in Canada or to the Combines Investigation Act, in advance of the said bill coming before the Senate, with power to incur special expenses in relation thereto, tabled, pursuant to rule 84, the expenses incurred by the Committee in connection with the said examination.

## FEDERAL TRUST COMPANIES AND LOAN COMPANIES BILL

REPORT OF COMMITTEE

**Senator Hayden**, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-7, to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes, 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?

**Senator Perrault** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

● (1410)

## AGRICULTURE COMMITTEE

NOTICE OF MOTION

**Senator Argue:** Honourable senators, I give notice that on Tuesday next I will move:

> That the Standing Senate Committee on Agriculture be empowered, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada; provided that all senators shall be notified of any scheduled meeting of the committee and the purpose thereof and that the committee report the result of any such examination to the Senate;
>
> That the committee have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purposes of such examination; and
>
> That the committee have power to sit during adjournments of the Senate.

Honourable Senators, I might explain that this motion is in the same form as that which the Senate passed on former occasions. It is simply to allow the committee to do its work.

**Senator Flynn:** You will have another opportunity to do the same thing at the next sitting.

## OFFICIAL VISIT OF PRIME MINISTER TO FRANCE

NEWS REPORT—QUESTION

**Senator Molson:** Honourable senators, I should like to ask a question of the Leader of the Government. Is there any truth in the news report that I heard on the radio a day or two ago about the official visit of the Prime Minister to Paris, that nine other ministers went there on their own? If the report should be true, I would be interested in knowing the names of the ministers, whether they went there on business and if any part of their expenses are being absorbed by the public.

**Senator Perrault:** Honourable senators, to the best of my knowledge there is no truth in that particular report. However, I shall investigate and make appropriate inquiries and if the contrary should happen to be the case, then I shall so report to the chamber.

**Senator Argue:** I think it said they were members of Parliament.

**Senator Croll:** The enemy of junkets!

**Senator Argue:** They can go there on their own.

**Senator Molson:** I understood the report to say they were cabinet ministers.

## THE BUDGET

DATE OF PRESENTATION—QUESTION

**Senator Asselin:** Honourable senators, I would ask the Leader of the Government if he knows when the next budget will be introduced in the other place?

**Senator Perrault:** I am confident that the budget will be introduced before the end of the year.

**Senator Flynn:** A real Paul Martin reply.

## MOTOR VEHICLE TIRE SAFETY BILL

THIRD READING

On the Order:

> Third reading of the Bill S-8, intituled: "An Act respecting the use of national safety marks in relation to motor vehicle tires and to provide for safety standards for certain motor vehicle tires imported into or exported from Canada or sent or conveyed from one province to another".—(*Honourable Senator Neiman*).

**Senator Neiman:** Honourable senators, if there are no further questions with regard to this bill, I move that it be read the third time now.

Motion agreed to and bill read third time and passed.

## FEEDS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator Argue for the second reading of Bill S-10, to amend the Feeds Act.

**Hon. Margaret Norrie:** Honourable senators, I have little to add to the discussion on this bill by the Honourable Senators Argue, Yuzyk and McDonald. It is interesting to note, however, that the first legislation dealing with livestock feeds was enacted in 1909. It was then known as the Commercial Feeding Stuffs Act. In 1920 that act was replaced by the Feeding Stuffs Act. The basic provisions of the legislation are to require livestock feeds to be registered, to be labelled to show their ingredients and to meet certain standards of quality and safety for animals and humans.

The last major revision of the Feeding Stuffs Act was in 1937. Another bill, Bill C-24, was given first reading in the other place on April 15, 1974, but died because of the election. Since then there have been numerous advances in animal nutrition which necessitate amending the legislation to have it conform to present practices. The other speakers reviewed the changes that have taken place in recent years. One of the most important developments has been the introduction into feeds of therapeutic agents for treatment of sick animals and the use of minerals in animal nutrition. The public have become worried about these therapeutic additives being included in feed mixtures and they wish to be reassured of their safety. And well they might, for on April 1, 1974, 12 million broilers had to be destroyed in Mississippi because they were contaminated. The pesticide was dieldrin. Vegetable oil and/or animal fat were the ingredients being checked for

contamination. Pesticide dieldrin creates a residue problem, not a health problem.

Another problem to which we must be alert concerns moulds in foods and feed. This has been a problem for many years. Aflatoxins are toxic substances produced as a result of mould—it is a fungus—growing on grains, feed stuffs and other foods. They are a part of a larger group called mycatoxins. Diseases caused by this toxin have been known for decades and were brought sharply into focus when 100,000 turkey poults in England died in 1960. Research ultimately established the cause to be a fungus in a peanut meal shipment. The practical solution appears to be one of prevention; fighting the disease itself is unworkable. One has therefore to be careful to prevent mould growth by proper drying and storage of crops. There are other precautions that can be taken, but it is not necessary to list them here. Further research is also needed to determine the conditions under which essentially complete elimination of aflatoxin can be achieved with minimal damage to the protein quality of feed.

The Feeds Act is an important and necessary measure, and I recommend that it be studied with great care.

● (1420)

**Senator Argue:** Honourable senators, I do not propose to detain the house. This is an important bill. There is a good deal of interest in it. After it has passed second reading, I shall move to have it referred to the Standing Senate Committee on Agriculture.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Argue, bill referred to the Standing Senate Committee on Agriculture.

## SUPREME COURT ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator Connolly (Ottawa West) for the second reading of Bill S-2, to amend the Supreme Court Act and to make related amendments to the Federal Court Act.

**Senator Grosart:** Honourable senators, I adjourned the debate yesterday in the hope that I might find some answers relating to the intention or non-intention to follow or not follow what we sometimes call the Orders of the Day. I have not been very successful in finding those answers, but I do not wish to pursue the matter at this time.

**Hon. John M. Macdonald:** Honourable senators, before the sponsor closes the debate, I should like to make one brief interjection. Clause 1 of this amending bill says:

> The judges shall reside in the National Capital Region described in the schedule to the National Capital Act or within twenty-five miles thereof.

I cannot understand why it should be part of the legislation to say that judges of the Supreme Court of Canada must reside in Ottawa or within 25 miles thereof. Surely these men are sufficiently praiseworthy, and if their work requires them to reside in the city of Ottawa or within 25 miles thereof they will do so. I personally consider it an insult to the judges of the Supreme Court of Canada to state as part of the legislation that they must reside in the National Capital Region. That whole section should be repealed.

The same applies to clause 2 which says that the Registrar and Deputy Registrar shall reside in the National Capital Region. Surely, if their work requires them to be here, they will be here. If they were the type of persons who would not be here, they would not be appointed to their positions.

**Hon. Senators:** Hear, hear.

**Senator Macdonald:** If Supreme Court judges do not reside in the National Capital Region or within 25 miles thereof, what are we going to do about it? There is no penalty in the Supreme Court Act which says that judges can be fined for non-attendance. It might be that they would come under a provision of the Criminal Code which covers cases where no penalty is provided, but personally I cannot foresee any police officer, or anyone else, laying an information against a judge because he did not reside in the National Capital Region or within 25 miles thereof.

Also, the wording is imprecise. The bill says "within 25 miles thereof." How are those miles to be measured? Is it by air or road? What happens if a judge resides within 26 miles of the National Capital Region?

**Senator Langlois:** Nautical miles.

**Senator Macdonald:** It is time we did away with that section. I would ask the sponsor to bring this matter to the attention of the appropriate authorities to see if it can be repealed.

**Hon. John J. Connolly:** Honourable senators—

**The Hon. the Speaker:** I wish to inform honourable senators that if Senator Connolly speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Connolly (Ottawa West):** Honourable senators, perhaps I might deal with the remarks made by Senator Macdonald just a moment ago. I can understand that when you come from a city like Sydney you would not want to be tied down to living in Ottawa. Perhaps some people from Toronto feel the same way. Speaking seriously on that point, originally, there may have been a good deal of thinking along those lines. This is, of course, a liberalizing clause. The original section that was enacted, I think in 1875, when the court was established, required all of the judges, the Registrar and the Deputy Registrar, if there was one then, to live within the boundaries of the city of Ottawa. Modern living conditions, with roads, cars and all the rest of it, plus the difficulty sometimes of finding a home to buy within the limits of the city—

**Senator Flynn:** You mean a decent home.

**Senator Connolly (Ottawa West):** —has changed the situation a good deal. Now if these judges, the Registrar or the deputy would like to live outside the boundaries of the city there will be no statutory bar.

As I said in my opening remarks, judges can live as far away as Gracefield, Montebello, Carp or Winchester, although I think it is an impracticable proposition to have

them living that far away. How are these miles measured? Perhaps by road. Nobody knows, as Senator Macdonald has pointed out. Perhaps it is by air. Perhaps it is in the time-honoured way of distance as the crow flies. What Senator Macdonald said deserves consideration and I will certainly bring it to the attention of the authorities. I take it Senator Macdonald would not want to have this restriction applied to him in respect of his own personal home.

Honourable senators, last night Senator Flynn raised a number of points with which I should deal very briefly. In the first place, I rather welcomed his opening remarks about the possibility of a conflict of interest. The question of conflict of interest is bandied about today by people who are perhaps purists, or people who are perhaps influenced very deeply by developments in the United States. I would certainly say that if Senator Flynn, being the experienced and able counsel that he is and having such an intimate knowledge of the Supreme Court Act, was going to appear before that court every day for the next month, the Senate is very well served by having speeches like the one he made last night.

**Hon. Senators:** Hear, hear.

**Senator Connolly (Ottawa West):** He understands this legislation. He made the Senate understand it better certainly than I did, and better than anyone else who might have spoken could have done. This comes out of a great body of experience. If the conflict of interest rules would bar him from making these speeches, then I think Parliament would be a poorer place.

**Hon. Senators:** Hear, hear.

**Senator Connolly (Ottawa West):** Senator Flynn mentioned that in clause 7 there is a provision to the effect that if ultimately a money award is made by the Supreme Court of Canada on appeal from a judgment of the lower court of first instance, which refused to make the money award, interest on the judgment of the Supreme Court of Canada should date back to the date of the judgment of the lower court. He suggested that the period during which interest should apply in those cases should be the date of the institution of the action. I do not know why the clause was drafted as it was, and I have not been able to get the appropriate official today to have him explain it to me. I think what Senator Flynn said is quite right.

● (1430)

When a lower court gives a judgment for a money award, if interest is to apply—and I think it is in the discretion of the court to award interest or not—normally it applies back to the date of the institution of the action, be that the date of the issue of the writ or of some other form in which the action is instituted.

Another reason for supporting Senator Flynn's point is that in many of the provinces the courts of first instance have unmanageably large rolls. There are great delays resulting from the fact that the courts simply cannot deal with the cases as expeditiously as they would like. Perhaps that is a point which should be raised in committee. At any rate, it seems to me that the proposal is not badly taken. It is a valid point for consideration.

I come now to the main point raised by Senator Flynn. He said, I take it, that considering the practicalities of the situation section 36 is no longer viable. There are too many appeals coming into the Supreme Court of Canada as of right simply because the amount of money or value of property involved is $10,000 or more. The available statistics bear that point out. Moreover, the report of the committee of the Canadian Bar Association puts its finger on that point as the problem area.

What Senator Flynn had to say about the importance of developing a body of jurisprudence for the guidance both of practitioners and litigants is an essential point. If the court is now going to allow appeals only in cases where leave has been granted, then both litigants and lawyers should know the reasons which will permit them to have a successful application for leave to appeal. They should also know the pitfalls, if they are making an application for leave which might not succeed.

There is jurisprudence in other countries, for example in Britain and in the United State. Under clause 5 of this bill grounds for leave are spelled out a little broader than they were spelled out in the report of the Canadian Bar Association, and there is a wide discretion given. However, for the guidance of all people interested in the work of the Supreme Court of Canada there should be written reasons. We cannot very well legislate or regulate the courts in respect of issuing reasons for judgment, but the courts themselves—certainly, the Supreme Court of Canada—have this very much in mind.

I should just like to refer to an article published in the Canadian Bar Review in December, 1951. I might say that what I am about to read puts Senator Flynn on the side of the angels.

**Senator Flynn:** I am always on the side of the angels.

**Senator Connolly (Ottawa West):** Well, you will find out about the angels in a moment. The article reads:

> Whatever the position which the Supreme Court takes, the public and the legal profession ought to be informed with as much certitude as is possible in what cases leave will be given and in what cases denied. The court has already stated in *Major v. Beauport* that it views the statutory power to give leave as permissive and hence as a matter of discretion. This, however, is not incompatible with the feasibility of making administrative regulations by which litigants may be warned against wasting the time of the court on such things as, for example, appeals on the quantum of damages or appeals on findings of fact, whether by a judge or jury.

I am sure the Senate will be glad to know that the author of that statement was the then Professor Bora Laskin.

**Senator Flynn:** Very good!

**Senator Connolly (Ottawa West):** Another important point raised by Senator Flynn was whether the entire court should sit on applications for leave. For this purpose section 45 prescribes that the court is sitting when the quorum is three. I think what we have here is better than the prevailing regulation in the Supreme Court of the United States. Honourable senators will recall that for about 50 years that court has not been entertaining appeals except by leave. In their case the entire court deals with the applications for leave, and there are as many as 4,000 applications in the course of a year. What is notable about the practice in the Supreme Court of the United

States is that there is no verbal argument. Written material and arguments are submitted to the judges. The judges do not sit in open court when allowing or denying leave, but, at the judges' conferences, hand in their judgments on whether or not leave should be granted.

In the Supreme Court of Canada, however, there would be oral argument as well as written submissions, which, to my way of thinking, is a much better arrangement. Moreover, having a panel of three judges sitting as the court for that purpose means that if there are a great many applications for leave they can be disposed of relatively quickly, and much more quickly than if the entire membership were to sit upon the matter.

Honourable senators, I have nothing further to add at this time. If the bill receives second reading I intend to move that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Connolly (Ottawa West) bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## IMMIGRATION ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Keith Laird** moved the second reading of Bill S-12, to amend the Immigration Act.

He said: Honourable senators, Bill S-12 is a rather simple bill. In fact, it is so simple that even I can understand it. Contrary to what I have had to do on other occasions with respect to more complex matters, namely, starting out with the proposition that the bill should be referred to committee, the fact is that I do not at all think this bill should.

Now, this bill picks up the slack that exists in the Immigration Act involving sanctions to be visited upon persons deported from Canada. The situation as it exists now is that a deportee naturally cannot return to this country without the consent of the minister; but if he does manage to get into the country, then the worst thing that can happen to him is that he will be deported again. Well, you can imagine the unfortunate result of this state of the law. It is particularly evident in some of the bigger cities like Montreal, Toronto, Vancouver, and, yes, Windsor. I am sure that in Windsor it constitutes a real problem, in that it is a principal port of entry, and unfortunately, as you all know from experience, you cannot properly check on everyone who wants to come in. Therefore, there is always a possibility—and this has happened—that the most undesirable characters get back into the country. In due course they are picked up and simply deported.

● (1440)

This short bill simply adds this desirable feature, namely, that there will, if this bill becomes law, be a penalty imposed upon a deportee who comes back into the country without the consent of the minister. Perhaps just for the sake of the record I should read the existing section 35 of the Immigration Act:

[Senator Connolly (Ottawa West).]

> Unless an appeal against such order is allowed, a person against whom a deportation order has been made and who is deported or leaves Canada shall not thereafter be admitted to Canada or allowed to remain in Canada without the consent of the Minister.

Just hearing that, you can of course see the frightfully important omission, namely, that there is nothing more you can do to him other than deport him. So the purpose of Bill S-12 is to provide for suitable punishment for such an individual, and in case you do not happen to have the bill before you I will put on the record what the proposed new section is.

**Senator Flynn:** You delay the deportation during the time of the sentence.

**Senator Laird:** Actually, yes; and I think it would be reasonable, to delay it to the point where we could then throw him in jail.

**Senator Flynn:** You could give him a chance to appeal.

**Senator Laird:** Yes. I am afraid we will hardly be able to deprive him of that.

**Senator Haig:** You can always make new regulations.

**Senator Laird:** We can always make regulations, yes. I will think that one over. In any event, the clause in this bill reads:

> 35.1 Every person against whom a deportation order is made who
>
> (a) is deported or leaves Canada, and
>
> (b) returns to Canada without the consent of the Minister,
>
> is, unless an appeal against the deportation order is allowed, guilty of an offence and is liable
>
> (c) on conviction on indictment, to imprisonment for two years, or
>
> (d) on summary conviction, to a fine of not more than five hundred dollars or to imprisonment for six months or to both.

In other words, no longer should we put up with the situation where these people can come back into this country with relative impunity. The worst that could happen is that they could be deported again. If they do come back in, then certainly we should have on the statute books a provision such as is now proposed in Bill S-12, which would enable suitable punishment to be meted out. I suggest that that would discourage the most undesirable characters from coming back in illegally.

**Senator Flynn:** But they would rather be in jail here.

**Senator Laird:** It is more pleasant here than in the States. Of course, I wouldn't know from personal experience.

**Senator Denis:** Could I ask a question of the honourable senator? What happens after the deportee has been sent to jail?

**Senator Laird:** He would be deported again, and if he came back we would put him in jail again. This could be frightfully discouraging to anyone.

**Senator Grosart:** May I ask a question of the honourable senator? Has he any information as to how prevalent this practice is of persons returning to Canada, without the consent of the minister, after having been deported? Are there any statistics on that?

**Senator Laird:** Like Will Rogers, all I know is what I read in the newspapers, and I have read that in at least one city in the province of Quebec, namely, Montreal, several undesirable characters have managed to come across the border, and it has even been alleged that while here they have committed crimes. I have no statistics on that, and to suggest that anyone else has would not be in accordance with the facts. But it is certainly known that this sort of thing happens, and now is the time to stop it.

**Senator Croll:** Honourable senators, there are a couple of things that occur to me. Following what Senator Grosart has said, surely there is a record that is easily available as to the number of people we have deported and who have come back here illegally. There are records on these things. In any event, when we deported them, we deported them at the expense of either Air Canada or the railways, and now we are going to feed them and look after them in jail for a couple of years, and then deport them at our expense, which seems to me to be a great economy indeed. But I cannot quite follow this. Can you tell me in what circumstances we indict one of these people whom we deport, and in what circumstances we charge them with a summary offence?

**Senator Laird:** On the first point, obviously there are statistics available as to the number of deportations. There is no question about that. I was thinking more in terms of those people who come back, and then commit a crime when here, and so on. I doubt if we have any statistics on that.

On the second point, the matter of whether the proceedings should be by way of indictment or summary conviction, I am sure Senator Croll will remember from his days in the practice of law that it is in order to proceed by way of indictment against an individual who has been guilty of more or less heinous crime, as compared to something minor. In other words, if the punishment to be meted out to discourage him is to be great, then you proceed by indictment. If not, you proceed by summary conviction.

**Senator Croll:** Yes, but that does not answer anything. A prosecutor will decide that in such and such a case he will proceed by indictment, and in another case, because he likes the colour of the accused's eyes, he will decide for summary conviction, and there is no difference in the offences. Moreover, now that you are relying on the newspapers, I think I read somewhere that there are a considerable number of people in Montreal who came from Haiti. You are now going to catch them under this act, so should there not be some exception, or does the act not affect those who are already here? Should you not give some starting period? It would hardly be fair to charge these people with coming here one way or another, and then to charge them suddenly with one or another of these offences, when we pass legislation that catches them at a later stage. Should we not make some provision for them?

**Senator Laird:** Frankly, I think, as always, we must leave some discretion to our public officials. Perhaps under those conditions they could very well decide it is not a case for laying a charge at all, but a case of mere deportation. Then, if there is an attempt to re-enter the country, they can utilize this new proposed section to punish them adequately.

**Senator Molson:** I have another question, following on Senator Croll's. Perhaps I am unduly confused by my honourable friend's reference to a heinous crime—a crime such as rape—in connection with indictment, rather than summary conviction. As I read bill S-12 the offence is that the person, having been deported, returned to Canada, and there is no other crime, whether it be petty theft or murder, involved at all. So, I ask Senator Croll's question: How is it decided whether proceedings shall be taken by way of indictment or by way of summary conviction?

● (1450)

**Senator Laird:** Quite frankly, this is the same situation that one finds in many pieces of legislation of this kind, where matters like this must be left to somebody's discretion. The person arranging the prosecution must decide in his own mind whether or not a particular individual who, let us say, is a known member of organized crime, should be proceeded against by way of indictment—in which event the punishment would be more severe—or whether, as in the case of some other individual who does not fall into that category, and who should not have the same punishment visited upon him, should be proceeded against by way of summary proceedings.

**Senator Greene:** Is there any reason why the situation is given in reference to a person who leaves the country and then returns? How does it apply in the case of somebody who stays in the country in violation of a deportation order? In the first case the crown has only to prove that he left the country and came back, and that there was a deportation order against him.

**Senator Laird:** This is intended to apply in the case of a person who has been deported and who has not obtained the consent of the minister to come back into Canada. He goes to the immigration people, deceives them and gets in through some subterfuge, and then he is found here without the minister's consent.

**Senator Greene:** But what is the situation in the case of a man who simply ignores a deportation order and stays in Canada? Has he committed an offence?

**Senator Laird:** Not under this section.

**Senator Buckwold:** I am concerned in the same way as Senator Croll about this judgment factor as to how a charge shall be laid, and whether the proceeding should be by way of indictment or by way of summary conviction. I realize that one way or the other it leaves the judgment to somebody. I appreciate the examples given of one who might be connected with organized crime, but at the same time this kind of thing worries me because it means that if it were felt that a man was politically undesirable, this rule could be used. Therefore, it concerns me that there should be this kind of judgment involved, particularly when there is a question as to who should exercise the judgment. Perhaps the sponsor of the bill could comment on that.

I am also concerned that if a conviction follows upon indictment the punishment is a term of imprisonment for two years. It seems to me that that is put in without any

reference to any particular set of circumstances that may be involved. It is simply two years. Let us take, for example, the case of some unfortunate person who sneaks across the border to see his dying mother, or to go to her funeral. He would get the two years because that is a fixed sentence. And no matter how many times he came back, he would get two years each time. This is the kind of thing about which I would like some further information.

**Senator Langlois:** Honourable senators, I have not made any particular study of this bill, but I would assume that the discretion given in the proposed section 35.1 is similar to that found in other pieces of legislation of this nature. A comparable discretion is given in the Income Tax Act in respect to violations of that act. The minister can proceed either on indictment or by way of summary conviction, depending on the nature of the violation. For example, in the case of a taxpayer who has removed his assets from the reach of the Department of National Revenue so that no income tax can be collected, the minister can issue directions and the department would proceed by way of indictment. If the offence is of a minor nature, then it would proceed by way of summary conviction. I presume it is proposed to adopt a similar process in the present legislation. Depending on the undesirability of having a particular deported person remain in Canada, and depending on the offence for which he has been deported, the department will issue directions to prosecutors as to whether they should proceed by way of indictment or by way of summary conviction. I would think this is a necessary discretion to be left with the minister or the department concerned, and in my view this is the reason for this particular clause in the bill.

**Senator Croll:** Honourable senators, if I may, I should like to suggest that the sponsor adjourn the debate, and at a later stage furnish some further information. He may reply by saying that this information will be provided in committee, but that is not good enough. We have to have an opportunity to think about the information given to us before considering the bill in committee.

Furthermore, I think that Senator Langlois picked a rather bad example when he suggested that this is similar to a provision in the Income Tax Act. I was going to cite the same section because I think it is a horrible example. Anyone who knows anything about that particular section of that act always wonders why Smith is charged and Jones is not, in practically similar circumstances. it is very hard to explain. I realize that in serious matters they do lay an indictment, but I have known of situations where prosecutions based upon similar circumstances have in one jurisdiction been proceeded with by way of indictment, and in another by way of summary conviction.

I do not think it is quite as simple as has been stated. We are entitled to further information with regard to this, because it is a very serious matter. We need to have this information so we can prepare our questions for the appropriate officials when this bill is referred to committee.

**Senator Laird:** Honourable senators, if anyone wants this bill sent to committee then, naturally, it will be sent there. But it seemed to me to be a very simple proposition. For example, I can answer Senator Buckwold's points very easily. The two-year period of imprisonment is flexible; it can be less than that. The wording in the bill is, "and is liable . . . to imprisonment for two years," so it does not have to be two years.

[Senator Buckwold.]

He then spoke about the matter of discretion when it comes to proceeding by way of indictment or summary conviction. Let us suppose the option is taken away and only one procedure is available, with a penalty of up to two years' imprisonment. Even then some person has to exercise discretion, and here I refer to the judge who hears the case. I cannot see how we can get away from the situation where an individual, whether the prosecutor or the judge—both of whom are human beings—has to exercise some discretion.

● (1500)

I do not know whether I misunderstood Senator Croll, but I am not clear as to the exact number of people deported. If he could give me a clue I would be glad to adjourn the debate and proceed afterwards.

**Senator Thompson:** Honourable senators, I have a question in connection with section 35.1(*b*) and a successful appeal against a deportation order. I assume that at the time a person is deported he has gone through all the available processes. On what grounds, therefore, would this appeal be allowed? He has illegally re-entered the country, yet this legislation suggests that he may not have gone previously through the full process of law, and an appeal may now be allowed. What would be the grounds for allowing the appeal after he has already been deported and has returned illegally?

**Senator Laird:** I suppose there could perhaps be very technical grounds, namely, that certain fundamental steps, which were a condition precedent to his deportation order, were not taken, or something of that nature.

**Senator Thompson:** My concern arises from the fact that this then would be the first time such a provision was contained in the legislation. There may be people who have been deported but changing conditions, such as you suggested previously, may have never been a reason for their return to have the deportation reconsidered. Is this the only way by which a person deported and out of Canada can have his case appealed? I feel, however, there are a number of blurred areas in the bill which perhaps the officials who drafted it could further clarify. I would like to see it referred to committee.

**Senator Laird:** Honourable senators, I thought we could dispose of this bill today. This has been a most interesting debate; one that I did not anticipate, but have enjoyed. It would appear that the sentiment is that this bill should be referred to committee. If it does receive second reading, and if that is the wish of the chamber, then that is what I will move.

**Senator Perrault:** Honourable senators, with respect to the need for this amendment to the Immigration Act, I would say that I come from an area which has been afflicted most adversely by those who contravene deportation orders. It has become a serious problem in the Vancouver area, and especially in the whole of southern British Columbia. Montreal and Toronto have also been affected. The criminal elements have been making a mockery of Canadian immigration laws. They have been deported from this country, and there are many cases on record—the information can be made available to the

committee—in which within 24 hours those criminal elements have returned to Canada, engaging in crime and completely flouting any regulations which exist.

Whatever is done, in my view it is imperative that the two chambers of Parliament deal expeditiously with this particular measure. Law enforcement agencies are thoroughly alarmed about what has been going on. To have the present section stand without any penalty whatsoever, and allow a system to continue whereby time after time, when the minister orders people to be deported, they return across the border within a few hours, is not good enough. There are even cases on record in which they have returned within two hours of deportation, to go through the whole cycle again. Whatever we do, it is obvious that we must act.

**Senator Flynn:** I do not know whether the Leader of the Government is speaking to the bill, or putting a question to the sponsor. In any event, I will ask a question. Is there provision in the Immigration Act or the Criminal Code of a penalty for anyone entering this country illegally?

**Senator Croll:** Of course, there is.

**Senator Perrault:** In these circumstances, if other questions are in the minds of honourable senators, this bill should be referred to committee where we can hear the testimony of officials of the Department of Justice. Of course, there are penalties for offences of the type referred to. I would strongly suggest that we refer this bill to committee as soon as possible, perhaps to receive a report tomorrow afternoon.

**Senator Croll:** Honourable senators, I do not know the reason for this hurry. The House of Commons will not deal with any bills until after Christmas.

**Senator Flynn:** I would not say that. You may be exaggerating and hurting your case.

**Senator Croll:** But I do not see what the urgency is that requires us to rush. We have lived with the Immigration Act for a long time. In my opinion, we ought to be very careful before passing such a bill.

**Senator Godfrey:** Honourable senators, I believe there has been one misconception which the honourable sponsor of the bill cleared up, namely that the provision for two years' imprisonment on conviction on indictment is not a minimum of two years. There has been reference to the Income Tax Act and I point out that in that act, there is a distinction and where the Crown decides to proceed by way of indictment and there is a finding of guilty there is a minimum of three months' imprisonment. So the person who makes the decision as to whether to proceed by summary conviction or by indictment under that act is really making the decision as to whether or not, if the person is found guilty, he must go to jail. That is not the position under this bill.

**Senator Flynn:** Oh, yes, he has to go to jail if only for one day, if he is charged by indictment.

**Senator Godfrey:** Yes, and he can go to jail for one day under summary conviction under this bill, so there is no difference in the minimum sentence that must be imposed.

[*Translation*]

**Hon. Martial Asselin:** Honourable senators, I wanted to deal with this bill this afternoon, but since many questions were raised and the bill, which seemed simple in its wording, certainly presents difficulties as to its meaning, I will call for the adjournment of the debate.

[*English*]

I move that the debate be adjourned in order that honourable senators will have an opportunity to study the bill further. Perhaps the sponsor could provide the committee with some clarification with respect to the questions which have been asked this afternoon.

On motion of Senator Asselin, debate adjourned.

[*Translation*]

## CUSTOMS ACT

### BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, October 17, the debate on the motion of Senator Cook for the second reading of Bill S-4, to amend the Customs Act.

**Hon. Rhéal Bélisle:** Honourable senators, in taking part in this debate, I would first of all like to join all those who have had the privilege and the opportunity to tell you, Madam Speaker, how pleased we are to serve under your leadership.

On February 9, 1971, I took part in the debate on the report submitted by the Royal Commission on the Status of Women in Canada. I then said that we had always been very impressed by the ability and the prestige of our charming lady colleagues and by their contribution to our debates, which is always very intelligent and widely appreciated. Their experience of life, as well as their feminine wisdom, often makes us see that any problem or discussion must be studied or understood with a very open mind.

In the same speech, as reported on page 514 of the *Debates of the Senate*, I said:

> Mr. Speaker, I often praised the excellent work you are doing among us. Mrs. Deschatelets carries out her duties with great dignity, but I would like to be in the Senate long enough to have the privilege of sitting under the speakership of a female senator.

It is very obvious, dear colleagues, that the wisdom of the Prime Minister has surpassed my humble forecasts since only three years have passed and we are already privileged to serve under a second lady Speaker.

We must let go of the traditions which prevent women from participating in some areas of society. We cannot forbid our best subjects from acting on the scene of life.

Madam Speaker, your arrival in this house and your contribution to debate have been considered by the majority of the senators as a breath of spring and I hope you will continue the good work begun by your predecessor, Senator Fergusson.

● (1510)

[*English*]

The new Leader of the Government, Senator Perrault, comes to us with a large baggage of experience in the municipal, provincial and federal fields, and we wish him well. We hope that his broadmindedness regarding the new role of the Senate will not be lost in the legal entanglement of the establishment.

We are pleased that Senator Flynn has agreed to continue as our leader. Not only are we convinced that he has a great contribution to make, but also that he has so much French blood in him that it must be similar to good French wine.

**Senator Flynn:** I don't disagree with that.

**Senator Bélisle:** As it matures, champagne becomes much more appreciated.

To Senator Choquette, the former Deputy Leader of the Opposition, who has given us his best for the past 12 years, I personally say, "Thank you." His talented and humourous remarks as deputy leader will be missed by most of us, and we hope he will continue to enhance this chamber with his wit.

Senator Grosart, the new Deputy Leader of the Opposition, has a wealth of experience which will be put to good use. He will continue to perform in such a fashion that we will not be able to detect that he has too much controversial Irish blood in his veins.

Honourable senators, it gives me a great deal of pleasure to commend Senator Cook upon his fine presentation of Bill S-4. We too support the objects contained in the bill. We recognize the fact that it is largely a "housekeeping" bill in that it reconciles the jurisdictional provisions of the Customs Act with those of the Territorial Sea and Fishing Zones Act, amended in 1970. Any measure, however small, that introduces consistency in our statutes is a welcome change and worthy of our support.

I need not remind honourable senators of the legislative Frankenstein, more politely referred to as the Income Tax Act, created by the Liberal government in 1971, which continues to haunt us with its anomalies and statutory discrepancies. Despite our wise counsel, which was rejected by the government during its passage, that act has to be amended every year because certain provisions in it are so specific in detail that they become inconsistent with existing legislation. When it is amended, other statutes are also amended. I ask the Leader of the Government: Why can the government not look in all directions first before crossing again on an amber light?

It is refreshing to find, therefore, that the government, at long last, is now proposing amendments to bring one statute permanently into alignment with another.

In this case, we understand that any future changes in the limits of the territorial sea of Canada will not necessitate further consequential amendments to the Customs Act. The use of the phrase "Canadian waters" in the proposed amendment thus bridges the gap.

This brings me to the important matter of the 12-mile limit. With the proposed amendments, the Customs Act would then deem the importation of any goods by sea to have been completed from the time such goods were brought within 12 miles of the coast or shores of Canada. Senator Cook mentioned that this amendment would alleviate a number of problems for Canadian industry and the government. He did not mention, however, that when the limit is extended to 12 miles, sensitive areas of Canadian sovereignty and customs control will become involved and other problems arise.

With regard to the latter, equipment and goods used in seismic surveys or mineral exploration between the three-mile and 12-mile limit now become subject to customs assessment. This would particularly affect oil exploration off the Atlantic coast.



I believe there are presently five drilling rigs in this region. Under the amended Customs Act, drill rigs of foreign origin, as entireties, would become dutiable under tariff item 49104-1 at 10 per cent *ad valorem* under the most favoured nation tariff. If entered in "used" condition, they would be subject to appraisal at the time of importation, with allowance given for depreciation.

Rigs of Canadian origin, however, would be eligible for duty-free entry as "Canadian goods returned," provided this was done within five years of the date of exportation and provided any drawback, refund or exemption granted at the time of exportation is repaid.

Obviously for some industries, the provisions contained in the amendment are favourable. For others, such as the oil industry, they are unfavourable and costly.

Proclamation of this bill will add a dutiable cost, at a depreciated value, to the costs of exploration. A 10 per cent increase in cost due to taxation, excluding the costs of money and inflation, is a sizeable sum on a multimillion dollar capital investment, as these oil rigs are. Furthermore, at a time like this, when we are desperately searching for new oil reserves, the last thing we want to do is to discourage oil exploration off our native shores, whether it be carried out by Canadian or foreign companies.

The government argues that Revenue Canada is presently prevented from providing duty and tax protection to Canadian industry in the Arctic offshore beyond the three-mile limit, where, as I say, a great deal of mineral exploration is taking place. That may be true, but the corollary is also true, that the extension of tax protection to Canadian industry to within the 12-mile limit might also deter oil companies, Canadian or foreign-owned, from carrying out further exploration in the Arctic as a result of other forms of taxation—for example, income tax. The so-called benefits to local residents in the Arctic would then become only a pipe dream.

● (1520)

Furthermore, it should be noted that by giving preferential tax treatment to Canadian companies over foreign-owned companies in resource exploration, there is no guarantee that Canadian investment in the north will increase and that employment opportunities for Canadians will expand. Indeed, from a report in the Ottawa *Citizen* dated October 21 there are indications that the opposite is true and that exploration in the north is declining. It says:

> Drilling in Northern Canada declines as U.S. firms move rigs back home where business is better.
>
> Oil Rigs Quit Canada in Droves.
>
> Canadians urging more stringent conservation of non-renewable resources should take heart. While oil exploration has been stepped up the world over, drilling in northern Canada has declined this year.
>
> Moreover, deep drilling rigs are leaving Canada in droves. They are heading south where business is better and the work year longer, according to Energy Information, a trade magazine published in Denver, Colorado.

> The magazine reported earlier this month that between 46 and 62 drilling rigs left Canada in recent months. The exodus was spurred by threatened tax changes which would give more of the contractors' revenue to the federal and provincial governments.
>
> The decline in northern drilling is supposedly a full 23 per cent at a time when drilling in other non-Communist parts of the world is up by 17 per cent . . .
>
> Canada is still the second largest foreign oil supplier to the United States, a fact that is generally unknown, unappreciated or ignored. When oil is discussed in Washington the impression is created that all of it, or the vast majority, comes from Arab countries.

Honourable senators, when we approve amendments of this nature, we are changing the rules of the game. I hope, therefore, that the government will take note of the tax implications I have outlined, and that it will act accordingly in the interests of all Canadians.

In the light of recent developments—I say, in the light of recent developments; I know that this bill was drafted over a year ago, but now it is a different game—it may become necessary for the government to grant a special exemption from duty under the provisions of section 17 of the Financial Administration Act.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Langlois, for Senator Cook, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

## CANADIAN WHEAT BOARD ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Tuesday, October 15, the debate on the motion of Senator Buckwold for the second reading of Bill S-6, to amend the Canadian Wheat Board Act.

**Hon. Paul Yuzyk:** Honourable senators, in introducing this bill to the Senate, Senator Buckwold, who represents the wheat province of Saskatchewan, appeared to be flattered that his party had chosen him to pilot such a long and involved piece of legislation. I suppose that I also can feel flattered that my party has designated me to handle the "complicated" amendment consisting of several simple words.

We academics, according to the widespread opinion of students, are believed to be endowed with an extraordinary talent for complicating even simple matters. There have been suggestions that if we were to rewrite the Ten Commandments they would probably emerge in a larger volume than Tolstoy's *War and Peace*. However, gifted as I may be for complicating matters, this particular piece of legislation does not lend itself to such treatment. Everyone could understand Senator Buckwold's explanation.

Unlike most of the legislation brought before us by this government, this bill is simple, straightforward and intelligible. I shall go even further and say that Bill S-6 is good and useful legislation, based on practical considerations, if this is what farmers want.

While I am delighted to recognize the work of Senator McNamara, who comes from my province of Manitoba, particularly in the marketing of grain, unlike Senator Buckwold I am not at all tempted to use this opportunity to lavish unwarranted praise on the Canadian Wheat Board. There are many farmers on the Prairies who are not at all satisfied with the operations of the Wheat Board. However, this is not the occasion to deal with that topic, but I hope to return to it at another time.

To understand the need for this bill it is necessary to review some basic facts already mentioned. First, the crop year starts August 1, and ends July 31 of the following year. Secondly, grain farmers have in the past received final payment for their grain soon after it was sold. Thirdly, farmers normally received two payments per year, one in the late fall and another after the grain was sold, usually at the beginning of the following year.

However, in 1973 an unexpected problem arose. At the beginning of the year farmers received their second payment from the 1972 crop. Then in the fall of 1973 they received the first payment on that year's crop. Normally they did not expect a second payment that year; it should have come at the beginning of 1974. However, the 1973 crop was sold before the end of the calendar year, so the farmers received the final payment that year.

That meant that instead of the normal two payments, the farmers received three payments in 1973. A farmer's income was, therefore, much higher than it would otherwise have been. But, apparently, this did not produce joy. The higher money receipts moved him into a higher income tax bracket and he took a beating at the hands of the tax assessor, adding to his tax burden and financial planning difficulties. It seems that the Canadian Wheat Board cannot be entirely blamed for such transactions. As soon as the grain was sold the pool proceeded with the payments to the producers in order to close the accounts.

Bill S-6 attempts to prevent the recurrence of this situation. Accordingly, final payments on deliveries in any pool period cannot be made until January 1 or later, after the end of the pool period. Only one set of final payments can now be made in a single taxation year. This spreads the taxable income over a longer period of time, thus easing the farmer's tax burden by ensuring that he will not be placed in a higher income bracket. In such a way, the farmer can better plan his financial arrangements and be assured of some kind of income stability. Because of the higher world prices for wheat, oats and barley, which are not passed on to the farmer until later, the Wheat Board could better help him meet his needs by raising the initial price of grain sooner than has been the practice. In this I agree with Senator Buckwold.

● (1530)

We on this side of the house support this legislation, but I shall suggest minor changes. This government has caused much grief to the western farmer in many ways. Thus, when a piece of legislation such as this gives the farmer a small break for a change, we can at least have some satisfaction.

However, I do not fully understand the attitude of the farmer. I should like an explanation as to why he does not want his money immediately when it is coming to him. Even if he goes into the higher income bracket, why cannot he invest the extra sum in such a way as to pay the added taxes and still have more left over? A payment of $10,000, for example, deferred from November to April, at an inflation rate of 12 per cent, would be worth approximately only $9,400, which would be a substantial loss in purchasing power. Furthermore, the farmer is entitled to average his income over a five-year period for income tax purposes.

I also believe that consideration should be given to the final payment after January 1. We know that farmers need money for seeding in the spring. It would be of great help, and would ease a great burden, if they received the final payment, shall we say, by March 31 at the latest. Why not insert in this bill the deadline for the final payment?

I should like to have answers to these questions, and the consideration of a possible amendment. Consequently, I would recommend that this bill be referred to the Standing Senate Committee on Agriculture.

The government as yet has not tackled the big problems that afflict the farmers and producers, and the country as a whole. Something must be done swiftly to prevent the looming economic recession and, perhaps, depression.

**Hon. Hazen Argue:** Honourable senators, after listening to Senator Yuzyk, one would agree that, while the official Opposition may be shorthanded, they have a well-informed spokesman in the field of agriculture.

**Hon. Senators:** Hear, hear.

**Senator Argue:** I am sure Senator Yuzyk will continue to make important contributions in this regard. However, I do want to make one or two comments on some of the things he has said.

**Senator Flynn:** Are you closing the debate?

**Senator Argue:** No. I did not move the motion. It is Senator Buckwold's bill.

Senator Yuzyk said that farmers are not satisfied with the Canadian Wheat Board. I think that statement is not correct. While the farmers may have suggestions as to how the operations of the Wheat Board might be improved from time to time, I am 100 per cent convinced that they stand fully behind it. I suggest that recent referenda have indicated that 90 per cent of the farmers stand behind the Canadian Wheat Board.

Senator Yuzyk asked why farmers do not want their final payment immediately after the close of a crop year on July 31. If it were possible in practical terms for the Wheat Board to dispose of the crop, the total crop bought from August 1 to July 31, within a few weeks after the end of the crop year, I am sure that farmers would want the payment quickly. However, the experience over the years has been, as I think Senator McNamara would agree, that it takes several months for the Wheat Board to sell and dispose of the balance of the inventory on hand at July 31. The Wheat Board has taken the position, and I think correctly, that it does not wish to close out a pool period when it still has large inventories of old wheat on hand. The Wheat Board feels that it is wise to process, to export and to sell its inventory. The experience over the years, therefore, has been that in general the final payment has been made in the early months of the calendar year following the end of the wheat pool year at July 31.



As Senator Buckwold pointed out, however, on one occasion, namely, in 1973, the final payment was made shortly after the end of July 31 and before the beginning of a new calendar year, which had the effect of placing an extra sum of money in the hands of the farmers in such a way that they had not budgeted for it and were, therefore, forced to pay higher income tax. Obviously, the farmers objected to the fact that, so far as this payment was concerned, they had no control over when it was made. Indeed, they had no knowledge that it was going to be made.

The fact is that, through this orderly system of marketing grain via the Canadian Wheat Board, the farmers wish to have a better idea of the money they are going to receive; they wish to have some stability in the price they receive as well as some orderliness in the dates on which the payments are to be made. I am convinced that farmers will support, and do support, this bill, which was explained so well by Senator Buckwold. I agree with Senator Yuzyk, however, that we should consider amending this measure by inserting a date beyond which the Wheat Board would not be allowed to close out the wheat pool account. In other words, there should be a set period during which the Wheat Board must close out the previous wheat pool account. Senator Yuzyk suggested March 31. It might just as well be April 30.

I also agree with Senator Yuzyk's suggestion that the final payment generally should be made in time for farmers to meet their seeding expenses with it, and, in general, that has been the practice. My inquiries demonstrate to me that over the last ten years the Canadian Wheat Board has made the final payments usually in the period from January to March. Only twice in that ten-year period were the final payments made after seeding. In fact, the Canadian Wheat Board, I am sure, would be quite prepared to live with a policy which would provide for the closing out of the pool period not later, shall we say, than March or April. So I suggest that this bill not only adds to the orderliness of the marketing of grain and the making of the final payment, but it could also be improved upon in this regard.

● (1540)

Senator Buckwold intimated that in his opinion the Canadian Wheat Board should increase the initial payments at this time. The authority for increasing the initial payments is provided, as I understand it, by order in council, so it is basically a decision of the Cabinet; it is a decision of the government.

I would think that Senator McNamara, who is more knowledgeable in this field than any of us, would feel that in relation to selling prices today the initial prices are unrealistically low and, in fact, distort the market situation as far as the farmer is concerned. This particular feature is more serious this year than it was a year ago, in that today feed wheat is sold on the Winnipeg Grain Exchange, and the farmer is placed in a ridiculous position. He can bring in his feed wheat, which may weigh as little as 32 pounds to the bushel—a bushel of wheat nor-

mally weighs 60 pounds, but frozen wheat can weigh as little as 32 pounds—and sell it on the open market, and receive perhaps $3.50 a bushel, depending on the market at that particular time. If he brings in a load of top quality or first grade wheat, he receives $2 a bushel, the initial price is so low. So, there is a tendency for the farmer to bring in the junk, the feed wheat, because he can get a high price for it, and he is perhaps reluctant to bring in his high grade wheat when he is receiving a lower price.

**Senator Molson:** May I ask my honourable friend if the same situation does not apply as between feed barley and malting barley?

**Senator Argue:** Yes, undoubtedly the same thing applies. The Wheat Board handles sales of malting barley. The sale of feed barley is now on the open market, so the farmer has that particular choice. I would think, however, that farmers are probably making a mistake. It is my unsolicited opinion that they are probably making a mistake in selling through the grain exchange, because with the upward movement of wheat prices there is an excellent chance that the Canadian Wheat Board, over the current year, will obtain an even higher price for feed grain and barley than is being received today.

I would like to mention the prices that prevail now with regard to wheat and barley as sold by the Canadian Wheat Board. Out of Thunder Bay, yesterday, No. 1, C.F. 13.5 per cent protein wheat was being sold by the Canadian Wheat Board at $5.85 a bushel, and the initial price is $2.25 a bushel, which is just 38 per cent. Durum wheat is being sold by the Canadian Wheat Board for $7.62 a bushel out of Thunder Bay, and the initial price is $2.25 a bushel. The initial price in this instance is just under 30 per cent of the selling price, and the farmers, I think, are justified in suggesting that the Wheat Board could double the present initial prices without in any way endangering the pool. This would give more money to the farmers now, it would bring the price of grain into better relationship with that of open market grain, and I would think that this is a very justifiable demand. An increase in initial prices would have the full support of individual farmers and, as far as I know, the support of all of their organizations, and I suggest it is something the government will just have to act upon in the days ahead. I would think that the sooner they act upon it, the better.

The main reason for this legislation is to make certain that payments are not lumped together in one crop year so as to bring the farmer into a higher income tax bracket, and not place him in a position where he has no control over his own budget and his own income tax. I suggest that the government should give further consideration to this question. I also suggest, as I suggested in a press release February 25, 1974, that one additional step should be taken—a major step—and that is that the farmer who sells grain should be allowed to defer his taking the proceeds into his income until such date in the future as he may select.

The wheat farmer selling grain on the prairies in 1974 is allowed, if he wishes, to have written on his cash ticket, "Not negotiable until January 2, 1975." In this way he indicates that he will not take that money into his income until 1975, and it is deferred until that time.

I suggest here to the government leader, and through him to his colleagues in the Cabinet, that they should allow the farmer to return his income from grain in any year in the future which he may choose.

**Senator Laird:** How about lawyers too?

**Senator Argue:** Perhaps; I do not know. I have not thought it through, but I would take it as a serious question—

**Senator Buckwold:** Lawyers do not have crop failures.

**Senator Argue:** Perhaps to make clearer what I am trying to say, I should read some excerpts from this press release that I issued on February 25, 1974.

> What farmers are looking for is some way to continue deliveries and to defer these high returns—

And they are high returns.

> —into the future to meet the 'bust'—

To meet the time of lower returns.

> —that they feel must follow. The current one-year deferment and the announced final payment deferment—

Which we are dealing with today.

> —are just not enough. These steps are designed to meet the small peaks of normal operations. The current situation is not normal and the farmers will continue to hold back deliveries.

In some cases.

> The farmers should be able to postpone cash settlement for their grain sales not only until 1975 but indefinitely. The mechanism that I suggest is that the farmer be given wheat board certificates with a value equal to the value of his deliveries. These would be cashable at any time and the tax would be paid in the year they were cashed. Each farmer could thus establish his own stabilization fund to which he could add or from which he would draw according to his income needs.
>
> The Wheat Board would have the use of the money to help finance its operations and could make a modest interest payment of say 5%. This would benefit all the farmers whether they were in the plan or not.

A further argument in favour of such being done is that it would be an anti-inflationary step. It would mean that this segment of Canadians could decide, if they wished, to defer receiving that money, rather than putting it into circulation at this time. It would be a form of insurance over which the farmer himself would have some control. It would be a form of savings. When the farmer decided to take it into his income the government, of course, would collect the full income tax in that year.

It would probably be a further anti-inflationary contribution by farmers who preferred to take this money at this time. Inflation is a fact, and they would be making an anti-inflationary move, though their money would probably be worth less when they decide to take it into income, but because grain prices are particularly high, the farmers feel that they should be given the privilege of taking the proceeds into income at a later date.

There have been few suggestions that I have made in the time I have been here that have received more support,

and more publicity, than the suggestion to which I have now referred. I think it is fair to say that the farm organizations have not actively promoted this idea. It has, however, been warmly received. I hope the government will give this suggestion very serious consideration because it would enable the farmers to provide a stabilization fund for themselves, and it would make doubly sure that the grain on the Prairies is moved into market channels at this time.

● (1550)

The bill before us is a good bill. It is a step in the right direction, and I am sure it will receive the support of the Senate. Perhaps the Senate might even improve it.

**Hon. Sidney L. Buckwold:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, I must inform the Senate that if Senator Buckwold speaks now his speech will have the effect of closing the debate on second reading of this bill.

**Senator Buckwold:** Honourable senators, I should like to thank Senator Argue and Senator Yuzyk for their very important contributions to the debate on this bill, relatively simple as it is in its original context. I am particularly pleased that Senator Yuzyk was kind enough to say a very unusual thing for the Opposition. I am not quite sure whether he received the endorsement of his leader or not when he said that this was good and useful legislation. I thank him very much for that. I think he also used the words "intelligent legislation", and that is even better.

**Senator Flynn:** It is unique.

**Senator Buckwold:** I think the points raised by Senator Yuzyk have been answered by Senator Argue in so far as the general level of the debate is concerned. However, I should like to point out, as Senator Argue has stated, that the Wheat Board is well supported by the vast majority of farmers, and anything that in any way attempts to weaken the position of the Wheat Board—and this we have seen recently during the debate on the bill to amend the Feeds Act—rouses the ire of the farm organizations. Their support is entirely for the Wheat Board, and they are against those who would in any way try to dilute it or alter its position as the main marketing agency for the farmers of western Canada. This should be clearly understood and probably Senator Yuzyk would agree.

Senator Argue has raised several points which are really not within the scope of this bill. He offers suggestions which, in his opinion, would improve the position of the farmers by deferring indefinitely their receipts from grain sales so that they would have the opportunity of providing their own stabilization fund, and take the cash when they need it with perhaps some small interest.

I am not here to debate that particular point, honourable senators, but I must admit that I would have to be convinced that in the long run it would be in the best interests of the farmers, or that in the long run it would stabilize the income of the farmers, or that it would be possible for the bulk of the farmers, and not just the wealthy farmers, to take advantage of it. I have a feeling that in many instances it would not be too meaningful. I would also remind Senator Argue of the five-year averaging program which, while it might not achieve all that he would like, does give a modicum of opportunity for farmers to level out the good years and the bad.

[Senator Argue.]

However, this is a very good forum in which to make the point. I hope the opportunity will arise for us to debate it in more depth, and I am sure it will be put to the witnesses when this bill is discussed, as I hope it will be, in the Standing Senate Committee on Agriculture.

An important point was raised so far as an increase in the initial price is concerned. I indicated in my original presentation of the bill that I felt it important that this should be done. The initial payment for wheat now is $2.25 a bushel. Last year that went up, as a result of the follow-up, to $3.75 per bushel, and I agree wholeheartedly with Senator Argue and Senator Yuzyk that in all fairness that initial price should be raised to make it more realistic. I hasten to add that I believe it will be, and I say that not because I have any inside information, but simply from reading the farm press and speeches. It seems to me that the time has come for that action to take place, and for that initial price to be raised.

Reference was made to the fact that because feed grain prices are much higher a lot of feed grain is moving by sale through the Winnipeg Grain Exchange, because farmers want the additional funds now. That may be, but I am not underestimating the general intelligence of the farmers in the way they handle their grain sales, and I have a feeling that this is now levelling out very nicely so that the farmers themselves will benefit to the greatest extent. At least, I hope so.

Honourable senators, we have the bill in front of us and I think it has been fairly well explained. If it is read the second time, I shall move that it be referred to the Standing Senate Committee on Agriculture for further discussion and study.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Buckwold, bill referred to Standing Senate Committee on Agriculture.

## AIRCRAFT REGISTRY BILL

SECOND READING

**Hon. Louis de G. Giguère** moved the second reading of Bill S-5, to enable Canada to comply with a Convention on the International Recognition of Rights in Aircraft.

He said: Honourable senators, Bill S-5, the Aircraft Registry Bill, was introduced for the first time in the Senate on June 26 last year by Senator Lapointe, who is now Madam Speaker. The bill received second reading, and was referred to the Standing Senate Committee on Transport and Communications on June 26. On June 28 the bill was reported from committee without amendment, and on July 3 received third reading and was sent to the House of Commons.

● (1600)

On November 2, 1973, the bill was read a second time in the other place where it was debated by representatives of all parties, who agreed that it was important and timely legislation. It was then referred to their Standing Commit-

tee on Transport and Communications. That session of Parliament was prorogued before the bill was reported from committee.

As this bill was discussed and explained at length in both chambers, and in the Standing Senate Committee on Transport and Communications, I have little to add, but I should refresh your memories by briefly reviewing its main clauses.

The object of the proposed act is to enable Canada to comply with the Convention on the International Recognition of Rights in Aircraft signed at Geneva on June 19, 1948. It provides for a central aircraft registry in which may be recorded notices of interest in aircraft, which includes ownership, a lease of not less than six months, security for payment of a debt, and security for equipment or services provided in respect of an aircraft. This bill will eliminate the very complex procedure whereby financial interests in an aircraft, in order to be protected, must be registered in all the various districts of all provinces and in all countries where the aircraft may be flown. It provides for filing of a notice of interest in an aircraft which shall apply against its components and avionics, but not against spare parts. It assures priority of claims according to date of registering notice of interest, but it does not affect priority of claims recorded under any act of Parliament or of any provinces before the coming into force of the section on priority. A claim could not be enforced against an aircraft by sale without an order of a superior court, which order shall provide for notice and time of sale, and distribution of proceeds.

The bill also provides for the consent of each person who has registered a notice of interest in an aircraft before the registration can be cancelled for purpose of export. It gives greater security to the creditor or financier. One point that must be stressed is that the central aircraft registry is strictly an information system. It does not legally establish or guarantee clear title to an aircraft.

Another provision of the bill prohibits the seizure of an aircraft operating on a scheduled commercial air service, whether domestic or international. It assures that the aircraft and its passengers are guaranteed an uninterrupted preplanned journey. A notice of interest, unless cancelled, will be deemed to have expired five years after being recorded unless extended upon application. The bill also provides for making the necessary regulations respecting procedures, the form and content of notices of interests, setting fees, and prescribing penalties for filing false information.

Thirty-three countries have ratified, or deposited an adherence to, the convention, including the United States, France, West Germany, Italy and the Scandinavian countries. The United Kingdom was a signatory state of the convention, and has recently enacted provisions of a nature similar to ours under the Mortgage of Aircraft Order of 1972.

To conclude, the air law section of the Canadian Bar Association has been studying and advocating a central aircraft registry for a number of years. The bill has the support of the Canadian manufacturers of aircraft, and the Air Transport Association of Canada. As a similar bill was passed by the Senate and debated in the House of Commons in the last Parliament, I do not see the necessity of referring it to the committee for the second time unless some honourable senators wish a more elaborate technical or legal explanation, particularly on the constitutional aspect.

**Hon. Jacques Flynn:** Honourable senators, the aim of this bill is obviously desirable. It is based on the Convention of the International Recognition of Rights in Aircraft, signed at Geneva in 1948, the objectives of which convention have been proven by time, I suggest, to be worthy of support. The comments of the sponsor of the bill, Senator Giguère, add to this proposition. I am very much in favour of the objectives, but I have some doubt as to the constitutionality of the bill, of which doubt I should like to be relieved at a meeting of the Transport and Communications Committee.

I should explain what I have in mind. This legislation would in some ways parallel the Canada Shipping Act, under which a vessel is registered under federal legislation and claims, mortgages, et cetera, may be registered against the ship under that federal registration. As all honourable senators are aware, however, in the British North America Act, navigation and shipping is specifically referred to in section 91 as a matter of federal jurisdiction. This is not so with regard to aircraft, of course, for the very good reason that at the time of the enactment of the British North America Act aircraft were unknown. Since then, of course, aircraft, being movables just as any other movable, have come under provincial laws. If I am not mistaken, speaking of chattel legislation in the common law provinces, the chattel mortgage provisions in each of the provinces would apply to an aircraft.

In Quebec we have also had for some years provisions concerning that type of mortgage on movables, which is known as nantissement commercial. I do not have a copy of the Civil Code with me, and I do not remember the translation. Under this legislation it is not compulsory for the proprietor of an aircraft to register it. The only provision, contained in section 5, is that an aircraft registered in Canada in the registry provided by the Department of Transport is subject to the registration of a mortgage or a claim for provision of fuel or other material. If someone wishes to force sale of the aircraft by reason of judgment, of course, other claims registered against this aircraft in the federal registry must be taken into consideration. That would seem very reasonable on a general basis, and is not the source of the problem that arises in my mind. If the legislation is to be enforced in this manner I am very much in agreement with it.

● (1610)

The problem I have is: How would we resolve a conflict between two creditors, if one claimed on the strength of provincial legislation—such as the chattel mortgage under the common law of the provinces, or one under nantissement commercial in the Civil Code of Quebec—and the other creditor had registered his claim under this legislation? This is, to me, a very important question to resolve.

A reading of the proceedings of the Standing Senate Committee on Transport and Communications, which dealt with this matter on June 27, 1973, does not offer an entirely satisfactory answer. It is indeed very vague. A question raised by Senator Choquette was answered by Mr. L. Shields, Legal Services, Ministry of Transport, but

the answer does not satisfy me at all, and apparently it did not satisfy some members of the other place.

Therefore, I would ask the sponsor of the bill to obtain from the Department of Justice, for the sitting of the committee—I hope he will agree to refer the bill to committee—an opinion on the point I have raised, in order to clarify the situation and dissipate my apprehension. If the situation is not satisfactorily clarified, I think the Senate should give further consideration to this matter. It is our responsibility to adopt not only desirable legislation but also workable legislation.

**Senator Giguère:** As this legislation has been delayed for 25 years, I do not think we should worry about any further delay. However, this bill should be referred to committee, where the Minister of Justice or his representative can give an opinion.

**Senator Grosart:** I am a little puzzled about the long title of the bill—An Act to enable Canada to comply with a Convention on the International Recognition of Rights in Aircraft. I should like to ask why we need an act "to enable Canada," or is the act really an act to comply with the Convention of the International Recognition of Rights in Aircraft? Why does Canada need an act "to enable" it to comply? Perhaps I might have the answer now, or in committee.

**Senator Flynn:** It is related to my question.

**Senator Langlois:** It is for ratification.

**Senator Grosart:** It is not ratification. That would be an "act to comply."

**Senator Giguère:** The act itself will be called the Aircraft Registry Act.

**Senator Grosart:** But the full title is still there. I am asking whether we might have an explanation in committee of why this terminology is used, because it goes into the whole question of Canadian sovereignty. One of the essences of sovereignty is that you can enter into obligations under a treaty or convention. We are all aware that it is because of the division of powers between the central government and the provinces that this is not so for Canada. Normally an act of this sort would be an act to comply with the convention. I am merely querying those words, because it may apply to other acts and it may speak to a rather broad principle.

**Senator Giguère:** If the representative of the Minister of Justice is competent to discuss constitutionality, he may be able to help in this matter.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Giguère, bill referred to the Standing Senate Committee on Transport and Communications.

## SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Administrator's Speech at the opening of the session, and the motion of Senator Neiman, seconded by Senator Cottreau, for an Address in reply thereto.

[Senator Flynn.]

**Hon. Bernard Alasdair Graham:** Honourable senators, I should like to begin by extending to His Excellency the Governor General our best wishes for a full recovery. I am sure we are all most anxious to see him soon resume his offical duties.

[*Translation*]

Senator Lapointe, I congratulate you on your appointment as Speaker.

As I have myself dabbled in journalism, I recognize your exceptional talents and I am well aware of your devotion to Parliament and to the country it serves. I am quite certain that your wisdom and personal charm ensure your success in fulfilling the duties of your very high position.

[*English*]

I should speak in Gaelic the next time.

May I express now my personal gratitude to the distinguished lady who preceded you, Madam Speaker. Since she first entered this chamber, Senator Fergusson provided all honourable senators, past and present, with a very special kind of example through her hard work and dedication. It is the Senator Fergussons of this country who have continued, and will continue, to make this place a worthwhile and enduring institution.

To Senator Perrault, that eloquent champion of the West Coast, from the East Coast I offer my most sincere congratulations. As all honourable senators know, Senator Perrault has had a rich experience in the public life of this nation. The knowledge, vigour and enthusiasm which he has clearly demonstrated in the short time that he has been leader, speaks well for his future in this chamber.

I am delighted to see that the government leader will continue to have the able assistance of Senator Langlois as deputy leader, and that our affable colleague from Newfoundland, Senator Petten, has accepted the onerous duties of Whip. With my colleague from Cape Breton, Senator John M. Macdonald, as Whip for the Opposition, we have the guarantee that whipping responsibilities on both sides of the house are in good hands.

One of our members, one of the most distinguished and respected public figures in the history of our country, is about to leave Parliament following 39 years of uninterrupted and remarkable service. No member of parliament ever brought to this or the other house greater dedication, and no member of Parliament ever demonstrated greater skill in the art of diplomacy than did Senator Paul Martin. He loved Parliament as much as anyone, and more than most.

When he moves from the domestic political arena back to the international stage, it will be, I am sure, but another chapter to enhance an already brilliant career. We all wish him well in his role of High Commissioner to Great Britain.

I am delighted to see Senator Flynn back in his role as Leader of the Opposition. He performs his tasks with ability and great sincerity, and I hope, honourable senators, that ways and means will be found to assist Senator Flynn and members of the Opposition in providing those

research and other facilities which are necessary for them to discharge their responsibilities properly.

● (1620)

I congratulate Senator Grosart on his appointment as Deputy Leader of the Opposition. His native ability, his Irish wit and his ready turn of phrase assure this chamber of a valuable and worthwhile contribution whenever he speaks.

As others have said before me, I have every confidence that Senator Choquette will continue to give this house the benefit of his many years of experience as a wise man and a cunning and forceful debater.

I congratulate my seatmate, Senator Neiman, on the subject matter and excellence of her remarks in moving the motion for an Address in reply.

I am very proud of my fellow Nova Scotian, Senator Cottreau, for the manner in which he made his debut in this chamber in seconding that motion. Senator Cottreau and Senator Barrow, both of whom are longtime friends of mine, bring to the Senate a special kind of in-depth knowledge, expertise and experience from the diversified fields of business and education, and this house will benefit greatly from their presence.

Honourable senators, no topic has had as much discussion in recent years as the problem of inflation. We have all watched as prices of goods and services have advanced at a rate in excess of 10 per cent during the last year, and even at the present time there is little indication that the next months will show any amelioration. While we have been enduring this problem, debates are engaged in by spokesmen from the major sectors, attempting to place the blame for what many believe to be economic chaos. In this scenario, business blames the demands of labour, labour attacks the exorbitant profits, politicians blame the indecisiveness of whatever government they happen to be opposing, and economists debate whether inflation is caused by wage demands or aggregate demand. And all the time the consumer pays more and more.

I wish to state that it is not my intention in this debate to add further heat to that subject. However, I do feel that it is crucial to be aware that inflation is a worldwide phenomenon, and to meet this challenge effectively it will be necessary to have international cooperation. I also believe that part of the inflationary problem relates to a restructuring of international prices of basic commodities, such as oil, sugar and so on, and as well to some restructuring of prices within our own internal economy.

With a stable majority government in the next four years, at a time when other countries in the western world are facing serious political uncertainties, Canada may well be in a unique position to provide leadership in fostering and promoting the kind of international co-operation which is necessary.

I believe that the government of the day is deeply concerned with the inflationary crisis. The government tells us that we must understand that inflation for the most part is imported, and, secondly, that we must look at all problems in terms of the rate of inflation in the rest of the world, and more particularly in relation to our major trading partners.

At the same time, I must emphasize that inflation will never disappear in the dark of the night. In particular, I think we must be concerned with inflation as it affects the poor, and that is precisely what I want to speak about at this moment. Steps have been taken to link old age pensions to the consumer price index. Family allowances have been increased. Subsidies have been placed on milk and bread, and indeed on oil in the eastern part of our country, to ease the effects of inflation. Federal monies from the Department of National Health and Welfare have been increased to the provinces to allow improved benefits to the poor.

I fully appreciate that all problems must be placed and faced with a sense of priority and a sense of fairness. But it is not good enough to talk about the problem without offering at least some suggestions for improvement, so I would like therefore to suggest that the impact of rising prices on the poor cannot accurately or fairly be measured by reference to the consumer price index alone.

As I understand it, the consumer price index is computed once a month by measurements and samplings taken on a given number of commodities, or basket of goods if you will, in various sections of the country. However, I suspect that the basket of goods measured by the survey reflects the type, quality and quantity of goods to be found on the middle-class shopper's list, and thus the consumer price index does not place the impact of rising prices on the poor, the people at the lower end of the income scale, in proper perspective.

I believe that it may be necessary to modify or develop a new index that will more accurately reflect the increases in the prices of goods bought by the poor, those on low incomes, pensioners and those others with fixed incomes. Such an index might also reflect the inability of those on low incomes to make adjustments to compensate for inflation because of the high proportion of their incomes that goes to provide for the basic necessities of life. For example, in the face of rising milk prices, it may be argued that most Canadian families can reduce the cost of buying milk by purchasing skim milk or mixing whole milk with powdered milk. But for the poor who may already be consuming skim or powdered milk, or both, there are no alternatives to reduce their milk cost—short of drinking water.

I submit again that we should develop a new index that measures the increases in prices of commodities bought most often by the poor. I am sure it will be found that the costs of basic food and shelter in an inflationary economy rise much more rapidly than the consumer price index would indicate. Such a move as I propose, the establishment of a new index for the poor, would at least permit the government to stabilize, if not improve, the buying power of that segment of our society.

I also believe that the federal government must take new initiatives with the provinces to ensure that fresh milk is available to all people. When fresh milk costs over 50 cents a quart our children are being deprived, and we are, I suggest, risking the health of future generations. Subsidizing the price of fresh milk is an investment that the government cannot afford not to make. I also need not remind you that not only would it be important for the health of the Canadian people, but it would ensure the viability of the dairy industry, and it is for this reason

that I would further ask that the subsidy be paid to the producer and not the processor.

The present inflationary pressures are pushing out of the agricultural industry all but the large integrated farms. Again, we must decide if it is in the best interests of the Canadian people to permit monopolies to be encouraged in the food industry. If not, then policies must be devised to give producers a fair return while the consumer is protected. Policy decisions in this area would have long-term effects on the direction of the agricultural industry.

● (1630)

I would also like to comment on another sector that has implications for many Canadians. I believe that most of us accept that the private market cannot provide for the housing needs of all Canadians. Therefore, the Central Mortgage and Housing Corporation was established, and from time to time legislation is enacted to provide for our housing needs. In the past two years we have had examples such as the Neighbourhood Improvement Program and the Assisted Home Ownership Program. The first of these was to provide for the improvement of older neighbourhoods, and the second was to assist lower income people to achieve some ownership. Unfortunately, neither program is presently receiving adequate financing, and, as a result, this sometimes leaves the people most directly concerned more frustrated than if the programs had never existed.

I would insist that any real attempt to solve our serious housing problems can only be productive and have beneficial results if good legislation is adequately financed. Certainly, the priority for funds for housing can hardly be challenged, and there is no doubt that the existing programs are sound and can be made to work. Now is the time for a solid commitment to match worthwhile programs with adequate funds.

Honourable senators, I would beg your further indulgence in dealing with two items which way be considered a bit parochial, but, nevertheless, in my judgment are of national significance.

As some of you may know, I was closely associated with the Cape Breton Development Corporation before coming to this chamber. In the late 1960s, when Devco came into being, we were told that coal was to be phased out and that steel was finished.

Let me talk about the coal situation for a moment. The Donald report, famous in coal mining circles, recommended in 1966 that, of four existing, heavily subsidized, worn out coal mines in Cape Breton, two should be closed as soon as possible and the other two should operate for a maximum of 15 years—to 1981. The latter move was designed obviously to assist in the adjustment of the work force. But there was no question about the finality of the year 1981. Operating losses, since Devco took over the mines in the spring of 1968, have ranged from $25 million to $30 million each year. Last year the loss was indeed $30 million.

However, as a result of much perseverance, a lot of faith, courage, determination and, more recently, some favourable breaks in the market place, there is today a new hope and a new confidence.

[Senator Graham.]

One Devco mine has been closed for safety reasons. Another was shut down by fire. A third is having its own aging difficulties. But a new mine, one of the most modern and potentially one of the best in the world, has been opened at Lingan; and rehabilitation of a second big producer is nearing completion. Local and world demand may well lead to other new mines.

However, the real story is that—because of the new mine, modernization, improved prices, improved production, and teamwork—Tom Kent, the widely known President of Devco, informs me that there is an excellent possibility that the day is not far off when Government of Canada subsidies will not be required at all. Some senior officials confidently predict that the company will reach a break-even position next year. Contrast that possibility with the previous dismal prospects, and I suggest the Government of Canada and all those involved deserve high praise for their perseverance and performance.

Hopefully, a much improved situation might enable Devco and the Government of Canada to make provision for further improvements in the conditions and benefits of the mining work force, both past and present.

The coal and steel industries of Cape Breton are very much interrelated. Most people in this chamber are aware of the rocky road steel has travelled in Nova Scotia in the last few decades. Here again, the plant was allowed to run down and was about to be pronounced dead when the Government of Nova Scotia was forced to take over. A major transfusion in the way of new equipment and modernization was required even to sustain the present plant. Expansion is necessary to be competitive; consequently, large amounts of capital are required from both the public and private sectors.

A new dramatic dimension has now been added to the Nova Scotia steel picture. The Government of Canada, through the Department of Regional Economic Expansion, commissioned a major study, called the Canstel study, to examine the feasibility of developing a world scale steel industry in eastern Canada—on what they call the Atlantic Rim. While the results of the study have not yet been made public, it has been authoritatively indicated that eastern Cape Breton has the best combination of advantages for a major steel operation.

The Canstel study considered a steel industry which would start at a production base of between three and four million tons per year, and which could be expanded in similar modules to eight or even 12 million tons per year, if and when world conditions permit.

When he addressed the annual dinner of the Atlantic Provinces Economic Council on Monday night last, Premier Regan said that definite progress is being made, and that the revitalization of Sydney Steel and the idea of a world scale steel plant can and will be looked upon as the same project.

These developments in large measure are made possible, among other things, by the work that is being done in the coal industry by Devco, to establish the suitability of Cape Breton coal for coking purposes.

Honourable senators, it appears that the economic wheel may finally be turning in a favourable direction for eastern Nova Scotia. I am confident that any beneficial results

will be felt throughout the province and, indeed, throughout the entire nation.

**Senator Flynn:** Honourable senators—I waited a few seconds, honourable senators, simply to be able to observe the anxiety in your eyes at the prospect of listening to me make a second speech today. I simply wish to move the adjournment of the debate.

On motion of Senator Flynn, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, October 24, 1974

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Director of Investigation and Research, *Combines Investigation Act*, for the fiscal year ended March 31, 1974, pursuant to section 49 of the said Act, Chapter C-23, R.S.C., 1970.

Copy of a report of a study into concerns raised in the Food Prices Review Board's study on eggs.

**Senator Flynn:** That second report should be fascinating.

**Senator Perrault:** Yes, a real omelette.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

### REPORT OF STANDING JOINT COMMITTEE EXPENSES TABLED

**Senator Forsey,** Joint Chairman of the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments, which was authorized by the Senate on April 23 and April 30, 1974 to incur special expenses in connection with its permanent reference relating to the review and scrutiny of statutory instruments, tabled, pursuant to rule 84, a report of the said expenses.

### FIRST REPORT OF STANDING JOINT COMMITTEE PRESENTED

**Senator Forsey,** Joint Chairman of the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments presented the first report of the committee as follows:

Your committee recommends that its quorum be fixed at seven (7) members, provided that both Houses are represented, whenever a vote, resolution or other decision is taken, and that the Joint Chairmen be authorized to hold meetings and receive evidence so long as five (5) members are present, provided that both Houses are represented;

That the committee have power to engage the services of such expert staff, and such stenographic and clerical staff as may be required;

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

Your committee further recommends that it be empowered to sit during sittings and adjournments of the Senate.

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

**Senator Forsey** moved that the report be taken into consideration at the next sitting of the Senate.

Motion agreed to.

## PRIVATE BILL

### BRITISH COLUMBIA TELEPHONE COMPANY—REPORT OF COMMITTEE

**Senator Haig,** Chairman of the Standing Senate Committee on Transport and Communications, reported that the committee had considered Bill S-11, respecting British Columbia Telephone Company, 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?

**Senator Perrault** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

• (1410)

## BUSINESS OF THE SENATE

**Senator Langlois:** 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 next, October 29, at 2 o'clock in the afternoon.

Before the question is put, I should like to give, as is customary, a brief outline of the work program for next week. When we resume our sittings on Tuesday afternoon we will consider the Appropriation Act, which is likely to come to us some time tomorrow. We hope that it will be ready for royal assent by late Wednesday afternoon.

On Tuesday we will also likely resume consideration of Bill S-12, to amend the Immigration Act, following which we will consider whatever legislation is reported back to us from committees. I am not in a position to give the sequence in which legislation will arrive, but I will endeavour to establish this in advance, in order to be able at least to advise the Senate the day before any legislation is put forward for consideration on our agenda.

There will also be many meetings of Senate committees. The Committee on Legal and Constitutional Affairs will hold its organizational meeting, then discuss two bills which have been referred to it. The Committee on Transport and Communications will likely deal with Bill S-5, the Aircraft Registry Bill, which was referred to it yesterday. The Committee on Banking, Trade and Commerce will meet Wednesday morning to consider Bill S-4, to amend the Customs Act, and the Committee on Health,

Welfare and Science will sit Thursday morning at 10 o'clock to consider Bill S-9, to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act. The Senate will have a fairly heavy load of work next week.

**Senator Haig:** May I inform honourable senators that the Committee on Transport and Communications will meet Thursday morning at 9:45 to discuss Bill S-5.

Motion agreed to.

## WATERGATE TAPES

REFERENCE TO PRIME MINISTER OF CANADA—QUESTION

**Senator Walker:** Honourable senators, I have a question for the Leader of the Government. The former President of the United States, while still President, used a very derogatory seven-letter word beginning with "a" to describe none other than the Prime Minister of Canada. I do not choose to repeat the word in the Senate but, as a former libel lawyer among other things, I would suggest that it is highly libelous and that it connotes many things, including defaming the character of the Prime Minister—after all, he is the Prime Minister of all of us—bringing him into ridicule and bringing him into disrepute and even contempt.

My question to you, sir, is: Would the Leader of the Government consult with the Minister of Justice to confirm, if there is any doubt in his mind, that this is libelous as applied to the Prime Minister, and ascertain from the Prime Minister whether he intends to institute an action for libel against Richard Nixon.

Had this seven-letter word beginning with "a" been used to describe the full cabinet, no action would lie because, of course, of a technicality—the technicality being that a group cannot sue.

To leave such an epithet as this unanswered, when the Prime Minister is having an almost De Gaullist triumph travelling through Europe—in Paris and Brussels, and, tomorrow, London—it is a shame, because all the tremendous éclat with which he is being treated, all the nice things that are being said about him, are shockingly disturbed by this report, which, to Europeans, may appear to have some semblance of truth. They do not know.

It cannot remain, with the greatest respect, unanswered. It should be answered. For instance, when the Prime Minister reaches London, and this episode is mentioned in the press, on radio and TV, and he is presented as the avant-garde of the new generation of statesmen, I should believe, honourable senators, that Mr. Nixon's pardon does not excuse him from a civil suit, particularly an action for libel, by Prime Minister Trudeau.

**Senator Langlois:** He would be pardoned again.

**Senator Walker:** In those circumstances, we could see how far the American system can be tested. If an action were commenced, Mr. Nixon could try to defend himself, of course, by stating, first, that this was a privileged occasion—and in the United States everyone tries that out for size over and over again—or he could defend himself by saying that his statement about the Prime Minister was justified. A third defence could be that his statement was, in fact, true.

Surely, honourable senators, in a trial by jury—and this must be a trial by jury—Mr. Trudeau should undoubtedly succeed.

I have one more question. If the Prime Minister, for any reason, chooses not to sue, and thus avoid the inconvenience—and, I might add to lawyers such as Senator Greene and others—the uncertainties of a jury trial, he could surely write Mr. Nixon demanding an apology.

**Hon. Senators:** Hear, hear.

**Senator Perrault:** Honourable senators, together with other members of this chamber, and of the other place, I was shocked and surprised to read the news accounts of certain language allegedly employed to describe the Right Honourable the Prime Minister. However, one must bear in mind that these are news reports, and traditionally we in Parliament have not accepted reports in newspapers or on radio or television stations as constituting the final word with respect to accuracy.

**Senator Walker:** It is a court report. It came from the court yesterday.

**Senator Perrault:** Again I would remind the honourable senator that it is a report of an alleged transcript from the court. But may I say that I think the Prime Minister and political representatives of all parties within the Canadian political system have shown an unfailing ability to rise above base invective and calumny, whatever its source, and it is my personal view that if in fact the epithet in question was employed to describe the Right Honourable the Prime Minister, it is beneath contempt and not worthy of reply.

[*Later:*]

**Senator van Roggen:** Honourable senators, I do not know if I am in order in speaking following the Leader of the Government in response to a question put to him, but if I may have your indulgence—

**Senator Flynn:** This is the time for questions, not for any kind of statement. I would not mind if it were done at the beginning of the sitting, but if you want to engage in debate, I suggest that it is improper at this time.

**Senator Denis:** Put your question.

**Senator Flynn:** I am not putting a question. I am objecting.

**Senator van Roggen:** Although the Leader of the Opposition objects, I wish to comment on Senator Walker's question.

**Senator Flynn:** That is the point. I am merely drawing the attention of the Senate to the fact that, if we allow Senator van Roggen to comment, we might as well start a debate.

**Senator Grosart:** The rule is clear.

● (1420)

## PARLIAMENT BUILDINGS

SENATORS' IDENTITY CARDS—QUESTION

**Senator Blois:** Honourable senators, I have a question for the Leader of the Government in the Senate.

**Senator Greene:** I hope it is a more intelligent question than the last one.

**Senator Walker:** You are a good judge.

**Senator Blois:** Senator Greene may think it is later; he may be involved in it too.

Is it necessary for all members of the Senate to carry a pass of some kind when they want to enter this building? Perhaps I could make this a little clearer if I migbt be permitted to elaborate by saying that when I attempted to enter the building today by the post office entrance, where I always come in to get my mail, I was asked by a security officer, not too politely, "Let me see your pass." I said, "What do you mean—pass? I have never had a pass." I was told, "You have to have a pass to get in." I will not repeat the word I used to him, but I said, "I am a member of the Canadian Senate. I have been a member for 15 years. I have never heard of a pass, I have never had a pass, I do not have one and I am going in." I pushed past him and he then said in a loud voice, "Thanks for being so cooperative." I replied, "All right, if you feel you should arrest me, do so, but I advise you not to."

If we need to have passes we should know if we have to line up and get them.

**Senator Perrault:** Honourable senators, none of us can be unaware of the very difficult position and role of the security forces, not only those on Parliament Hill but those throughout society today. In the past five or six years there have been a number of instances that have made it necessary, and indeed desirable, to take more stringent security precautions. It is not an easy task for our security people, who by and large I think serve parliamentarians very well indeed. If in this particular instance security officials appear to have pursued their duties with uncommon zeal, I hope the honourable senator will understand the problems that face them.

**Senator Blois:** May I ask the Leader of the Government if he has a pass? Do other members have passes? If not, how do we get them? Do we have to line up? Are they sent to us? I think we should have an explanation of this.

**Senator Perrault:** I do indeed have a pass. I have been challenged on occasion and it has been a pleasure to produce the pass when requested to do so.

**Senator Blois:** I have never had one, and I find that many others do not.

**Senator Grosart:** How do we get one?

**Senator Denis:** It is for your own safety.

**Senator Flynn:** Senator Blois is not an institution like Senator Denis.

**Senator Denis:** I could say the same thing about the Leader of the Opposition.

**Senator Greene:** There are institutions and destitutions of Parliament.

[*Later:*]

**Senator Haig:** Honourable senators, I should like to point out that identity cards can be obtained from the office of Mr. Walter Dean, Director of Administration and Personnel. I obtained one for myself only this morning. The card bears a picture of the person being identified. The picture is taken right in Mr. Dean's office and involves only a few minutes of your time. I might say that it is a rather good picture.

**Hon. Senators:** Hear, hear!

**Senator Flynn:** Speak for yourself.

**Senator Haig:** In fact, I wanted to get more than one, but that is all I was entitled to. The picture is put on the card, you sign the card, and the card, bearing both your signature and Mr. Dean's, is then sealed in plastic. This card will give you admittance to any part of this building.



## OFFICIAL VISIT OF PRIME MINISTER TO FRANCE

NEWS REPORT—QUESTION ANSWERED

**Senator Perrault:** Honourable senators, yesterday during the question period Senator Molson asked whether there was any truth in a news report that nine other ministers went to Paris with the Prime Minister.

**Senator Molson:** On their own.

**Senator Perrault:** Yes, on their own. I have made inquiries, and I find that the news report in question was totally inaccurate. The Prime Minister was accompanied by one member of Parliament in the role of an assistant. There is no evidence to date of any other cabinet ministers in Paris, either on their own or officially attached to the mission.

**Senator McIlraith:** Perhaps they should have spelled "nine" with an "o" instead of with an "i".

**Senator Perrault:** That is a good point.

## FEDERAL TRUST COMPANIES AND LOAN COMPANIES BILL

THIRD READING

**Senator Langlois** moved the third reading of Bill S-7, to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes.

Motion agreed to and bill read third time and passed.

## SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

The Senate resumed from yesterday consideration of His Excellency the Administrator's speech at the opening of the session, and the motion of Senator Neiman, seconded by Senator Cottreau, for an Address in reply thereto.

[*Translation*]

**Hon. Jacques Flynn:** Honourable senators, I could probably have abstained from taking part in this debate and in this way I would have saved you the trouble of listening to me, since the new Deputy Leader of the Opposition has worked well during my absence, but I shall come back to this later. Indeed, I could probably have chosen not to speak since I had this excuse and since this debate on the Address in reply to the Speech from the Throne, at the start of this First Session of the 30th Parliament, can only

remind me of the night of July 8 and of the election campaign that preceded it. However, these events are already vague in my mind so I shall not speak about them specifically. What good is it to dwell on memories? After all, the result is known and nothing can be done.

This result nevertheless explains the changes that took place in the other place and those that we have noted here, which are not those that I would have hoped to see.

However, there is always a silver lining to every cloud, and I am now thinking more particularly about the fact that you, Madam Speaker, have been appointed to the position of Speaker of the Senate. The French word "Orateur" is not commonly used here, even though it is the word used in the British North America Act. The custom is to use the word "Président" which is indeed more appropriate since your duties do not correspond exactly with those of the Speaker in the other place.

In Westminster, indeed, there is no Speaker or "Orateur" in the House of Lords. The person who presides is called Lord Chancellor. You do not have to address yourself to the Executive on behalf of the Senate, as does the Speaker of the House of Commons. Your duties consist in presiding over our debates, and in ensuring that decorum and order are maintained. This is not an easy task and to do it well a person needs to have great qualities—diplomacy, tact, patience. You have all those qualities, but you also have an additional one, a very personal one which will serve you well—your charm. It will be a great help to you in appeasing honourable senators from time to time. I know, since you have told me so privately, that you accepted this new responsibility with some apprehension. I can reassure you by telling you, in my own name and on behalf of the Official Opposition, that we shall cooperate with you fully and that we wish to make your task as easy as possible.

As for your role outside this House, which is to serve as an ambassador of the Senate, we are all convinced that you will fulfill it marvelously, following the example of your predecessor.

● (1430)

[*English*]

I should like, after congratulating our new Speaker, to say to our former Speaker that we are deeply indebted to her for the manner in which she discharged the duties of her office inside and outside this chamber.

**Hon. Senators:** Hear, hear!

**Senator Flynn:** She certainly presided over our debates with great efficiency, and she has helped by her many initiatives outside this chamber to improve the image of the Senate.

I now come to the new government leader, Senator Perrault, the English-speaking French Canadian from British Columbia.

[*Translation*]

**Senator Perrault:** I speak French a little also.

[*English*]

**Senator Flynn:** I describe him that way because I have been occasionally referred to as the French-speaking Irish Canadian.

His appointment is a spectacular jump out of back bench oblivion into front row prominence. It proves that the Prime Minister has finally found out who the hell the member from Burnaby-Seymour was in the Twenty-eighth Parliament.

Senator Perrault brings to his post unusual experience. He was Liberal Party leader in the British Columbia legislature for several years, and then spent four years in the House of Commons. Among his qualifications should be mentioned his powerful voice, which certainly will add weight to his arguments. On this side we all wish him well in his new position.

The departure of Senator Paul Martin will provoke some nostalgia here and in the other place, where he has served for 39 years, close to 25 of them as a member of cabinet. Senator Martin introduced into the Senate many innovations, all of which I am not totally in agreement with, but many of which have been very helpful. The Senate is indeed indebted to him. When he leaves to assume his new duties in London he may be assured of the very best wishes of everyone here, for we are convinced that he will continue to serve Canada effectively and with honour.

At the beginning of my remarks I mentioned that Senator Grosart had done a masterful job in opening fire on behalf of the Opposition in this debate. I am grateful to him for having agreed to act as my deputy. He has an excellent grasp of the problems that beset this country, and he is totally conversant with the methods and operation of this place. He therefore will be very helpful to us all in his new post.

[*Translation*]

Honourable senators, I most sincerely thank Senator Choquette who has acted as deputy leader for 10 years. He had asked me to relieve him of that position and to give it to someone else, a position more unrewarding than honorary. I could not say enough how much I owe him, let alone pay him back. His help and his loyalty have never failed me. I thank him. But I get comfort in thinking that he is not very far from me and that now and then I will be able to rely on him as before.

Now, honourable senators, may I congratulate Senator Langlois who has finally been confirmed in his position as Deputy Leader of the Government. This appointment which the former leader never did make official has just been confirmed by Senator Perrault. Our congratulations and warmest wishes.

[*English*]

I next want to welcome Senators Barrow and Cottreau to the Senate of Canada, an institution everybody finds fault with until they are appointed to it.

[*Translation*]

May I say to Senator Cottreau, who made such an interesting speech to second the Address, that we have something in common: we both are members of minority groups for whom life has not always been easy. He is an Acadian and—I do not think I shall say French Canadian, no—I am referring to a smaller minority still, I am a Conservative from the province of Quebec.

[*English*]

To Senator Neiman go my congratulations on a very good speech. I'll bet the Liberal hierarchy is really frus-

trated. After all, what can you do to punish a Grit senator who criticizes a Liberal Throne Speech, when that senator already sits in the last row of the rump.

Honourable senators, the July 8 election settled only one of the problems facing us—the mandate of the Liberal government. That was confirmed. The other problems remain just as serious and possibly more so.

These are economically bad times for Canada. We are suffering from what is known as "stagflation." Stagflation means stagnant economic growth accompanied by high inflation. A few more months of this and we could be into a recession, and it will not be because we shall have talked ourselves into it; it will be because the federal government will have failed to provide the leadership required to make sure we avoided it.

Our GNP shows no growth at all for the second quarter of this year. At one time it was predicted that the growth of our GNP for this year would be close to seven per cent. The Minister of Finance now goes around saying he expects it will be somewhere close to four per cent.

● (1440)

Our economic performance has not been this bad in years. The housing industry is coming to a virtual standstill; there has been a serious slowdown in consumer spending; and business investment has fallen off considerably.

Statistics Canada has revised its prediction with regard to the annual inflation rate for 1974. It had been predicting a rate of 12.8 per cent. It now predicts that the inflation rate may rise to 16 per cent.

But that is not all the bad news. The Conference Board in Canada informs us that the slowdown in real output growth will continue through 1975. They anticipate that the growth in real GNP will not be more than 1.2 per cent in 1975. It was 6.8 per cent in 1973, and 4.1 per cent in 1974.

Dr. Arthur Smith, president of the Conference Board in Canada, further informs us that unemployment will rise from 5.5 per cent to 7 per cent in 1975, as we head into our period of slowest economic growth in over a decade.

Real per capita income, or, if you prefer, the average standard of living will rise only 1.5 per cent in 1975, according to these experts on the Conference Board. This figure does not compare favourably with an increase in real per capita income of 5 per cent in 1974 and over 6 per cent in 1973. To top it all off, it is expected that government spending will continue to grow while corporate profits will fall drastically.

The question we must ask ourselves at this point is: Why are we in such an economic mess? What is the principal reason for such a poor showing? The government's reply is "inflation". Suddenly, with the election over and Liberals firmly in command, inflation is once again the problem.

I hear some honourable senator clapping. Are you clapping because of inflation or because the Liberals are in command? In either case, I don't think you should.

Suddenly, the government is determined to "deal with its causes and to mitigate its effects," according to the Speech from the Throne.

[Senator Flynn.]

Last March, when inflation was just as bad as it is now, the Prime Minister was saying that we had the resources necessary to cope with an annual inflation rate of 12.5 per cent. A few months later he was warning us not to become "obsessed with inflation."

It's amazing how success at the polls can alter one's point of view. Now, inflation is again our "most serious problem," I say "again" because in 1970, when the annual inflation rate was 4.6 per cent, the Prime Minister was warning:

> Continued inflation will undermine our economy, dangerously alter the structure and stability of our society and impair the credibility of our political institutions. In the long run, it can constitute a threat to our future as a society and as a nation.

That's how bad it was in 1970 when the annual inflation rate was only 4.6 per cent. Since that time, the cost of living has gone up by 30 per cent, the cost of food by 44 per cent, the cost of housing by 29 per cent, and the cost of clothing by 21 per cent. We now have an annual inflation rate of 12.5 per cent, headed for 16 per cent.

We have had the continued inflation the Prime Minister was worried about in 1970. It has undermined our economy. There is no doubt about that. Our political institutions are on the verge of becoming incredible, the structure and stability of our society is seriously imperilled, and our future as a society and as a nation is really threatened.

Now, what are we going to do about it? According to the Throne Speech, we are going to launch an all-out war against inflation. Well if we are going to cure a disease, we had better know its causes.

When I read in the Throne Speech that "this world-wide problem had its origins in the largest increases in food, energy and other commodity prices in a generation, occurring at the same time as an upsurge in economic activity in all major industrialized nations," I tend to worry. This government is about to treat an ailment, and it seems it can't distinguish symptoms from causes. Higher prices are not the cause of inflation; they are a result of inflation.

Surely the government's economic advisers know that inflation, very simply, is a dilution of the medium of exchange. Surely they know that inflation is an increase in the supply of money that outruns the increase in the supply of goods. It's very simple: we are creating too much money and we have been over-expanding credit.

Between 1969 and 1974, the GNP, in constant 1961 dollars, rose by 21 per cent. During the same period, the money supply grew by 66.7 per cent. That is more than three times the increase in the GNP. That's one of the causes of our current inflation problem.

Governor Bouey of the Bank of Canada, like Governor Razminsky before him, Raynauld of the Economic Council, Beigie of the C.D. Howe Research Institute, Smith of the Conference Board in Canada, and a host of others similarly qualified, are all agreed: You can't pretend to be fighting inflation seriously if, over a long period, you are allowing the growth in the money supply to outrun by far the growth in the supply of goods.

What we have to do is cut back on the money supply. We must cut back to the point where the growth in the money supply is roughly equivalent to the real growth in GNP.

But we must not attempt to remedy, in a matter of months, all the ills that took years to create. If we apply the brakes too quickly, we will do as much damage to the economy as we have already done by allowing, over the past few years, the growth in the money supply to outrun the real growth in the GNP.

Another question we must ask ourselves, if we hope ever to bring an end to these recurring attacks of severe inflation, is: Why does the federal government dilute the medium of exchange, when it must know that that causes inflation? The answer is really quite simple. The federal government causes inflation for basically the same reason governments all over the world cause inflation—it's afraid to say no to pressure groups. It gives in to all the demands made upon it and then proceeds to finance them not by means of direct taxation, as it should, but by an insidious indirect tax called inflation.

Honourable senators, if we are to avoid economic collapse, we must learn to live within our means. We are going to have to learn that we can't have what we can't afford.

The government informed us in the Throne Speech that it

> —will exercise restraint in its own expenditures with particular emphasis on improving effectiveness and efficiency in its existing operations while controlling expansion of new activities—

● (1450)

That sounds good, but what does it mean? Is the government going to cut back in its expenditures and make a determined effort at balancing the budget? Is that what it means? Or does it mean that they are going to increase government expenditures more slowly than in the past? One would hope they would cut back.

A study done by the old Prices and Incomes Commission concluded that the rise in government spending accounted for at least half of Canada's inflation through the late sixties and into the seventies. But we have good reason to be sceptical. The *Economic Review* of April 1974 states that the federal government's expenditures have increased from $12.23 billion in 1968 to a projected $29 billion for 1974. Since the first Trudeau government took over in 1968, the increase in government spending has been close to 150 per cent.

The Minister of Finance told us last year the government was going to restrain spending. Then he brought in a budget that set out spending of $24.4 billion, not only a record but a 22 per cent increase over the preceding one. Between April 1 and September 1 of this year, the government's budgetary expenditures totalled $9.2 billion. That is a great deal more than the $7.4 billion spent during the same period of the last fiscal year.

Then there is the matter of all those promises made by the Prime Minister during the last election campaign. Those could easily cost $4 billion or $5 billion. Can we seriously believe that he is sincere when he says he is going to "exercise restraint"? He has repeatedly promised in the past to cut down on spending, and to take steps to limit waste and extravagance. The Throne Speech promises are nothing new. He has also promised to slow down the rate of growth in the Public Service. But, in spite of those promises, the number of people working for the federal government continues to grow, like Topsy. Treasury Board alone has allowed its staff to double in five years.

So, we have excellent reason to be sceptical that, finally, the government will take the steps necessary to rekindle fiscal responsibility. It has failed us too often in the past to be deserving of any great trust.

But solve inflation we must. If we do not, we are headed for economic and social disaster. Look at what is happening. The cost of living keeps skyrocketing; people on fixed incomes cannot make ends meet; and interest rates are lower than the inflation rate. Consequently there is little incentive to save. People are being lured into extravagance and speculation, which further contribute to inflation. Inflation cannot be allowed to run unchecked any further. Unpalatable as the side effects may be, we must administer the required medicine. We cannot afford to wait any longer. Fighting inflation properly is not going to be easy. Some will suffer. But there will be much worse suffering if we do not fight it, and fight it vigorously. If we do not contain inflation now, we are headed towards a depression. Then, there'll be hell to pay!

I glean further from the Throne Speech that the government has concluded that increased supplies will lower prices. That is quite correct, but it is correct only if the money supply is not being tampered with—that is, if Government is not diluting the medium of exchange.

Now, how do we go about increasing production? Certainly, governments and their bureaucracies do not increase the production of goods—a more sterile lot you never encountered in this respect. It is industry that increases production, private entrepreneurs willing to take financial risks. These are the people responsible for producing the goods we use every day. How do these people increase production? They do it by expanding the business, enlarging the plant, buying bigger and better equipment, and hiring more people. But all that takes money. And where is that money to come from? The equity market? That has practically dried up. So, the money will have to come from profits. If there are to be enough profits to reinvest, then the government must be very careful not to allow corporate taxation rates to become oppressive. That would only serve to frustrate the government's purpose, which is to encourage expansion and increase production as mentioned in the Speech from the Throne.

Honourable senators, there is nothing new in the government's intended approach. There is nothing new to countering the effects of inflation by increasing production. These are the ways of classical free-enterprise economics. They are sound and will be effective, but only if they are accompanied by the necessary restraint in government spending, the production of money, and the expansion of credit.

Unfortunately, neither the assurances in the Throne Speech nor the past performance of this government give us reason to be very hopeful that the methods envisaged will be fully and effectively employed. So all we can do is sit back and wait. All we can do is hope that the government will succeed, that it will find the courage to do what is necessary.

[*Translation*]

An impressive number of other topics were dealt with in the Speech from the Throne and in the speech the Prime Minister made in the other place during the debate on the Address.

Most topics, including the patriation of the Constitution, do not, in the present context, have an urgency comparable to that of inflation. Most are not basically controversial but their practical achievement does create many problems.

So much the better if the government can solve its other problems! However, the government must not try to hide what is really pressing under that litany of objectives, doubtless desirable but, once again, not pressing at the present time, and which might divert the attention of the public from what remains the top priority.

Nevertheless, before resuming my seat, I want to say a few words on one of those topics. I am thinking of the Senate. The reform of the Senate has once again come to the surface recently as a result of what the Prime Minister has said and some of the statements made in the Senate by the Leader of the Government.

Senate reform can be envisaged over the long term, that is, within the framework of a revision of the Constitution, or over the short term; here, I am thinking mainly of the policy governing the appointment of senators.

With regard to the long term reform, the Prime Minister touched briefly upon the subject when he spoke of appointing senators for a seven-year term, subject to a second appointment, and of reducing their absolute veto to a suspensive veto. I have the impression that the remarks of the Prime Minister were meant more as a feeler to spur the debate. For my part, I still support in general the recommendations of the Joint Committee on the Constitution. Still I have the same reservations as Senator Forsey concerning the reduction of the power of this House to a suspensive veto.

As concerns an amendment to the Constitution, I believe that the suspensive veto could be dangerous and lead the way to radical changes, unwanted by the population, simply because of the accidental election of a majority of members of Parliament belonging to a radical party. The absolute veto of the Senate should probably remain in the Constitution.

To change the subject, I am more interested in the remarks of the Prime Minister and Senator Perrault concerning the adoption of a policy to reinforce the opposition in this house, and particularly the Official Opposition.

I believe it is in the interest of the Senate that there be better balance between the parties than at the present time; in other words, that the Senate become more representative of the differences in public opinion. It is especially essential that the Opposition in general be able to do its duty, that it be able to examine the legislation and the administration, and generally put a brake on an overly confident government.

On this subject, the remarks of Senator Perrault are clear and precise and show that he agrees completely that, in these circumstances, the Prime Minister should abandon the practice of appointing nearly exclusively government followers. On the other hand, the remarks of the Prime Minister are rather obscure and I will not try to determine his exact intentions. What is important for myself and for the Senate is to find a formula to increase the number of senators in the Opposition.

I will certainly make every effort so that this formula may be found.

Honourable senators, I have one last word to say, that despite its weak numbers the Official Opposition intends to carry out to the best of its abilities the task that is facing it during the present session.

However, we should not be counted upon exclusively for lively discussions. A greater number on the government side should express themselves. The Senate is a deliberative assembly and debate is the essence of our operations. As Senator O'Leary said not so long ago: it is by sowing words that we shall reap ideas. It is by vigorous debate that we can best serve the Canadian population.

● (1500)

[*English*]

**Senator Greene:** Will the honourable senator permit a question?

**Senator Flynn:** Certainly.

**Senator Greene:** I should like to ask the honourable senator whether he is speaking for his party or for himself, in his tiltings at the windmill, when he advocates a tight money policy and lower corporate taxes.

**Senator Flynn:** I would suggest that if the honourable senator reads my speech tomorrow, he may put his question in different terms.

**Hon. Muriel McQueen Fergusson:** Honourable senators, on this my first opportunity during this session to speak in this chamber I want to say how pleased I am, as I am sure we all are, to know that His Excellency the Governor General is recovering so well from the illness which caused such deep concern to his many friends.

I extend congratulations to Madame Léger on the magnificent manner in which she has been carrying on alone so many vice-regal duties and responsibilies during His Excellency's illness.

Although I was unable to attend the Senate sittings during the preceding two weeks, I have read with great interest the debates held in this chamber throughout that time.

Like those who have spoken before me, I offer my congratulations and very best wishes to Senator Lapointe on her appointment as Speaker. She is an able, courageous and delightful person. I know she will fill the position admirably, and will bring much credit to herself and the Senate. I know also that she will receive the same heartwarming friendliness and co-operation that was extended to me by all my colleagues, and by the officials and other employees of the Senate during my term of office. I trust she will enjoy her term as Speaker during this Thirtieth Parliament as much as I did mine during the preceding Parliament.

I should like to take this opportunity to say that I am deeply touched and very grateful for the kind references made to me by many of the participants in this debate. I thank them very much.

I congratulate the new Leader of the Government in the Senate, Senator Ray Perrault. To this responsible position he brings youth, enthusiasm and new ideas, and I wish him well. I have been a member of this chamber for a long time. I recall that a former distinguished senator from his own province, the late Senator Tom Reid, often said in this chamber that the Leader of the Government in the Senate should really be designated as the Leader of the Senate in the Government, because he is the only official representative of the Senate in the government, the only voice of the Senate in the cabinet. Our new leader will, I am sure, bear in mind that it is his responsibility to convey to the government the opinions and wishes of honourable senators, as well as to convey to senators the wishes, and sometimes barely-veiled demands, of the government.

We owe much to the former Leader of the Government, Senator Paul Martin, who is leaving us to represent Canada at one of our most prestigious missions abroad—the United Kingdom. Senator Martin has made a tremendous contribution to Canada. He was elected to the House of Commons many times. He has held several cabinet portfolios, as we all know, and since 1968 we have been fortunate in having him as Leader of the Government in the Senate.

My own association with him goes back to the 1940s, when I was appointed by the Civil Service Commission—not without difficulty, due to my sex, I may say—to be Director of Family Allowances for New Brunswick. That position came under the Department of National Health and Welfare, of which Senator Martin was minister at that time—and a very excellent minister he was.

Since that time, Senator Martin has been a loyal and helpful friend, and many of my most interesting experiences during the years since then I owe to his interest and support, for which I am truly grateful.

Like other senators, I am glad to see that Senator Langlois is carrying on efficiently, as usual, his duties as Deputy Leader of the Government.

Senator Buckwold, with all his responsibilities associated with his home province, is glad, I am sure, to be relieved of his duties as Acting Whip. I wish Senator Petten success in discharging his new tasks as Government Whip.

It is pleasant to see in his accustomed place as Leader of the Opposition my old friend and associate of Wartime Prices and Trade Board days, Senator Flynn. In those days we were the enforcement counsel, each in our own province, for that board, and the problems, experiences and associations we shared in those strenuous and trying days are not easily forgotten.

I look forward to observing with the greatest interest the skillful and knowledgeable support that Senator Flynn will receive from his new and able deputy leader, Senator Grosart.

Although Senator Choquette has decided to relinquish the responsibilities of deputy leader, his deep interest in Canada and in the work of the Senate will undoubtedly prompt him to continue making vehement, witty and timely interjections, as he has done in the past.

● (1510)

Everyone in this house, where he is so very highly regarded, wishes Senator John Macdonald well in continuing his very adroit handling of the problems of Opposition Whip.

It would be impossible for me in this chamber to express adequately my delight on listening to the very able and well-informed speech of Senator Neiman, the mover of the motion for an Address in reply to the Speech from the Throne. I congratulate her, and also Senator Cottreau, whose speech in seconding the motion was fine indeed. We shall look forward to hearing more from him.

I congratulate all the other speakers who have preceded me, and I extend a warm welcome to the new senators from Nova Scotia, Senator Barrow and Senator Cottreau.

Honourable senators, many people, especially among the younger generation, consider remarks such as those I have just made to be unnecessary and out of date. I have been a member of the Senate for many years, and as I do not expect to participate in any future Throne Speech debates I trust you will not be too critical of me for carrying on the old custom of expressing thanks and appreciation to those senators who have served the Senate well during the preceding Parliament, and in expressing good wishes to those who will have special responsibility during the Thirtieth Parliament.

There are two matters about which I should like to speak briefly today, the first of which concerns Canada's senior citizens. In case the more recent appointees to the Senate are not aware of my special interest in this field, may I remind you that in 1952 I was responsible for setting up in my own province, New Brunswick, the Old Age Security Administration. I was director for old age security and family allowances, and I administered that until I was appointed to the Senate. This gave me a very close contact with those who benefited from old age security, and I became deeply conscious of the importance of this financial help psychologically, and not only because it gave them buying power, small as the amount then may seem to us in these days.

Shortly after my appointment to the Senate, when I was only 53 years old and not yet among those now classified as senior citizens, as I am now, I was visited by Dr. Richard E. G. Davis, who was then the executive director of the Canadian Welfare Council, now the Canadian Council on Social Development, of which Mrs. Agnes Benidickson, the wife of our colleague Senator Benidickson, is now the distinguished and able president. Dr. Davis, whom some of you will recall as the invaluable consultant to the Special Committee of the Senate on Aging, had recently returned from the Scandinavian countries, where he had been greatly impressed by the way they were responding to the needs of their senior citizens.

The Canadian Welfare Council, following Dr. Davis' report of his findings in Scandinavia, proposed to set up a Committe on Aging, and invited me to act as chairman, which I did for some time. In fact, I did so until I was ill in 1961, when Miss Hope Homestead succeeded me as chairman. However, I have always continued my interest in this field.

I think it is fair to say that the Canadian Welfare Council Committee on Aging, together with the Special Committee of the Senate on Aging chaired by Senator Croll—concerning which Senator Croll gave an interesting report in this chamber on October 22, last, including a detailed analysis of results, attached to the Senate *Hansard* of that same date, and which I hope you will all read—did much to make Canadians in our youth-oriented society conscious that there is a large number of older people in this country, and that their needs also deserve consideration. During the 1960s this interest resulted in a number of provincial conferences on aging, and a national conference in Toronto. This interest continues, but it needs to be co-ordinated.

I am deeply interested in a suggestion made by our elder and much respected statesman, the Right Honourable J.G. Diefenbaker, when he attended the Canadian National Exhibition in Toronto on a day called "Salute to Senior Citizens Day" on August 30, 1974. Mr. Diefenbaker is quoted in the Toronto *Star* as saying that "the creation of a future department of geriatrics would help senior citizens recognize their potential". He is also quoted as saying that men and women over 65 are a natural resource that we squander.

One of the recommendations of the Special Committee of the Senate on Aging was that the federal government establish a national commission on aging. This was the last recommendation, and if you read the analysis of the report you will see that it has not been implemented. Definitely there should be some central place where the problems and concerns of our ever-increasing population of older citizens can receive attention. The Department of National Health and Welfare has a consultant on aging, Miss Lola Wilson, who is a dedicated and knowledgeable person in the field of aging.

During visits to other countries I studied many programs, such as meals-on-wheels, wheels-on-wheels, homemaker services and other such things. Some of these are being carried on in Canada, but does the government give to them the kind of support that is given in other countries? Is the government giving sufficient attention to the contribution to Canadian life that can be made by people who have reached the age of 65 and been forced to retire? There are some who, due to their physical or mental health, should retire at 65, but that is no magic figure. There are some who, due to ill health or other reasons, should retire long before that age.

**Senator Buckwold:** I see that Senator Flynn got the message.

**Senator Fergusson:** I assure my friend Senator Flynn that that was not meant for him.

**Senator Grosart:** We were wondering whom you were looking at.

**Senator Fergusson:** If people have gained skills, wisdom and experience, is it not wasteful to set an arbitrary age at which they must retire? Is our country not the poorer if we do not take advantage of that accumulated wisdom, skill and experience? Honourable senators will remember that Leonardo da Vinci painted *The Last Supper* when he was 80 years old. Sarah Bernhardt was the greatest actress of her time when she was 79. Grandma Moses was still painting on her one hundredth birthday, and did not start to paint until she was 58. Toscanini did some of his most brilliant conducting after he was 80. Darwin, Carlyle, Longfellow, Gladstone, Churchill, Charles de Gaulle—

● (1520)

**Senator Perrault:** Konrad Adenauer.

**Senator Fergusson:** Yes, and Mao Tse-tung, for whom I have had great respect and admiration since I visited China in 1972—these and many others did their very best work in their later years.

**Senator Walker:** And Senator Perrault, our new leader.

**Senator Flynn:** But he is very young. He is a spring chicken.

**Senator Buckwold:** He is aging fast.

**Senator Flynn:** That may be so.

**Senator Fergusson:** Our own Senator Roebuck was most active until the time he was stricken, when he was past the age of 90. Sometimes I wonder how wise we were to pass legislation in 1965 requiring new appointees to the Senate to retire at the age of 75. Certainly mankind would have been deprived of a magnificent wealth of experience had the persons I have mentioned been forced to retire at the age of 65 or even 75.

You all must know that many doctors, scientists and businessmen who have retired in Canada at the age of 65 have gone to underdeveloped countries where they have been warmly welcomed and given the opportunity to make use of, and impart to others, their skills, wisdom and experience which Canada has discarded due to stupid adherence to a rule which requires people to retire at a chronological age and which takes no account of the contribution the person involved is able to make.

For these reasons I think there is no question that we should have either a whole department or a directorate of a department of the government which would give its time to research and study and to providing help so that we can make use of the abilities of such people.

Honourable senators, I wish now to deal with the subject of the status of women, a matter I have been interested in for quite some time. Indeed, on March 7, 1972 I spoke enthusiastically in this chamber about what had been done up to that time to implement the recommendations of the Royal Commission on the Status of Women. I had been led to believe that we would hear about this subject in the Throne Speech of this session. For that reason especially I listened most attentively to the Speech, but it was only towards the end of the Speech that any reference was made to legislation respecting the status of women. I certainly hope that is not an indication of the priority the subject of the status of women will receive in the government's program of legislation. As Senator Neiman said, when moving the motion for an Address in reply to the Speech from the Throne, many Canadian women will be less than ecstatic at this expression of the government's intention. She pointed out that Canadian women know, as we all do, that in the four and one-half years since the royal commission report was tabled only one-third of the recommendations in the federal field have been imple-

mented, and they are not the recommendations considered by women to be the most basic or those requiring priority.

The so-called omnibus bill has not yet reached this chamber, but when it does I shall certainly have some comments to make on it. I understand from press and other reports that the new omnibus bill is practically identical to the omnibus bill which was introduced in the last Parliament. If that is so, I am certainly correct when I say that this bill will fall far short of dealing with the discriminations and grievances which women resent most and which they are hoping to see eliminated. It seems to give only a perfunctory bow to women's demands in that it focuses attention on matters which are peripheral to the causes espoused by women's rights groups.

For instance, how important is, and how many women will be affected by, the admission of girls into the cadet corps? It is certainly commendable and appreciated, but it is peripheral. Perhaps, though, the enactment of anti-discrimination legislation in areas of minor importance such as this will have a cumulative effect, and will build up a climate of tolerance so that eventually legislation can be enacted to deal with matters which women consider the central and important issues.

Recommendation 166 of the royal commission urged the establishment of a federal status of women council which would advise the government on matters pertaining to the status of women, and on May 31, 1973 the Advisory Council on the Status of Women was set up. However, instead of reporting to the government as was recommended, and as is done by some commissions, this council reports to a minister—at present the Honourable Marc Lalonde. This advisory council has established certain priorities which it lists in its annual report for 1973-74, copies of which we have all received. I should now like to refer to some of those priorities, the first of which is the "establishment of a federal human rights commission."

Many grievances have centered around the difficulty of enforcing current women's rights legislation. Such legislation is of little use if there is no way to enforce it. It is useless to pay lip service to a policy of equal opportunity for women unless there is some effective way to ensure that such a policy is initiated. We have enacted human rights legislation, but the means of enforcing it are meagre. Women feel that the promised human rights commission should be established without delay. I understand that the Minister of Justice has stated there will be a strong representation of women on the commission, but I have been asked by many women just what is meant by "a strong representation." Will it be half, considering the fact that women make up half of the population?

**Senator Flynn:** The better half, too!

**Senator Fergusson:** Well, I am glad you feel that way. Will the chairman be a woman? Is there any chance of that?

I am not going to discuss all of the priorities listed here, but I should like to refer to them briefly. Another priority is an "amendment to the Canada Labour Code to ensure equal access to job opportunities." I hope we shall have such legislation.

Another priority is "amendments to the federal Superannuation Act to ensure equal pension and fringe benefit rights without discrimination on the grounds of sex." I certainly hope those amendments will soon come about.

Also listed as priorities are "equality for women and inclusion of homemakers in the Canada Pension Plan;" "Divorce Act amendment to reduce the waiting period from three years to one;" and "ensuring, on the dissolution of marriage, that there is an equitable distribution to both spouses of property acquired during the marriage."

Honourable senators, discrimination against women in our laws has been brought to public attention through recent divorce cases—and I think particularly of the cases of Irene Murdock and Helen Rathwell—in which women who had made tremendous contributions to building up family property in accordance with existing laws received scandalous treatment. Our laws should be changed in this regard. These particular cases have aroused the anger of women throughout the country.

● (1530)

I remember when I was a member of the Joint Committee on Divorce and we were studying these matters, I pointed out that such situations could occur, but the majority of the members of the committee felt that there was nothing we could do about it. I certainly think something must be done now. Surely some way can be found to do away with this injustice.

Another priority is more equitable employment of women by the federal government. On this I propose to read from an article in the *Globe and Mail* of October 18, 1974. The article, in part, reads as follows:

> A booklet published by the Office of Equal Opportunities for Women complained that, in 1971, "more than 65 per cent of the female public servants worked in the administrative support category in office support positions."
>
> The most recent report of the Public Service Commission shows that the number of women in such positions has increased to 68.7 per cent. About 11.8 per cent of men are also in these positions. In the highest of the seven public service categories, that of executive, women make up about 1 per cent. In the entire public service, women make up 30 per cent.

From the same article I quote a statement made by one of the people working in this field:

> Despite the fact that quite a bit of machinery has been established and that a considerable amount of work has been done to improve the situation, the statistics don't show any improvement, and this is very depressing. Maybe it's just a normal lag. I just don't know.

Another priority listed refers to the proportionate appointment to and employment by federal boards, commissions and crown corporations. We know there has been some improvement in this area, but just the other day there came to my desk a report of the Metric Commission, which was established in 1971, dealing with matters that affect every woman in Canada. I noticed, on looking through the report, that there were 18 members of the board, one of whom was a woman.

I do not think I will refer to the other points because you can read them for yourselves, but I would like to refer to the last one. This is one that was suggested at the

second meeting of the Advisory Council, and it is to remove abortion from the Criminal Code. Senator Norrie has already spoken strongly on abortion in this debate, and I support all that she said. You may be interested to know, if you do not remember, that in speaking about abortion, on the Criminal Law amendment bill, on June 10, 1969, as reported in Senate *Hansard* of the 1969-70 session, page 1544, I said:

> In fact, I think it would be better if the whole matter were deleted from among the offences in the Criminal Code and the decision left to the woman and her doctor.

I still feel the same way.

Honourable senators, I do not want to labour this matter, and I have been talking for quite a long time, but I ask for your sympathy; I do not want to antagonize you. I have been warned that I should never tell a story in the Senate, but I have one that I tell very often when making speeches to groups, and I hope that you will bear with me. The reason I like to make a short speech is because I heard that Mark Twain was asked at one time, "Which is better, if you want to put over something—a long speech, or a short one?" Mark Twain replied that the only way he could explain this was by relating what happened to him on one occasion. It appears that he had gone to church, where a missionary from darkest Africa was telling about the great needs of his mission. Mark Twain was greatly moved and said to himself, "I'll give him $100." The man kept talking for half an hour, and Mark Twain then said to himself, "Well, maybe $50 will do." The missionary talked for another half hour and Mark Twain said, "Well, I guess I can't spare more than $10." At the end of the hour, the speaker stopped. Mark Twain said, "When the plate was passed I stole $2." Sometimes I have felt inclined, when listening to long speeches, to steal a little off the plate, but I do not want to reduce you to that.

There is one thing in this connection I would like to mention, because it has received a great deal of publicity in the press. I refer to the $5 million that will be spent in 1975, the year designated by the United Nations as International Women's Year, for seminars, conferences and national publicity.

We had a very good conference in Canada in September. It was held in Ottawa at the request of the United Nations. Canada was the host, although the United Nations took charge of all the necessary arrangements. I think a great deal of good work was done, and this really opened international Women's Year. But there is some question in women's minds as to whether we should have so many seminars, because they really are preaching to the converted. A report in the Ottawa *Journal* of October 22 states that 76 woman delegates from all over Canada, who attended a conference on plans for the International Women's Year, questioned the expenditure of such a large amount of money on conferences, seminars and national publicity. According to the article, they sent a telegram to the minister to whom the Advisory Council on the Status of Women reports, the Honourable Marc Lalonde, saying that they would prefer that priority be given to significant legislation and changes in existing legislation.

To me, honourable senators, the assigning of such a large sum of money to this kind of purpose seems like the old-fashioned attitude of a husband who loves his wife, and who has been urged by her to permit her to play a more serious part in the solving of family problems, financial or otherwise, which he does not think she is wise enough to do, and who, to placate her, decides he will give her a mink coat. It seems to me that this is much the same sort of thinking.

[Senator Fergusson.]

I have spoken principally about two matters this afternoon. With regard to aging, in Canada we have done a considerable amount to alleviate the need of older people for money, but we have not really given much thought to other things that might be done to make life good for them. The advancement of the status of women is a cause that I have supported over a great many years. I found at first that neither of these subjects was very popular, and did not get very much public support. Over the years, however, aging has become more acceptable, largely through the hearings and the report of the Special Senate Committee on Aging, and the work of the committee on aging of the Canadian Welfare Council, now known as the Canadian Council on Social Development. More respect, also, is now paid to the status of women as a result of the hearings and the recommendations of the royal commission on the status of Canadian women.

The point I wish to make this afternoon is that we have given money to older people, but we have not given thought to the question of setting up a department to co-ordinate the work that might be done for them. Similarly, while we have done things in the area of the status of women, have we done the most important things? The fundamental question is: Are we going to do the most important things? Those things that we have done up to now in Canada are not the complete answer to either of these problems, both of which are very important in this country.

Motion agreed to, and the Address in reply to the Speech from the Throne adopted.

On motion of Senator Perrault, ordered that the Address be engrossed and presented to His Excellency the Administrator of the Government of Canada by the Honourable the Speaker.

● (1540)

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

### APPOINTMENT OF SENATE MEMBERS TO SPECIAL JOINT COMMITTEE

**Senator Perrault:** Honourable senators, I move, seconded by Senator Langlois:

> That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of both Houses of Parliament to consider and make recommendations upon Parts I, II and III of the paper entitled "Employer-Employee Relations in the Public Service of Canada", prepared by the Chairman of the Public Service Staff Relations Board;
>
> That seven members of the Senate, to be designated at a later date, act on behalf of the Senate as members of the said Special Joint Committee;
>
> That the committee have power to send for persons, papers and records and to examine witnesses; to

report from time to time and to print such papers and evidence from day to day as may be deemed advisable; and to delegate to subcommittees all or any of their powers except the power to report directly to the Senate;

That the committee have power to sit during sittings and adjournments of the Senate; and

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

Motion agreed to.

## AGING

### THE ANATOMY OF A SPECIAL SENATE COMMITTEE REPORT—ORDER STANDS

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Croll calling the attention of the Senate to the anatomy of a special Senate Committee report, and in particular to

(a) its evaluation,

(b) its beneficial results, and

(c) as a follow-up, to a suggested future course of action for the Senate.—(*Honourable Senator Carter*).

**Senator Carter:** If no other senator wishes to speak to this order in the meantime, may I ask that it stand until Tuesday, November 5?

**The Hon. The Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

Order stands.

## THE ESTIMATES

### REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Senate Committee on National Finance on the Estimates and Supplementary Estimates (A) laid before Parliament for the fiscal year ending March 31, 1975.

**Hon. Chesley W. Carter** moved that the report be adopted now.

He said: Honourable senators, in moving the adoption of the report of the Standing Senate Committee on National Finance, I feel it might be helpful to honourable senators, as well as to readers of *Hansard*, if I supplement the report with a brief analysis of the committee's findings with particular respect to budgetary estimates generally and a review of the estimates over the past ten years, the public debt, and the relationship of each to the gross national product in percentage terms.

The President of the Treasury Board, the Honourable Jean Chrétien, with his officials, Mr. G. F. Osbaldeston, the Secretary of the Treasury Board, and Mr. B. A MacDonald, Assistant Secretary, Program Branch, Treasury Board, appeared before the committee. In my opinion, we had a very interesting and fruitful session. All questions were answered frankly and in a straightforward manner and, I believe, to the satisfaction of all members present.

As the report indicates, the committee considered both the main estimates and supplementary estimates (A) for the fiscal year ending March 31, 1975. The total of the proposed expenditures for the current fiscal year amounted to $23,296 million. This amount can be broken down into statutory items amounting to $11,544 million; items to be voted amounting to $10,478 million; and $1,274 million of non-budgetary items for loans, investments, advances and activities of that kind. The expenditures that can be classified as purely budgetary items total $22,022 million.

The initial estimates for the year ending March 31, 1974 totalled $18,393 million, and supplementary estimates brought that to $20,080 million. To that must be added $909 million for non-budgetary items, making a grand total of $20,989 million. That is approximately $21 billion, as compared with $23.3 billion for the current fiscal year, 1974-75. If we omit non-budgetary items we have expenditures of $22,022 million for the year ending March 31, 1975, as compared with $20,080 million for the year before. The bulk of the increase of $1,942 million was accounted for by an increase in expenditures in five government departments and two agencies. They are set out in item 4 of the report, and are as follows:

| | |
|---|---|
| Canadian International Development Agency | $ 50 million |
| National Health and Welfare | 1,286 million |
| Post Office | 109 million |
| National Defence | 145 million |
| Canadian Broadcasting Corporation | 60 million |
| Environment | 51 million |
| Agriculture | 55 million |

The total of that is $1,756 million. The balance is made up by other government departments.

Looking back over the past ten years, the committee was informed that federal expenditures had grown from $8 billion in 1965-66 to approximately $23 billion in 1974-75. However, during that same period the gross national product has grown phenomenally from $55 billion in 1965-66 to $119 billion in 1973-74. For that reason the federal government expenditures, when expressed as a percentage of the gross national product, have remained relatively stable. For example, in 1965-66 federal government expenditures were 14.5 per cent of the GNP, as compared with 15.2 per cent in 1969-70, and 17.2 per cent in 1973-74. In the current fiscal year they amount to about 16 per cent.

• (1550)

I should point out that these percentages include transfer payments to the provinces, which have increased considerably over the years. For example, in 1965-66 the total was $466 million, which increased to $932 million in 1969-70, and to $1,874 million in 1973-74. So that these transfer payments doubled from 1965-66 to 1969-70, and doubled again from that year until 1973-74. For the current fiscal year the figure is approximately the same, $1,839 million. In percentages that means they increased from 6 per cent of the GNP in 1965-66, to 7.9 per cent in 1969-70, and to 8.4 per cent in 1974-75. These transfer payments are actually paid by the provincial governments and not by the federal government. To get the true picture, the transfer payments should be deducted from the federal totals, and

when this is done it can be seen that as a percentage of gross national product federal spending has declined quite considerably, while provincial and municipal spending has increased tremendously.

The committee was informed that the total percentage of GNP spent by all levels of government amounted to 39 per cent. That 39 per cent is broken down between the three levels: 16 per cent for federal government, 10 per cent for provincial governments, and the balance, 13 per cent, for municipal governments. It is plain, therefore, that the federal government now accounts for considerably less than half the total of spending by government.

Honourable senators might be interested to note some striking increases in one or two other areas. The most striking increases have occured in health and welfare, economic development and support, and transportation and communications. For example, the budget for health and welfare in 1965-66 was $1,786 million, and in the current fiscal year, 1974-75, that has increased to $6,855 million—it has increased from $1.7 billion to $6.8 billion. I should point out, however, that this latest figure includes the increased family allowances. These now amount to $20 per child and are taxable, which means that of the amount paid out in family allowances $350 million will be recovered by the Treasury.

Economic development and support has grown from $975 million in 1965-66 to $2,870 million in 1973-74, and is down a little in the current fiscal year to $2,672 million. In other words, it has gone from 12.6 per cent of the total expenditures in 1965-66 to 14.3 per cent in 1973-74, and back to 12.1 per cent in the current fiscal year. Transportation and communications increased from $839 million in 1965-66 to $1,556 million in 1973-74, and $1,637 million in 1974-75. This has declined from 10.8 per cent of the total expenditures in 1965-66 to 7.4 per cent in 1974-75.

The yearly additions to the gross public debt have increased from $1,111 million in 1965-66 to $2,592 million in 1973-74 and $2,925 million in 1974-75. In percentage terms that becomes 14.4 per cent for 1965-66, 12.9 per cent for 1973-74 and 13.3 per cent for 1974-75.

**Senator Grosart:** May I interrupt the honourable senator? Would he mind repeating the figures he has just given for public debt?

**Senator Carter:** The public debt increases were $1,111 million in 1965-66, $2,592 million in 1973-74 and $2,925 million in 1974-75.

**Senator Grosart:** May I interrupt the honourable senator again? I may be confused, but my understanding is that the table that was put before us by the Treasury Board officials shows, for example, that the public debt in 1973-74 in gross terms was $55,557 million. In other words, it was $55 billion. The whole series of figures is quite different from that which he has just given us. If I am right, perhaps the honourable senator will wish to correct himself.

**Senator Carter:** That is true. We were given two tables. The one from which I was quoting is entitled "Federal Government Budgetary Expenditures by Function and the Percentage Share for Each Function." We were also given another table, which stated that in 1964-65 the gross total debt was $26,564 million, and that had grown in 1973-74 to $55,557 million. However, the table also listed "recorded assets," which were deducted from the total gross debt, giving a net public debt of $15,505 million in 1964-65, which increased to $18,128 million in 1973-74. I rather think that the figures we are talking about relate somewhere in between those two figures—namely, the gross and the net public debt.



● (1600)

**Senator Grosart:** May I again interrupt the honourable senator? I was not criticizing his figures. I think it is clear that in one case he was giving us the annual figures, and in the other the totals.

**Senator Carter:** That is correct. I am sorry I did not make it clear. Senator Grosart will remember that we questioned the President of the Treasury Board and his officials as to what was meant by "recorded assets". The reply was that they included cash securities; departmental working capital advances; foreign exchange reserves; social security accounts; loans, advances, investments—domestic; loans, advances, investments—external; securities held in trust; deferred charges; et cetera.

Further questioning revealed that some of those assets might not be readily recoverable—for example, loans to the CMHC. In view of that, the figures of the net public debt are probably not too meaningful.

**Senator Langlois:** They are fiscal assets.

**Senator Carter:** There are some fiscal assets, but some of the loans, advances and investments might not be recoverable.

**Senator Benidickson:** Loans to the CBC, for example.

**Senator Carter:** In considering the supplementary estimates (A) for the fiscal year ending March 31, 1975, the committee noted that all the items cover special warrants issued during the period that Parliament was dissolved, except for two items which are mentioned in item 6 of the report—namely, $330 million for the Energy Supplies Allocation Board of the Department of Energy, Mines and Resources, and $79 million for the Grains and Oilseeds Program of the Department of Industry, Trade and Commerce. There will be bills introduced relating to those two items.

The committee was given to understand that during the fiscal year there will be added to supplementary estimates (A) supplementary estimates (B) and (C), and it is anticipated that supplementary estimates (B) will be tabled in approximately the latter part of November.

**Hon. Allister Grosart:** Honourable senators, I congratulate Senator Carter on an exhaustive explanation of the report of the committee. We are all aware that one of the purposes of the committee's reporting at this time, and in asking that its report be adopted, is to prepare the way for the consideration of the appropriation bill or bills that will come to us subsequently. I understand that an appropriation bill or bills will come to us on Tuesday next and that we shall deal with them then.

**Senator Langlois:** Only one bill.

**Senator Grosart:** Senator Langlois informs me that there will be only one bill, which will be rather extraordinary. I cannot remember when we have had the main

estimates and supplementary estimates included in one bill only, although I do not object to that. The normal procedure is, of course, for each book of estimates to be dealt with separately, but in this case, for convenience, perhaps it is the better way, despite the fact that the bill will embrace two groups of expenditure items a long way apart in time.

As we are all aware, the situation at the present time is that the main estimates—what we call the Blue Book—was introduced in Parliament early in the year.

**Senator Langlois:** In February.

**Senator Grosart:** Yes, in February. As is customary under the new rules of the House of Commons, the estimates were sent to the standing committees. Some of them have reported back, but not all.

We have passed an interim supply bill, which took care of the first four months of the fiscal year. The next four months of the fiscal year were dealt with by way of Governor General's special warrant, because of the intervention of the election. We are now asked to pass the total main estimates for the year as well as supplementary estimates (A).

It is my understanding that supplementary estimates (B) will be coming to us next month. So at the moment we are not in a position to say what the total expenditures that the government anticipates are for the fiscal year ending March 31, 1975. We do know that the figure will be gigantic.

Senator Carter, quoting from the report of the committee, indicated that the present figure is somewhere—taking both the main estimates and the supplementaries—in the neighbourhood of $24 billion. It will be higher, of course, and the question has been raised as to the significance of this as a percentage of the gross national product.

I should like to deal with that when we receive the appropriation bill. It is an important subject in view of the many recommendations of the Standing Senate Committee on National Finance, adopted by the Senate, urging the government to establish a principle that in no year, particularly an inflationary year, unless there are very special circumstances, will the percentage increase in government expenditures be higher than the percentage increase in the GNP—which sounds like a very valid principle. I may have more to say about that and the Senate's attitude toward the kind of escalated payments we have in the figures now before us.

Senator Carter commented on the matter of the public debt. I raised a question merely to clarify the figures he gave us, because I am somewhat concerned about this fictional figure which we get from time to time, which is given to us, not in the book itself but certainly in the public accounts and in supplementary papers, as Canada's recorded assets.

This is utterly fictional. To say that Canada's recorded assets—taking the figure that Senator Carter gave us—are lower than our current liabilities, our debt, means that Canada is broke. Not even the most rabid critic from any side of any house in Canada would suggest at the moment that Canada is broke, as yet. Of course, these figures do not take into account the real assets of Canada. For example, all the buildings on Parliament Hill are shown as being worth $1, which is an indication of the thoroughly fictional nature of these assets.

So honourable senators need not be greatly concerned about these figures showing that our net assets at the moment are less than our net debt. I am sure that those who have personal accounts, or an interest in corporate accounts, would be very concerned if that were the situation confronting us. I shall have further comments to make when the appropriate bill comes before us.

Having been a member of the committee, having heard the questions asked and the answers given, I am prepared to say that the report we have had is a justifiable indication of what went on in the committee.

Finally, I will say that we were very pleased that the main witness appearing before the committee was the President of the Treasury Board, the Honourable Jean Chrétien. He made a very distinguished appearance and, though he is a very new President of the Treasury Board, he greatly impressed the committee with his broad knowledge of the Blue Book and all its implications.

Report adopted.

The Senate adjourned until Tuesday, October 29, at 2 p.m.

# THE SENATE

Tuesday, October 29, 1974

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

Prayers.

## CLERK'S 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 1973-74.

REFERRED TO COMMITTEE

**Senator Langlois:** Honourable senators, I move:

That the Clerk's accounts be referred to the Standing Committee on Internal Economy, Budgets and Administration.

Motion agreed to.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that messages had been received from the House of Commons to acquaint the Senate that the names of Messrs. Béchard, Fox and MacGuigan have been substituted for those of Messrs. Bussières, Railton and Trudel and that the names of Messrs. Baldwin, Bussières, Railton and Trudel have been substituted for those of Messrs. Lawrence, Béchard, Fox and MacGuigan on the Standing Joint Committee on Regulations and other Statutory Instruments.

## APPROPRIATION BILL NO. 3, 1974

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-31, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March 1975.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

**The Hon. the Speaker:** Honourable senators, when shall this bill be read a second time?

**Hon. Léopold Langlois:** Honourable senators, with leave of the Senate, now.

Honourable senators, I have given instructions to have two tables placed on the desks of honourable senators to assist them in a better comprehension of this complicated bill. The first table is entitled, "Estimates, 1974-75, including Budgetary and Non-Budgetary (Loans, Investments and Advances) Expenditures but excluding Old Age Security Payments". There follows the breakdown of the main estimates. The second table is entitled, "Appropriation Act No. 3, 1974." In that table will be found a summary of the bill, giving numerous figures, which will, I hope, assist honourable senators in following what I have to say.

The bill before us covers both the balance of main estimates for 1974-75 and the supplementary estimates which were tabled recently in this house. On March 28 last, approval was given to the first interim supply bill for the fiscal year 1974-75. That bill, entitled Appropriation Act No. 2, 1974, was based on the 1974-75 main estimates and provided for the expenditure for the months of April, May and June, in the amount of $3,138,241,654,50. These estimates were originally tabled in this house on March 5, 1974, and referred to the Standing Senate Committee on National Finance on March 19. Following the convening of the new Parliament, the main estimates were retabled in this house on October 8 and again referred to the National Finance Committee on October 15. These estimates were discussed in committee with the President of the Treasury Board and his officials on October 17.

The new supplementary estimates (A), which were tabled in the Senate and referred to the National Finance Committee at the same time as the main estimates, were also discussed in committee on October 17.

The supplementary estimates total $904,968,334, consisting of $889,780,834 in budgetary items and $15,187,500 in non-budgetary items. The total estimates tabled to date for 1974-75 amount to $24,202,369,371, consisting of budgetary expenditures in the amount of $22,912,684,671 and non-budgetary expenditures in the amount of $1,289,711,700. This bill provides not only for the full supply of the balance of the 1974-75 main estimates but also full supply for the whole of supplementary estimates (A).

Honourable senators will no doubt remember that the first interim supply bill approved by Parliament for the fiscal year 1974-75 only provided for expenditures up to June 30 last. For the subsequent four months, from July through October, the government has obtained funds it needed to operate through the issue of special warrants, as authorized by the Financial Administration Act. The funds made available under the warrants issued are expected to be sufficient to meet financial requirements to the end of October, by which time it is hoped that Parliament will have approved full supply for this fiscal year. While most of the items which were covered by special warrants were originally included in the main estimates, some eleven of those required additional funds. These needs were not foreseen at the time of the preparation of the main estimates, in the fall of 1973, and they have

therefore been included in the supplementary estimates (A).

I have a list of those eleven estimates and would like to give them in the following order: vote 25a, Agriculture, in the amount of $6,780,500; votes 15a, L16a and 30a, Environment, in the total amount of $8,097,000. Under Finance there is vote 25a, Insurance, in the amount of $133,584; under Indian Affairs and Northern Development, votes L15a and L26a totalling $9,687,500. Under Labour, Information Canada, vote 10a, in the amount of $400,000; under Privy Council, Chief Electoral Officer, vote 10a, $469,750; under Secretary of State, vote 10a, $100,000. The total of these eleven votes is $495,668,334.

● (1410)

In addition, there are two items included in these estimates which were not covered by special warrants. The first, known as the Two-price Wheat Program, covers the costs incurred since September 1973, in maintaining the subsidies designed to reduce consumer prices for bread and other wheat products. The second, which is shown under the Energy Supplies Allocation Board, provides for the cost of subsidizing the price of petroleum products for November and December.

**Senator Grosart:** Would the honourable senator give us the designation of those two votes?

**Senator Langlois:** Energy, Mines and Resources, vote 11a, $470,000; Industry, Trade and Commerce, vote 41a, $79,300,000.

The form of the present bill is the same as those passed in previous years, except that this bill includes those amounts which were authorized by special warrants, as I have already explained, issued by the Governor General during the months when Parliament was not in session. It does not include any additional borrowing authority, nor does it include any $1 items, which should please those honourable senators who have voiced opposition to those items in past years. I assume this will be considered as a welcome departure.

Honourable senators, I think I have covered the most important features of the bill, and if you wish any further explanations I shall endeavour to supply them to the best of my limited ability.

**Senator Grosart:** Honourable senators, I take it that the sponsor of the bill is prepared to give us the usual assurance, that the passage of this bill will not prevent us from examining any of the items contained in the estimates? I think it is usual to have that assurance.

**Senator Benidickson:** How would that be possible if we pass all the items in the main estimates now?

**Senator Grosart:** The fact is, we have not yet passed them, and the right to examine, as I understand it, is not denied simply because we pass the estimates.

**Senator Benidickson:** We have always left one-twelfth or something of that kind, and we have not done so here.

**Senator Grosart:** Still, the assurance would be welcome.

On motion of Senator Grosart, debate adjourned until later this day.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Postmaster General respecting Olympic coins for the period July 28, 1973 to March 31, 1974, pursuant to sections 13(2) and 13(3) of the Olympic (1976) Act, Chapter 31, Statutes of Canada, 1973-74.

Copies of letters, dated between July 30, 1974 and October 24, 1974, exchanged between the federal Minister of Communications and the Ministers of Transport and Communications for the Provinces of Ontario and British Columbia, together with press communiqué issued following the Fifth Conference of Communications Ministers held at Toronto, Ontario, September 30-October 1, 1974.

Report of the Canadian Dairy Commission, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to section 22 of the Canadian Dairy Commission Act, Chapter C-7, R.S.C., 1970.

Copies of a contract between the Government of Canada and the Town of Merritt, B.C., 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).

Copy of an Agreement on an International Energy Program, done at Brussels, September 27, 1974 (English text).

## CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—FIRST READING

**Senator Carter,** for Senator Cameron, presented Bill S-14, to amend the Criminal Code (control of weapons and firearms).

Bill read first time.

**Senator Carter,** for Senator Cameron, moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## FOREIGN AFFAIRS

REPORT OF COMMITTEE EXPENSES TABLED

**Senator Grosart,** for Senator van Roggen, Chairman of the Standing Senate Committee on Foreign Affairs, which was authorized by the Senate on March 26, 1974, to examine and report upon Canadian relations with the United States, tabled, pursuant to rule 84, the expenses incurred by the committee in connection with the said examination during the Second Session of the Twenty-ninth Parliament.

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

CHANGE IN COMMITTEE MEMBERSHIP

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Laird be substituted for that of the Honourable Senator Hayden on the list of senators serving on the Standing Committee on Internal Economy, Budgets and Administration.

Motion agreed to.

## PRIVATE BILL

BRITISH COLUMBIA TELEPHONE COMPANY—THIRD READING

**Senator Haig** moved the third reading of Bill S-11, respecting British Columbia Telephone Company.

Motion agreed to and bill read third time and passed.

## IMMIGRATION ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, October 23, the debate on the motion of Senator Laird for the second reading of Bill S-12, to amend the Immigration Act.

[*Translation*]

**Hon. Martial Asselin:** Honourable senators, when our colleague, Senator Laird, moved the second reading of the bill, he said that in his opinion it was a simple bill which, upon reading, could be easily understood. Of course he did not elaborate upon its internal complexities which were later proved important by questions of my honourable colleagues.

I obviously have my own reservations as to a precipitated passing of the bill since in my opinion we were given no proof that it is urgent the bill be passed. Moreover my reservations bear on the fact that legislators will have too much discretion on the method of prosecution to be used against the persons convicted under the legislation.

● (1420)

If we look at the bill, it provides that every person guilty of an offence is liable—

> (c) on conviction on indictment, to imprisonment for two years, or
>
> (d) on summary conviction, to a fine of not more than five hundred dollars or to imprisonment for six months or to both.

The following question arises in the minds of those who know something about law: Who will determine the method of prosecution? Nothing in the bill indicates that someone who will have committed an offence, has a police record or is a member of organized crime, should be prosecuted by way of indictment, because, as those who are knowledgeable in legal matters know very well, proceedings by way of indictment lead to much stricter punishment than prosecution by way of summary conviction. Naturally, we should get from the sponsor of the bill some explanations on that aspect.

Who will be prosecuted by way of indictment? Is it those individuals who have police records, members of organized crime or would-be political refugees? We are presently faced with the case of the Haitians.

In the case of the Haitians, I would like to digress a little since I believe the problem is of utmost interest for our colleagues in the other place and for a great many Canadians.



It happens that, following the amendment of the Immigration Act, 1,500 French-speaking Haitians are in our country, subject to a decision of the Immigration Appeal Board; they are here as political refugees. According to press and television reports, their government claims that these individuals are criminals because they are thought to have consorted with communism; but, actually, they are criminals because they are against the regime. Furthermore, we know that if they are sent back to their country they will have to face extremely harsh sentences, even death. That is the reason why yesterday, through the House of Commons, and, this morning, through the newspapers—the *Gazette* mentioned it—the whole population appealed to the humanitarian feelings of the Minister of Immigration, asking him to review the case of these people, in order that, if they were sent back to their country, they could avoid being subjected to the punishments which are most certainly awaiting them.

I was glad to learn yesterday that the Minister of Immigration, the Honourable Mr. Andras, told the House that he would make use of his humanitarian feelings to review the case of these Haitians according to their merits. I think it is the duty of the Senate to make its feelings known that the Minister of Immigration should deal with these people with the utmost compassion and that he might even, as is his privilege, make use of his right of review of the decisions of the Immigration Appeal Board.

After this digression, I am getting back to the bill. To sum it up, I was saying that the mover of the bill has not clearly indicated who will be prosecuted by indictment, and who will be prosecuted by summary conviction. I am under the impression that before passing this bill we should seek assurance and details on the nature of the accusations which will be brought against those who have transgressed these provisions of the law.

However, even subject to the reservations that I have just made, the question I am asking myself is whether we really need such a law.

Honourable senators, let us first take a look at the Criminal Code. I am referring you to clause 115 of the Criminal Code, which covers all the offences that are not to be found in or described expressly by the law, and it reads as follows:

> 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.

This means that if there are no specific provisions in the Criminal Code allowing the Solicitor General or the enforcement authority to prosecute someone in regard to a specific clause, clause 115 covers all offences which are not referred to as such in the Criminal Code, and in the past—and I know it because of my legal experience—legislators have used that clause to prosecute for crimes which were not expressly described in the Criminal Code.

Since we are dealing with immigration legislation, I am under the impression that we will have to examine the provisions of the act in order to find out if the cases that this bill is trying to cover are included in our present legislation.

Referring to the Immigration Act—the Revised Statutes of Canada, 1970, volume IV, one can find in clause 46 of the Act that:

> Every person who . . . is guilty of an offence and is liable on summary conviction, for the first offence to a fine not exceeding five hundred dollars and not less than fifty dollars or to imprisonment for a term not exceeding six months and not less than one month or to both fine and imprisonment, and, for the second offence to a fine not exceeding one thousand dollars and not less than one hundred dollars or to imprisonment for a term not exceeding twelve months and not less than three months or to both fine and imprisonment, and for the third or a subsequent offence to imprisonment for a term not exceeding eighteen months and not less than six months.

I think I must call the attention of the mover of the bill to this:

> (*b*) comes into Canada or remains therein by force or stealth or, knowing it to be false, misleading or improper, by reason of a false or improperly issued passport, visa, medical certificate or other document pertaining to his admission or other false or misleading information or fraudulent means.

● (1430)

When Senator Perrault, the Leader of the Government, asked us to pass this bill quickly on second reading, the reason he gave us was that after coming into Canada illegally, people were deported from our territory and then they came back a second time and there was not any clause in the act to prevent them from doing that. But if we have a look at the section I just quoted, with the penalty provided in the act, we read this:

> every person who comes into Canada or remains therein by force or stealth—

The offence I refer to is in section 46—it is exactly the situation Senator Perrault explained to us; he said that in Vancouver the problem was serious; people come into Canada and then leave for 24 hours and come back after, and we are not able to prevent them or to impose a severe sentence so that they would be discouraged from doing so. However, I think section 46 of the Immigration Act provides for those cases:

> comes into Canada or remains therein by force or stealth—

That is the offence I referred to in the beginning of section 46, the offence provided in those cases. If we consider section 46 of the Immigration Act, I wonder if this bill is necessary since in my mind, in the interpretation I give to the section 46, the offence provided in Bill S-12 can also be found in section 46 and also in subsection (b).

Honourable senators, could it be possible to know what is behind this bill? Is the objective to go further than section 46 itself?

Such are of course the questions we ask ourselves. And we wish to be provided with answers before we vote for a bill which, in my belief—I do not know if I make myself clear enough—is already included in the Immigration Act.

And there is also section 48 in the Immigration Act, which still covers all offences not specifically referred to in the Immigration Act.

Section 48 provides the following:

> Every person who violates any provision of this Act or the regulations or any order or direction lawfully made or given thereunder for which no punishment is elsewhere provided in this Act or the regulations is guilty of an offence and is liable on summary conviction to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding six months or to both.

That is included in the statutes to which I referred in the beginning in the Immigration Act. Why not use the existing act? Why another piece of legislation which, in my mind, is a copy of what already is in the statutes? I have always been against overloading our statutes with amendments to a section of an act that often go contrary to the original section. This, of course, does not satisfy me; neither, I believe, the official Opposition. We are not at all satisfied with the explanations given. I do not blame the bill's sponsor who, in my opinion, showed great skill in succeeding to introduce a bill as simple as this one, but which raised so many doubts amongst senators who, like myself, raised certain questions—Senator Croll for instance. Other senators put questions when the bill was presented.

Given therefore the number of such questions, and the important doubts raised by honourable senators, which I raise also on second reading, I think the government leader would be wise in referring the bill to committee so that we may meet and question the experts and those who drafted the bill, and find out the ideas behind the bill.

I think if we refer the bill to committee for a more thorough and comprehensive examination, maybe our questions will have very easy answers. But until then, I believe that everything in the bill is already included in the general act, and I do not see the point in having an extra section which, in my opinion, would only duplicate what already exists in the act.

Honourable senators, in concluding, I do hope that the Government Leader will allow this bill to be referred to the committee so that we may meet the experts who drafted this piece of legislation and direct questions to them that may dispel our doubts so that we may have clear legislation. I say once more that there is a hidden motive here and we do not know the main reason for which this bill was introduced in the Senate.

● (1440)

[*English*]

**Hon. David A. Croll:** Honourable senators, there is not much that I can add to what has already been said by Senator Asselin in his very potent attack on this bill. I don't know why any member of this house should be asked to vote on a bill when we have not been given some very important information which I consider to be necessary.

I attempted this morning to find out from the appropriate department how many people have been deported from Canada during recent years, and I was informed that 2,504 were deported in 1970 and 4,027 in 1971. I said, "This is 1974. If you haven't got the figure for 1974, what about 1972 and 1973?" The reply was that this information would be provided to honourable senators before we vote on the bill. I have not seen any of it. I do not know whether the honourable gentleman has that information. He shakes his head.

**Senator Grosart:** The bill is going to committee.

**Senator Croll:** It is not a matter of the bill's going to committee. We are not "patsies" here. When a bill is presented it should be judged on its merits in this place. The purpose of a committee hearing is to clarify, but we ought to know all about a bill before referring it to committee. Senator Asselin points out that the Criminal Code covers this bill completely. Of course it does, and it has done so for a hundred years. It is a proper point to find out from time to time how many have been jailed for entering the country illegally, or after being deported, whichever the case may be.

This may appear to be a minor matter which arises in connection with the Haitians, 1,500 of whom are now in Montreal. When did they arrive there and how? Who brought them in and who gave them work permits? Surely our department should have known that these people were coming in. The number is not 100 or 200 but 1,500. Records are kept of those who enter, and inquiries should have been made when after two or three weeks this mass was seen entering. But all of a sudden we discover them and tell them they must leave. These are human beings, and they may have been misled. Some agency may have lured them to the country. If you read the news stories in the Montreal papers you will see that work permits were provided for them. They did not work for wages, not even for peanuts. All they got were the shells, and when there was no further work they were tossed out. Now we talk of deporting them.

I have not seen any need for the bill. In the light of the present immigration controversy in this country, about which I will have something to say, it seems to me that the bill is premature. Always in the past such matters have been presented to us after being dealt with by the House of Commons. In this particular instance we have an opportunity to say something about it before it reaches the other house and before it reaches us in a more formal fashion. Perhaps we can reach some conclusions as to why this is being presented in this fashion rather than in a green paper in due course.

What has happened? I will give you the situation in capsule form. There were 120,000 immigrants to Canada in 1972 and 180,000 in 1973, and it looks as though there will be 200,000 in 1974—approximately half of whom are not white. Normally 70 per cent of our immigration is European or American. That is what our panic is all about. It is much more emotional than it is real. No one in this country disagrees that it is not the birthright of any person to be allowed to settle in Canada and become a Canadian citizen. However, Canada needs and will continue to need new people from abroad to develop and build it, but they must fit into our Canadian milieu. No one denies that limits are necessary on immigration, and never again must we find ourselves in the position we did some time ago when we lost control of our immigration. We badly need immigrants who will do the manual and menial work that native-born Canadians increasingly will not do. There are a thousand jobs available in hotels in the Toronto area. These jobs cannot be filled. Alberta needs 40,000 more workers and will need perhaps 100,000 in the almost immediate future. We need a flexibile immigration policy that will provide a steady flow, because once the spigot is turned off it is difficult to turn it on again. It is a backward step to bring in immigrants just to match jobs. To the knowledge of every member of the Senate, hundreds of thousands of immigrants have entered this country in recent years without jobs. Since 1946 they have been coming here and finding employment. They have enriched this country, and our horizons are still high. The suspicion that is aroused in my mind, if not in the minds of others, is that we are back to the Mackenzie King doctrine that immigrants should be sought to fit the country's social structure. We had gotten away from that policy, but we are returning to it. If that happens we will find that immigrants from northern and southern Europe and the United States will be welcome, while people from Asia and Africa will not. This country needs people. In the early 1900s, almost up to World War I, we landed immigrants in this country at the rate of 1,000 a day. We sent them to the West and they built that country. Some sit in the Senate and the House of Commons. They are everywhere in Canada.

We are now faced with a different situation. Alberta and Saskatchewan are golden provinces, rich beyond dreams in natural resources. But resources need people, they need consumers and workers. If these provinces are to fulfil their destiny, if we are to stop sending our resources out of the country, we need people where the resources are. If we believe in the policy that the Minister of Finance has been preaching, which in my opinion is eminently correct, we need an expansionary economy. One cannot work out the number required in advance. It is too unpredictable and there is too great a time lag between the time we need people to fulfil our requirements and the time we are able to get them. Few realize the problems. In parts of the country unemployment is now as high as 10 per cent. The average figure is 5 per cent, but in some areas it is as high as 10 per cent. Alberta has an immediate need for 40,000 of the sort of people who will not be afraid to dirty their hands and use their shoulders.

● (1450)

In 1967 we did away with the quota system affecting migrants. Administratively we handled the problem well. We could still handle the problem in that way, but for some reason we are making a big issue of it. No one suggests that we should have an open-door policy, particularly when doors are closing in almost every part of the world. But self-protection on our part should not be too rigid or fixed. We must make allowance for human and humane considerations and responsibility. We need to introduce green papers as quickly as possible. We are getting bits and pieces of information from government and from newspaper leaks, and the situation is hard to understand. It is understandable that misunderstanding

follows. The result is that great harm is being done by people going about the country accusing Canada of racism, which in my view is not true. There is no intention of racism. Such accusations do harm to this country, to those who have come here with the intention that others will follow in due course, to those who have benefited this nation, who have helped build it.

Senator Asselin has made a total case. We have the Criminal Code, which has dealt with law breakers in a particular way for 100 years. What are they doing, building a bureaucracy within the department? What is the purpose of it? We haven't heard what the purpose is. So far as I am concerned, I would vote against this bill whether I sat on this or the other side of the house.

**Hon. Allister Grosart:** Honourable senators, it is quite obvious that many questions in your minds have not been answered. The sponsor of the bill has said he is prepared to send it to committee, and it has been suggested—particularly by Senator Croll a moment ago—that it might not be the best procedure. Senator Croll made the very good point that if these important questions are raised on second reading, answers should be given on second reading.

I agree. I therefore propose to the Leader of the Government—when he is ready to listen—that we avail ourselves at this time of one of our rules which would permit the minister to enter the Senate chamber and discuss this important bill here. I refer to rule 18, which reads:

> When a bill or other matter relating to any subject administered by a department of the Government of Canada is being considered by the Senate or in Committee of the Whole, a minister, not being a member of the Senate, may on invitation from the Senate enter the Senate chamber and, subject to the rules, orders, usages, forms and proceedings of the Senate, may take part in the debate.

I suggest this is a unique time, an appropriate time, for us to avail ourselves of this rule.

As honourable senators have suggested, this bill may well be—if I may use the phrase—"jumping the gun" on the consideration of our whole immigration policy. As has been suggested, the minister and his officials, and the newspapers, have given us some indication of the oncoming immigration policy by bits and pieces. So we have nothing but an ad hoc conception of what is involved in our immigration policy affecting the future.

I therefore seriously suggest that the Leader of the Government give consideration to our using this rule, which has not been used for many years. I do not believe it has been used during my time here, but I think this is an excellent opportunity to create such a precedent in our ongoing consideration of bills.

**Hon. Raymond J. Perrault:** Honourable senators, as much as I value the proposal put forward by the Deputy Leader of the Opposition, may I suggest that one of the most competent bodies in this country is to be found in the Standing Senate Committee on Legal and Constitutional Affairs. I suggested at the outset of the consideration of this measure that, because of the many questions in the minds of honourable senators on both sides of the house, we should refer this matter to the committee constituted specifically for the purpose of considering this and associated legislation.

**Senator Grosart:** Would the leader not agree that under our rules the bill should go not to that committee but to another committee?

**Senator Langlois:** Foreign Affairs.

**Senator Perrault:** I accept the observation of the Deputy Leader of the Opposition. He is right. The measure would go to another committee of this house, Foreign Affairs, made up, however, of a similar body of expertise and legal ability. I do not believe it is beyond the competence of the members of the Senate to consider in committee the clauses of this bill, its nuances, and ask appropriate questions of departmental officials. After that process has been gone through and exhausted, if the members are still desirous of hearing from the minister and of receiving his assurances, that is a step we can consider. But it is difficult to conceive that every time a measure comes before this chamber our automatic reaction should be to ask the minister to appear on the floor of this house. As the Deputy Leader of the Opposition has said, it is an extraordinary procedure which is not commonplace.

**Senator Grosart:** I did not say "every time."

**Senator Perrault:** I hope the suggestion is not that this chamber is not competent to deal with such a simple and straightforward measure as the one before us. As I stated last week, I hope we can refer this bill to committee as expeditiously as possible, there to ascertain the views of honourable senators from all parts of the chamber.

**Senator Grosart:** On the possibility that my remarks may have been misunderstood, as apparently they were, may I make two comments. My reason for making my proposal, following Senator Croll's speech, was that I have never, during my time here, seen a bill in the Senate where so many questions were raised and not answered. I agree with Senator Croll that this question should be answered in the Senate. Whether the method I have suggested is ideal I do not know, but certainly I fully agree that such questions must be answered in the Senate. It is not good enough to ask the Senate to approve such a bill in principle on second reading when many of the principles inherent in the bill are not before us. I therefore suggested that it is a unique case and the matter should first be dealt with in the Senate.

Secondly, the Leader of the Government seems to have some objection to calling the minister. He reminds me of secretaries who are sometimes anxious to protect their bosses and in the process do more harm than good. I suggest that in this particular case the minister would be delighted to come. He has shown himself well able to explain the immigration policy. It is not essential that he come before the Senate under rule 18, but I think it is essential that he appear before the committee if it is not discussed in the chamber.

● (1500)

**Senator Forsey:** Honourable senators, I rise to suggest that the use of rule 18 is not such an extraordinary measure as has been suggested by the Leader of the Government. If my recollection is correct, this rule was adopted in 1947. Between the years 1947 and 1952 it was made use

or very extensively and, I think, with general satisfaction. Of course, I was not here, so I cannot speak from personal knowledge, but from my reading of the record I think that is true.

I have never heard it suggested before that the use of this rule in any way reflected upon the competence of the Senate. I think it would be a great pity if the remarks of the Leader of the Government on this subject were allowed to pass unchallenged. Perhaps this is not an appropriate occasion for using rule 18, but I think it ought to be on the record that not only is the rule there, but it was put there for a purpose and it served a very useful purpose in the years it was used. It should not be regarded as something utterly extraordinary, outrageous, insulting to the Senate. Surely we cannot take it that something passed by the Senate and put in its rules is a reflection upon the competence of the Senate. If that is the way we feel about rule 18, then we had better get it out of there, not leave it sitting there as a monument of a momentary aberration of the Senate in the past, when it apparently was prepared to reflect upon its own competence. I should like to utter a most emphatic protest against any slur upon this rule, or upon its use whenever the Senate sees fit to make use of it.

**Senator Perrault:** Honourable senators, I find this to be a rather incredible exchange. There is a substantial measure of choplogic being employed this afternoon. The sponsor of this proposal has not even been given an opportunity to close the second reading debate and, in so doing, to answer some of the questions posed by honourable senators. I find it incredible that before the mover has been given an opportunity to reply and to deal with some of the questions raised by honourable senators, some honourable senators talk about calling the minister to testify before the Senate. It is almost a case of, "Don't confuse me with the facts, my mind is made up."

May I suggest that Senator Laird be given an opportunity to close the debate. If there are concerns still in the minds of honourable senators at that point, then let us follow the procedures clearly called for under rule 67(1)(g) whereby the Standing Senate Committee on Foreign Affairs shall deal with all bills, messages, petitions, inquiries, papers and other matters relating to foreign and Commonwealth relations generally, including immigration.

**Senator Grosart:** You should have read that earlier.

**Senator Perrault:** I cannot understand why certain honourable senators are determined to shortcut the procedures under our parliamentary system, and I find it especially difficult to understand in view of the fact that the Deputy Leader of the Opposition has, in the past, spoken so eloquently about the parliamentary system and the rights of honourable senators.

May I suggest that we follow the established procedures, and if there are still concerns in the minds of honourable senators with respect to this measure, by all means let us call the appropriate minister.

**Senator Grosart:** Honourable senators, I rise on a question of privilege. I do not like being accused of ignoring the rules of the Senate. I wish to make it clear to the Leader of the Government and to honourable senators that I have the right, as has any other senator, at any time to invoke a rule of the Senate. I suggest to the Leader of the Government that he not allow his emotions to run away with him again. In no way is there any breach of the rules when I suggest that a rule be invoked. I am entitled to invoke any rule of the Senate at any time during a debate, which is exactly what I did.

As for the suggestion made by the Leader of the Government that Senator Laird be permitted to close the debate, there is no need for such a suggestion. Under the very rules which the Leader of the Government has talked about, Senator Laird will inevitably close the debate, and Her Honour will call attention to that fact.

**Senator Perrault:** Honourable senators, Senator Grosart's proposal is certainly in order, but it is premature. That is the essence of the situation. We have procedures in the Senate which have stood the test of time rather well, procedures which suggest that this measure can be dealt with without creating a national issue and without requiring the minister to testify on the floor of this chamber, before all of our established practices have been employed. That is the only suggestion from this side.

**Senator Bélisle:** Honourable senators, may I be permitted to answer, in part, the sermon to which we have just been subjected by the Leader of the Government? I feel that if the Leader is going to perform a service in this chamber he had better cool off and give us an opportunity to study matters properly. Patience is an important asset for any leader. The Leader of the Government has expressed the view that we on the committee have already made up our minds. Our minds have not been made up. However, if he continues in this vein, I, as a member of the committee, will vote against it on principle. I would suggest to the Leader of the Government that he be a little more composed during our debates, if he wishes to be more successful.

**Senator Croll:** Honourable senators, I rise on a question of privilege regarding the unnecessary, uncomplimentary reference made by the Leader of the Government in suggesting that too much attention was paid to what I have said. It would be much better for him to pay attention to substance rather than emotion.

**Senator Argue:** Honourable senators, I should like to make a few remarks in this debate but I am not prepared to proceed at this time. Therefore, I move the adjournment of the debate.

On motion of Senator Argue, debate adjourned.

The Senate adjourned during pleasure.

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At 8 p.m. the sitting was resumed.

## APPROPRIATION BILL NO. 3, 1974

### SECOND READING

The Senate resumed from earlier this day the debate on the motion of Senator Langlois for the second reading of Bill C-31, for granting to Her Majesty certain sums of

money for the public service for the financial year ending 31st March 1975.

**Hon. Allister Grosart:** Honourable senators, Bill C-31, which is now before us, once again seems to me to point up the very unsatisfactory way in which the Parliament of Canada is attempting to deal with the business of supply. There have been many attempts over the years to improve the procedures. Honourable senators will be well aware of the decision in the other place a few years ago to send all estimates automatically to standing committees and get rid of the more cumbersome procedure of having the estimates dealt with in Committee of the Whole.

This has been an extraordinary year, particularly in view of the election, and one of the results, not only of that but of other matters, is this bill, which is in many ways the most extraordinary bill of its kind that has ever been before Parliament. Another result is that in the other place they are now back to the old procedures whereby, in the last few days, even as late as yesterday, they were still dealing with estimates in Committee of the Whole.

This bill now comes to us with some sense of urgency, because we have been told that if this bill is not passed by October 31 next the government will not have the money to pay its bills. This, of course, is an old story to us, but I think we are entitled to wonder why once again the government has let itself run so close to the deadline.

Parliament has been in session for a month. There has been time to introduce this bill, certainly time to proceed with the estimates, much sooner than was done. Certainly there has been lots of time, having proceeded with the estimates, to bring the appropriation bill before us. As I say, we are now faced with some sense of urgency. It is not our intention on this side to insist on our regular procedures, because we have undertaken to permit two readings of the appropriation bill today. All being well, I say "all being well" assuming that all goes according to the plans made in the corridors—the bill will be up for third reading tomorrow. That has been part of the agreement undertaken by the Leader of the Opposition.

In placing the basic information on the appropriation bill before us, Senator Langlois gave us his usual exhaustive explanation, and I compliment him on it. He told us, of course, that we can discuss all the figures in the estimates. We have an expectation of government expenditures this year of some $24 billion. In addition there are certain other items which are most certainly expenditures, as Senator Langlois admitted—old age pension and income supplement expenditures—which will bring the total government expenditures anticipated for this year up to the amazing total of over $26 billion.

This raises the question that has been raised before in the Senate, and also from time to time by the Standing Senate Committee on National Finance. I am glad to say that there appears to be at this time a disposition on the part of the government to pay some attention to what the Senate and that Senate committee have been suggesting.

We had in the Speech from the Throne a statement that the federal government would use "restraint" in its spending. It did not say specifically that the government would use any restraint this year, and the fact is that there is no restraint whatsoever being used, because federal government expenditures in the first six months of this year are up 20 per cent. The recommendation which the Senate and the Senate committee have made over and over again is that in no year, and particularly not in an inflationary year, should the increase in federal government expenditures be greater than the increase in the GNP.

I should also like to refer back to the year 1969, when Senator D'Arcy Leonard was chairman of the Standing Senate Committee on National Finance. The committee's report in that year, as quoted in Senate *Hansard* of June 25, 1969, contained this statement on expenditures:

> This led to the committee's recommendation that Government expenditures do not increase at rates greater than that of the gross national product when there are inflationary forces present. The committee holds that this recommendation is still valid.

In the following year, 1970, dealing with the committee's report on the same point, Senator Leonard, as reported in Senate *Hansard* of March 24, 1970, said:

> Your committee has been concerned in the past to compare the trend of Government expenditures with the increase in gross national production. It is obvious that as we grow wealthier and our production increases our expenditures are also going to increase. However, there is a broad, rough guideline that may be used in this type of study. The increase in federal Government expenditures can be compared from year to year with the increase in our gross national production. Our expenditures for the year ending March 31, 1970, one week from today, are up about 11 per cent from the expenditures in the previous fiscal year. Our gross national production . . . is up about 9.3 per cent. Our federal Government expenditures have again in this current, now-ending fiscal year increased more rapidly than the gross national production of the country. This is a warning sign that has been needed to some extent by the Government in announcing during the year what has been called its austerity program.

Once again, honourable senators, we have an announcement of, if not an austerity program, at least a restraint program; but there is not much evidence that anything is being done about it. I should point out that in the figures before us we are only dealing with about $9.5 billion of the total of $26.2 or $26.3 billion. These are the figures before us, but they are, over an over again, specifically related to the estimates.

Whenever the subject of the galloping increase in federal government expenditures comes up we are invariably given certain sets of apologia. One, of course, is the old statement that provincial and municipal expenditures have been rising faster over a period of time than federal government expenditures.

**Senator Perrault:** Hear, hear.

**Senator Grosart:** The Leader of the Government says, "Hear, hear." I wonder if he will also say, "Hear, hear," when I reiterate that in the first half of this year federal government expenditures are up 20 per cent, whereas all the evidence indicates that in the current situation both the provinces and municipalities are showing far more restraint in expenditures than the federal government.

The trend of the past was a good one. Perhaps it should have been followed. But the evidence before us is that it is not being followed this year and will not be followed in the next year. Of course, we are often told that, if you look at total federal government expenditures, you must extract the transfer payments to provinces and to individuals. That is a useful exercise for certain purposes. It is useful when comparing federal, provincial and municipal expenditures, otherwise you would be duplicating the numbers, but it is not germane to the basic proposition that the problem facing the country at the moment is the very high percentage the federal government take is of the national productivity.

● (2010)

Then we are also told that there must be a division between budgetary votes and budgetary statutory items, and perhaps non-budgetary items. Well, here again it seems to me that the argument is specious. What this argument seems to suggest is that because certain acts were passed, and certain expenditures are now falling on the government because of those acts, those acts must never be changed. It is like saying that the board of directors of a corporation, having once decided on a certain program, no matter whether it is a loser, or whether it is too expensive or too rich for the blood of the corporation, must never change that program. I have often wondered if anybody could produce an example of the government's saying, "We have looked over all the statutory expenditures, which amount to more than half the budget, and have decided that there are some that are now unnecessary, and that can be cut."

The Leader of the Government on one occasion said, quite rightly, that what surprised him was that no one ever suggests what cuts could be made. The answer to that is that that is entirely a matter for the government, if it is as good a housekeeper as it thinks it is, to decide what such cuts should be, and where they can be made.

It is fair also to say that the minister, when he was before the committee, gave what appears to be a very explicit promise, that in the year ahead, at least, every attempt would be made to follow the suggestions made by the Senate and the Senate committee over the years. Mr. Chretien said to the committee:

> Our goal is certainly not to take more of the GNP at this time than we have taken this year. I am preparing the estimates for next year and it is my goal that we will not as a federal government take more out of the share of the GNP than we are taking this year. Of course, the level will be higher, because the GNP will be much higher.

I read that into the record, honourable senators, because some of us will be looking at the estimates next year in the hope that the minister is able to achieve that very worthy result as he administers the departmental estimates as they come before him.

In Bill C-31 we have two sets of estimates. We are now asked to grant supply for the whole year, in the total amount of the main estimates of some $23 billion, and about $1 billion in supplementaries. We have already granted interim supply, as I said the other day, and some of the expenditures of the government have been dealt with in the last three months by governor general's warrants, which are now included in the estimates before us. In other words, Parliament is now asked to validate the action of the government in expending certain amounts under governor general's warrants. I make no complaint about that, because the governor-general's warrants have, in the main, been instituted for this specific purpose, to provide for government expenditures at a time when Parliament is not in session due to an election.

In looking through the bill there are a few items that perhaps I should call to the attention of honourable senators. I hope it will be understood that I am not necessarily critical of these expenditures. I bring them before the Senate largely for information. I hope that the Leader of the Government will not misinterpret my purpose, as I thought he did this afternoon when I was seeking a method to get better information. I hope he will not assume that I am necessarily being critical. I think it is the function of those on the committee who have some responsibilities, particularly those of us who are members of the Official Opposition, to bring some of the larger figures to the attention of the Senate.

The report of the committee has already dealt with the main items in which there are very substantial increases on a year-to-year basis in any one department. Therefore, I shall not deal with those now. There are, however, other items that may be of interest in indicating the kind of expenditures that become necessary in the operation of a business as large as that of the Government of Canada.

Atomic Energy of Canada, for example, will require this year, or at least will be given, about $196 million—$81 million representing budgetary, and $115 million representing non-budgetary items.

The item for the Canadian International Development Agency, which represents Canada's contribution to the problems of the developing world, totals this year $566 million. I draw this particularly to the attention of honourable senators because, when the transfer of resources from the private sector is added to this sum, Canada, for the first time, will have attained that figure of 1 per cent of the gross national product which, according to the famous Pearson report, was the objective we should set for ourselves. It is a matter of congratulations to Canada that we have finally reached that figure.

Under Indian Affairs and Northern Development, vote 5, on page 10, provides for operating expenditures for the Indian and Eskimo Affairs programs in the amount of $273 million. I draw this particularly to the attention of honourable senators because it has always seemed to me that there must be something wrong with our expenditures in this field because over and over again we are told that we are not doing the right thing by our Indian and Eskimo population. As I say, the total this year is $273 million in operating expenditures, with an additional $81 million in capital expenditures. This is part of a very large ongoing program of some $700 million for the whole Northern Affairs spectrum. About $300 million is being spent on Indian and Eskimo problems. One wonders what is wrong. These are fantastic amounts of money for our deserving native population of perhaps not more than 250,000 people. What are we doing wrong? Apparently we are spending this kind of money, and not satisfying their requirements.

When he was before the committee the minister said that he was very proud of the program, and I am sure he is, but it seems to me that there may be a time when either this chamber or the other will need to look very carefully at these expenditures to see whether the tremendous amounts of money involved are being spent in the right way, at the right time and for the right purposes.

Then, honourable senators, coming to vote 10 under the Department of Justice on page 14, we find that Information Canada is being voted $10.4 million. I am not sure if that indicates that the government has lost some faith in Information Canada, because that is about the level that its expenditures here have been at for some time, and we have had evidence in our committee that Information Canada could use more money if it could get it. Is this, perhaps, an admission that this highly touted program is now a failure and is being phased out? I don't know. I merely raise the question.

● (2020)

In looking through the bill, and thinking of those items in which honourable senators have in the past shown particular interest, on page 21 I find a very large expenditure item, which I am sure will have the full approbation of the very distinguished senator immediately to my left, of $47,752,000 for the Cape Breton Development Corporation.

**Senator Macdonald:** Little enough.

**Senator Grosart:** On page 22, under the Secretary of State Department there are votes 45, 50 and 55, which will be of particular interest to Senator Beaubien and, I am sure, to others. These refer, of course, to the Canadian Broadcasting Corporation. Its total claim this year on the consolidated revenue fund will be $298,839,000. Vote 45 is payment to the Canadian Broadcasting Corporation for operating expenditures in providing a broadcasting service, $234,982,000; vote 50, payment to the Canadian Broadcasting Corporation for capital expenditures in providing a broadcasting service and to cancel some previous votes, $56,657,000; and vote 55, payment to the Canadian Broadcasting Corporation for operating and capital expenditures providing host country broadcasting services for the 1976 Summer Olympics, $7,200,000.

I am sure that honourable senators who have been concerned about some of the fictions of these expenditures on behalf of the CBC will be interested to know that apparently at long last there is going to be an end to this nonsense of the government's providing money to the CBC to pay the interest on loans from the government. I have this note from the Treasury Board, which perhaps it would be well to read into the record:

> In 1974-75, for the first time, the annual capital requirements of the CBC were provided for as a budgetary vote rather than as a loan vote. Table 7 only compares budgetary amounts for 1973-74 and 1974-75. The increase of $60 million that is shown does not reflect the offset of $34.5 million in non-budgetary capital loans provided in 1973-74. Pages 24-50 and 24-51 of 1974-75 main estimates display the total program of the CBC for these two years, and show a net increase of only $25.6 million or 9.4 per cent, the higher capital amount being partially offset by the elimination of the amount previously provided as a budgetary expenditure to service the capital loans outstanding.

I come now, honourable senators, to three items in the supplementary estimates (A) which are examples—proof, I think—of the statement I made earlier that the manner in which Parliament is now dealing with the business of supply is in serious need of revision. In fact, I hope, when I am through dealing with these three items, that honourable senators will agree with me that there is a degree of absurdity in this way of granting supply to the government. I refer first to page 32, schedule B. Vote 11a under Energy, Mines and Resources, headed Mineral and Energy Resources Program—

**Senator Langlois:** Is the honourable senator referring to the vote?

**Senator Grosart:** I am referring to the bill. I am sure Senator Langlois would expect me to refer to the bill, and not to some other document, in this context. The vote is described as:

> Payments for purposes of the Petroleum Products Compensation Program, as described generally in the Imported Oil and Petroleum Products Compensation Regulations made by the Governor in Council pursuant to Energy, Mines and Resources Vote 11b of the Appropriation Act No. 1, 1974—

And so on.

> —such payments being for the restraint of prices of petroleum products to consumers—

This is an item of $470 million. It is to provide for the Petroleum Products Compensation Program. But the extraordinary thing is that the act setting up the program is not yet before us. Here we are providing this amount retroactively, because it has been handled in governor general's warrants. We are now validating expenditures of a government program which has not been approved by Parliament.

The second item, also under Energy, Mines and Resources, vote 52a, Energy Supplies Allocation Board, is for:

> Payments, in accordance with and subject to regulations made by the Governor in Council—

That is to say, the same program.

> —and to authorize the Energy Supplies Allocation Board (c) from and after November 1, 1974 to administer the said regulations, and (d) to perform such other duties and functions in connection with the said regulations and the Petroleum Products Compensation Program as the Minister may require.

What has happened here is that a decision was made to spin off the expenditures under this program from the department itself to this board, and it is true that the board was set up some time ago under the Energy Supplies Emergency Act. But we are faced with the same situation here. At the moment there is no authorization whatsoever in substantive legislation other than this bill, if it is passed, for this expenditure. The government has merely said, "We intend to give this money to the board when Bill C-32 is passed." Bill C-32 had first reading in the House of Commons on Friday. So here we have $330 million which we are asked by a vote in the supplementary estimates to

provide for a new program that has not been approved by Parliament.

If there can be any further indication of the absurdity in the way we are doing this, I do not know what it is.

What is the authority of Parliament? Someone will say immediately that this bill will become an act of Parliament. Of course it will, if it is passed. So we shall have money provided for two types of government program and have money available to be expended by a board whose authority to do so has not been approved by Parliament.

One wonders what would happen if Parliament refused to pass that bill. What would happen to this money? Parliament would be in a position of having refused to pass the act setting up the program while there is another act—merely an appropriation bill—which authorizes those expenditures and, in effect, legislates this program into action.

I say it is an absurd situation, that we can have a government program that has not been approved by Parliament established by a mere vote in the supplementary estimates.

● (2030)

Perhaps I should now read from an explanatory note that was put before the committee by Treasury Board. It is as follows:

> The purpose of the Oil Import Compensation Program is to maintain a stable oil price regime in Canada by protecting eastern consumers of petroleum products from the effect of increased costs of imported oil in the period since January 1, 1974. There is as yet no statutory provision for the program, and no allowance for payments was made in the 1974-75 Main Estimates.

Yet Treasury Board is prepared to come before a committee of this house and boldly state, "There is no statutory provision, but go ahead and vote $440 million and $330 million."

Further in the explanatory note there is this:

> The Energy Supplies Allocation Board Vote 52a covers payment requirements for the months of November and December. Payments for the period January 1 to March 31, 1974 were provided for in Supplementary Estimates (B) 1973-74.

The best that can be said for the whole program is that you may find here a one-paragraph description of the purport of an act which is an inch thick. That is what Parliament will be asked to approve. But what Parliament is being asked to approve will already have been legislated once we pass this bill, if it is passed.

A further example appears on page 34 of the bill under Industry, Trade and Commerce, vote 41a in the departmental estimates. Here we have exactly the same thing. We have a vote in connection with the Two-price Wheat Program, the amount being $79 million. What is happening is that there is another bill coming. The explanation we have is as follows:

> The Two-price Wheat policy announced on September 12, 1973 is designed to provide a fixed domestic price for wheat for a seven-year period.

[Senator Grosart.]

I am leaving out those parts which do not relate to the point I am making.

> This policy was embodied in Bill C-33, that was before the last Parliament. This legislation will be re-introduced shortly. Payment for the current year is proposed via an Appropriation Act, with payments applicable to the following six years to be authorized by the legislation.

Here, again, is the bald statement that provision for payment for the last six years of this program will require legislation, and by that is obviously meant the passage of a bill explaining the whole program. But the bald statement is that as far as this year is concerned the attitude is, "If Parliament is foolish enough to agree, we are going to ask it to approve the first year of the program on the basis of a one-paragraph description. Forget the bill; it will come along."

What will happen if the bill does not pass the other place? It can be said, of course, that these are problems created, to some extent, by the election. But one has to ask why these bills were not brought before us? They could have been. Other bills are going through the other place. The bill in relation to the petroleum situation has been introduced now, and could have been introduced two or three weeks ago if anybody was really concerned about respecting the rights of Parliament in this regard.

I am sure I will be told, as we have been told over and over again in these circumstances, that this appropriation bill will become an act of Parliament. That is not the point. The point is that the bill spelling out the program in detail, which is subject to discussion, amendment, and so forth, here and in the other place, is not before us. Yet, we are now being asked to pass these three items in this appropriation bill.

Honourable senators, I make this protest because I think the time has come when our officials, our ministers and the government have got to be told that this practice should not continue. It shows disrespect for Parliament. In the discussions on the estimates, there were refusals by ministers to answer questions. One minister said, "I won't answer the question," and one wonders what this whole concept of the business of supply amounts to. The traditional concept is that the voting of supply is the essence of the control of the executive by Parliament. Well, we can see in the kind of thing we are asked to do here today what the executive bureaucrats and others think of the control that Parliament should have, the information that Parliament should have, and the respect that Parliament should have from the executive and those who present this situation to us.

● (2040)

**Hon. Sidney L. Buckwold:** Honourable senators, I should like to make a small contribution after listening to the Deputy Leader of the Opposition. I think we would all have to agree with some of the erudite expressions of his opinion so far as the business of legislation is concerned, but I believe we should be reminded that the record of the government is exceptionally good, and in my relatively brief tenure here is, I think, the best with respect to supplementary estimates. With scarcely an exception, the major items in the supplementary estimates were provided for the purpose of holding down the cost of living.

They were provided for the purpose of protecting consumers during these very difficult days of serious inflation. I am sure that even the members of the Opposition would agree that in the energy emergency the action taken by the government was absolutely essential. The fact that we were in the process of an election for some months certainly made the work of Parliament more difficult, and in this I agree with what Senator Grosart has pointed out.

When we look at the supplementary estimates totalling in the budgetary field $889 million—an immense amount of money for supplementaries—we should remember that $470 million plus $330 million was provided for the purpose of holding down the cost of energy in the province of Quebec, the Atlantic provinces and some parts of Ontario. Surely the members of the Opposition would agree that that was money well spent.

**Senator Grosart:** Nobody said otherwise.

**Senator Buckwold:** I agree with Senator Grosart's point. The fact is that it was essential to do it. The only reason I am speaking is to point out to honourable senators, and those who may read the debate, the fact that the expenditure of $889 million involved $470 million for energy and another $330 million for the environmental aspect of energy—all for the price of oil—most of which is recovered as a result of the export tax. It is really an exchange of dollars, by which one part of the country has been protected against exorbitant increases in the cost of fuel. The government, whatever its political philosophy, must be complimented on this, and I am sure the members of the Opposition would agree.

The other major aspect is the $79,300,000 for the Two-price Wheat system, as we know it, which is another form of subsidy for those who eat bread. When listening to Senator Grosart one would feel that this was, in fact, a misdemeanour on the part of the Government of Canada.

**Senator Grosart:** So it was.

**Senator Buckwold:** I suggest that in the interests of the consumer we would all have to agree this was money well spent.

Adding those three items, the $470 million and $330 million for energy, and the $80 million for the bread subsidy in the budgetary expenditures, we get, out of $889 million, a total of $880 million provided for the sole purpose of protecting consumers. I suggest to honourable senators that that is a very good record indeed, and that an additional $9 million is pretty minimal when we look at the supplementary estimates for budgetary purposes.

The great bulk of the non-budgetary items is, of course, in respect of milk—$9 million in the non-budgetary items, out of a total of $15 million.

I feel it incumbent on me once again to remind honourable senators that of any year I can recall these supplementary estimates are minimal so far as general over-expenditure is concerned. I say that in answer to the accusation that was made. In fact, the government has watched the expenditures very carefully. The main estimates have been enough to carry the government, and I would estimate that 95 per cent of the supplementaries that we are asked to approve is in the interests of consumers, the users of goods in the country. I think this is to the credit of the Government of Canada.

**Hon. Léopold Langlois:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, I must remind you that if Senator Langlois speaks now his speech will have the effect of closing the debate on the motion for the second reading of this bill.

**Senator Langlois:** Honourable senators, I feel I should begin my remarks by referring to the question put to me this afternoon by the Deputy Leader of the Opposition. At the time I was not sure what he had in mind, and even after obtaining a copy of the transcript of his remarks I am still at a loss to understand exactly what he had in mind. His question was:

> I take it that the sponsor of the bill is prepared to give us the usual assurance, that the passage of this bill will not prevent us from examining any of the items contained in the estimates? I think it is usual to have that assurance.

My memory might be failing me at this time, but I have searched my memory at great length, and even asked someone to make some research into answers given for a number of years past during which I have sponsored similar bills in this house, and I do not recall, nor indeed has any record been found in the debates of this chamber, to the effect that I have even been asked for, much less given, such an assurance in the past. I am at a loss to understand how I could give such an assurance to my honourable friend. I am in the hands of the Senate as much as he is. Provided any member of the house keeps within the ambit of our rules, he can raise a question and initiate a debate on it, make all kinds of inquiries about it, and I can assure my honourable friend that I will not raise any objection to his doing just that. Even if I did, I think I would be ruled out of order.

I would assume that my honourable friend wanted to word his question so as to refer to the inquiries made last year by the Standing Senate Committee on National Finance into the expenditures of Information Canada. It was a matter for the committee to decide. I was not asked for, nor indeed did I give any assurance that this was going to be the case. If this is what he had in mind this afternoon, I can assure him that I would not oppose any inquiry of this kind into any matter pertaining to the present bill. Indeed, I would welcome it. I think our committee did a wonderful job last year with respect to Information Canada, and it could serve the same purpose in the future. I think this disposes of the question. I hope I have answered it to my honourable friend's satisfaction, and that I need say no more on the subject.

**Senator Grosart:** The Deputy Leader of the Government has, in effect, asked me for an explanation. The easiest one I could give him is that the minister in introducing the estimates in the other place did give such an assurance, and it seemed to me that if the minister felt it necessary to give an assurance in the other place it might be well to have it here.

● (2050)

**Senator Langlois:** Yes, but in the other place, as my honourable friend should know, they have a different way of doing things. They have what they call "grievance motions." Such a thing does not exist in this chamber.

**Senator Grosart:** Yes, but surely my honourable friend is not saying that there is something wrong in my rising to ask for an assurance that we can look at these figures again? It has nothing to do with the rules. I am merely asking for the assurance, and I can see no reason why there should be any objection to that kind of request, or, for that matter, any other I might make. I might ask him for an assurance that we will get out of here before midnight. That is not covered in the rules, but I think it would be quite acceptable.

**Senator Langlois:** My honourable friend is sidetracking a bit now. At any rate, I am not opposed to his request. I was simply trying to understand what he had in mind. Indeed, I thought I did understand what he had on his mind and I said, "I am sorry. I cannot give such an assurance." I think I have expressed myself clearly enough. I do not see what I could add to clarify what I have in mind at the present time.

I come now to Senator Grosart's remarks on the bill before us. He opened his remarks by expressing the opinion that we were handling these estimates in a rather unsatisfactory way. Both the main estimates and the supplementary estimates (A) have been dealt with by the National Finance Committee. The President of the Treasury Board was in attendance at that meeting; so were his officials, his experts on the matter. Every opportunity was given to each and every one of us on the committee to ask questions, and to obtain any information we wished.

Tonight, as was his right, Senator Grosart rehashed the whole process of what had taken place at the meeting of the National Finance Committee. I do not criticize him for doing that. It is his right. He is free to do that, if he wishes. I do not see what I can possibly add to the debate by merely repeating what was said in committee, and what has been said by Senator Buckwold. However, there are some points that I should touch on.

Senator Grosart spoke first of the new policy of restraint which the government has expressed as being its policy for the years ahead. As my honourable friend will recall, the President of the Treasury Board mentioned before the committee that this restraint policy was, for the coming year, going to be translated into terms of asking the various departments to hold the line, to try and live within their budgets. What he said was to the effect that he could not compress expenditures which were decided upon a year ago. They will have to live with what was in the main estimates tabled in Parliament in the fall of 1973. But he is now working on the estimates for the next year, the fiscal year 1974-75, and he is asking all departments to live strictly within their budgets. And he added that if they come to him with any new expenditures, his first reaction will be to ask them to change their priorities and try again to live within their own budgets.

Now, for me, that is a policy which is likely to succeed. Moreover, I think my honourable friend himself had to agree with the President of the Treasury Board when he voiced that attitude, and explained how he was going to deal with future estimates of departments. I think this is a good sign, and that this policy has every chance of succeeding.

My friend also referred to the relationship between the GNP and the increase in government expenditures. I should like to read what Mr. Chrétien, the President of the Treasury Board, had to say on this very subject when he was before the committee:

> The total federal government expenditure is 16.7; the total provincial government expenditure is 10.9; and the total local government expenditure is 8.5. But there is a series of entries that are calculated in that 39 figure, such as hospitals, for example. Pension plans do not appear in the budget, and so on. There is a series of items and some transfer payments that are not included in the 16.7 for the federal government when we transfer, and the same thing applies to the municipal governments when they transfer to hospitals, and so on. When you add all that, we get the 39.

Then Senator Carter said, "The fact is that of the 39, the federal government takes less than half," to which the minister replied, "Oh yes."

**Senator Grosart:** Of course. I did not deny that.

**Senator Langlois:** You did not, but it is worth putting on record, though.

**Senator Grosart:** It has been put on record many times. I have never disputed that.

**Senator Langlois:** At any rate, I will not delay the house further by quoting excerpts from this transcript of the proceedings of the National Finance Committee. I should like to remind the house that in relation to previous years, the early sixties, for example, the present ratio between expenditures and GNP shows a decrease. And that example was given by the President of the Treasury Board in committee.

My honourable friend shakes his head. If he would like me to go through this transcript in detail I should be happy to give references, and to quote what the minister actually said when he related the early sixties to another administration with which my honourable friend was closely associated.

Perhaps that explains why Senator Grosart would like to challenge my statement. At any rate, the transcript is there and I am quite ready to quote from it at any time, but I do not want to waste the time of the house in rehashing what took place in the committee. After all, what is the use of spending hours and days discussing these estimates in committee, if we are merely going to rehash the whole thing in the house afterwards. Every member of this house is perfectly entitled to attend the committee meetings, and to ask questions. The only restriction upon senators who are not members of the committee is that they cannot vote on any of the issues before the committee.

I come now, honourable senators, to a long list of items, rather large amounts, which my honourable friend mentioned, not in any particularly critical way but simply in order to bring them to the attention of the house. There is not much I can say in respect of these, since no direct criticism was voiced by my honourable friend opposite.

Having said that, I come to two items in the estimates to which my honourable friend referred with some particular emphasis. I refer honourable senators to page 32 of the bill where, in schedule B, under the heading "Energy, Mines and Resources", votes 11a and 52a are set out. I am sorry if I seem to be delaying the house, but I should like to read

the wording of these two votes, since it is rather clear. Vote 11a is:

> Mineral and Energy Resources—Payments for purposes of the Petroleum Products Compensation Program, as described generally in the Imported Oil and Petroleum Products Compensation Regulations made by the Governor in Council pursuant to Energy, Mines and Resources Vote 11b of the *Appropriation Act No. 1, 1974*—

If I may interrupt myself, I should point out that my honourable friend was looking for the parliamentary authority. Well, there it is in black and white in the description of vote 11a. I see my friend rising. I suppose he is going to get up and say that this is not legislation.

**Senator Grosart:** No. I would just like to ask the Deputy Leader of the Government if he does not recall that I mentioned the very fact that this is the authority for it. I did not deny that there was authority in an appropriation act. My criticism was that this is not the right kind of authority for a program involving almost $1 billion.

**Senator Langlois:** You are saying exactly what I anticipated you would say. As you were moving in your chair to get up, I said to myself, "My friend is going to claim that this is not parliamentary authorization".

● (2100)

**Senator Grosart:** I said that this is an act of Parliament. I do not deny it is an act of Parliament.

**Senator Langlois:** This is an act of Parliament. A supply bill is an act of Parliament just as much as any other act of Parliament.

**Senator Grosart:** I said that five times when I was on my feet.

**Senator Langlois:** You said that this is not parliamentary authorization.

**Senator Grosart:** I did not say anything of the kind.

**Senator Langlois:** I do not want to elaborate on this point any further. It is clear that there is parliamentary authorization for the expenditure of these moneys, and for the extension of the expenditures provided in this bill before us.

The following item, vote 52a, is included in this bill to finance the Petroleum Products Compensation Program for the months of November and December next. It is hoped that this sum of $330 million will finance the program until the legislation is passed.

Senator Grosart referred to that legislation and blamed the government for delay in getting it through the house. Well, as my honourable friend must know, that bill has been before the other place for quite some time. It has received first reading, and is expected to get second reading this week in the other place.

I cannot, as I have said on several occasions in the past, prophesy or forecast what will take place in regard to a bill in the other place, but I do not think my honourable friend was justified so early in the session in laying the blame on the government for not having that legislation adopted by both houses at this stage.

My honourable friend knows that early in the session there is some priority in debate, as in the case of the Speech from the Throne, which delays ordinary procedure in the other place for quite some time. Until the rules of the other place are changed I do not think we can look forward to expeditious disposal of any legislation before that body. We have no right in this place to criticize in any way the workings of the other place, which is an elected chamber and quite independent of this house.

However, setting the record straight is a thing which must be done. That is what I have done tonight, and I hope I have succeeded in satisfying my friend and setting his mind at rest by showing him that things are not as black as he has painted them.

**Senator Perrault:** Hear, hear.

**Senator Grosart:** They are just a little grey.

**Senator Langlois:** On the other hand, to call these amounts that I have just mentioned expenditures is to stretch the meaning of the word, because these are essentially transfer payments. This is money that we are collecting from the American people—the American consumers—through our exports of energy across the border to the United States, and we use that money to compensate our consumers in Canada east of the Ottawa Valley line—the demarcation line for petroleum products—in order to obtain stabilization of the cost of energy in Canada. We are merely transferring money from one hand to the other, and this could be properly called a transfer payment.

My honourable friend knows, from the point of view of accounting with respect to government expenditures, how these transfer payments are considered. If, when the federal government transfers money to a provincial government in any cost-sharing program, it enters the transfer payment as an expense, and the province does the same, then you have double accounting. That is why these transfer payments are not taken into consideration, accountingwise, in establishing expenditures of the federal government. The provincial governments do likewise, and so do the municipalities when they transfer any public funds of their own to hospitals or other programs. I think these categories of payments I have just referred to should be considered as transfer payments.

There is nothing I can add to what I have said so far without running the risk of being repetitious, and going over again what was said tonight in this chamber, or what was said at the meeting of the National Finance Committee.

Honourable senators, I thank you for your kind attention, and with that I would commend this bill to the house.

Motion agreed to and bill read second time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read a third time?

On motion of Senator Langlois, bill placed on the Orders of the Day for third reading at the next sitting.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

### FIRST REPORT OF STANDING JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Standing Joint Committee of the Senate and House

of Commons on Regulations and other Statutory Instruments.

**Hon. Eugene A. Forsey** moved that the report be adopted.

He said: Honourable senators, I do not think that this report requires any extensive discussion. It seems to me that the proposals in it are quite standard, and are necessary for the transactions and workings of the committee in an orderly fashion. If any honourable senator wishes to raise questions about it, I shall be very happy to answer them. The terms of the report are in the *Minutes of the Proceedings of the Senate* of Thursday last, and I think that they are self-explanatory. I do not propose to detain the house any longer unless, as I say, somebody wishes to ask questions about some part of the report.

Motion agreed to, and report adopted.

## BRITISH TRADE MISSION

### INQUIRY STANDS

On the Inquiry of Senator Forsey:

That he will inquire of the Government:—

1. Is it true that the British Trade Mission in Montreal has been transformed into "the British Consulate"?

2. If so, why?

3. If the Montreal office of the Mission has been so transformed, have the offices of the Mission elsewhere in Canada suffered the same sea-change?

**Senator Forsey:** Honourable senators, these are really, in effect, questions which I asked of the Leader of the Government the other day, and I do not think that I can very well discuss them until I have some kind of answer. I was a little surprised when I was informed by some of the officials that these should be put down as Inquiries, because it seemed to me that they were more properly the kinds of thing that should be brought up in the Question Period, but if that is the way the thing is handled I have no particular objection.

However, I cannot see that I can offer any discussion until I have some kind of answer from the administration, so that I ask that the matter stand until I get some answer from the Leader of the Government.

Inquiry stands.

## AGRICULTURE

### COMMITTEE AUTHORIZED TO EXAMINE ANY ASPECT OF AGRICULTURAL INDUSTRY

**Senator Argue,** Chairman of the Standing Senate Committee on Agriculture, moved pursuant to notice:

That the Standing Senate Committee on Agriculture be empowered, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada; provided that all Senators shall be notified of any scheduled meeting of the Committee and the purpose thereof and that the Committee report the result of any such examination to the Senate;

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

That the Committee have power to sit during adjournments of the Senate.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Wednesday, October 30, 1974**

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

Prayers.

## THE HONOURABLE PAUL MARTIN, P.C.

### FAREWELL SPEECH TO PARLIAMENT

**Hon. Paul Martin:** Honourable senators—

**Hon. Senators:** Hear, hear!

**Senator Martin:** I wonder if I may rise on a question of privilege before the proceedings of the Senate begin today? I will be leaving the Senate today after having been here now for some six and one-half years. Later, in the month of December, I am to assume new duties as Canadian High Commissioner in the United Kingdom. In the meantime I have much preparation for this assignment ahead of me. I wondered, honourable senators, whether today it was necessary for me to speak at all. It will be my last speech in Parliament. I thought that I would prefer to have left without speaking but with your friendship and greetings, but some of my friends thought that I should say a word before I depart. Then what to say? What to say that would be substantive, that would be useful, that would arise out of one's experience, one's appreciation for the great institution of Parliament of which I have been privileged to be a member for almost 40 years—and there, perhaps, is the matter of substance about which I should say something, namely, the institution of Parliament itself.

Not only have I been a member of the Canadian Parliament, as a commoner, for almost 33 years but as a senator for over six years. I have had the privilege of being a member of four different administrations and of serving under five. In my judgment, there is no doubt about the importance of the parliamentary system. It is about that which in very general terms I wish to say a word.
[*Translation*]

I have been a Member of Parliament for some 40 years. During all those years in the Commons and as a member of four different governments, I have been in a very good position to evaluate and judge our parliamentary system.

I will not talk about my personal career, leaving this to impartial observers who will appraise it on its merits. Suffice it to say that I have been happy and particularly proud to be a part of my country's free legislative bodies, as you all are, first in the House of Commons, then in the Senate, that is in both Houses that make up Parliament according to the Constitution.

My wish is to speak in favour of our Canadian parliamentary system. We must not lose faith in that system. Let us defend it, against those who feel it is obsolete. We must of course define it and find new ways to improve it, but the principle is good.

Such is the view I have of the Canadian parliamentary institution I am about to leave, not without a certain emotion, firmly convinced of its usefulness and power.
[*English*]

In our Confederation the Senate plays a very important part. We must remind ourselves of the fact that it is part of the Parliament of which I have spoken so strongly. Forty years ago I came here along with Senator Denis and Senator Fournier (de Lanaudière) as new members of the House of Commons. They alone share with me that tenure since 1935. We have seen, as all of us have seen, so much of the history of our country evolve in political terms in the House of Commons and in the Senate.

The Canadian Senate is a very essential part of our parliamentary life. I have learned to recognize that, particularly during the years I served here as government leader. I thank all honourable senators for the understanding, support and the collaboration they gave me during that period as I sought to discharge my duties as Leader of the Government in the Senate.

When one thinks of the Senate one has only to think of such personalities as Meighen, Dandurand, Power and Chapais, and so many others who took their seats in the Senate during my first days in the other place. When we talk of the value of the Senate, let us not forget that that value is portrayed so much by the contributions of the great personalities who have occupied seats in this chamber, of whom I have mentioned only four.

As I make this last parliamentary speech, perhaps I may be permitted in the Senate to say a few words about the House of Commons, that other essential part of the Parliament of Canada. When I think of the House of Commons, I immediately think of the great figures who have contributed to our parliamentary and political life. I cannot speak of the period prior to 1935, except as an occupant in the gallery seats. The first time I sat in the gallery in the House of Commons was in 1926 along with my friend, Lester Pearson, who was a lecturer at the University of Toronto and with whom I had occasion to listen to the dissolution debate in 1926. Of my own time in the House of Commons I think of King, Bennett, St. Laurent, Pearson, and now of Trudeau, Diefenbaker and Stanfield. Of an earlier period, I think of the great Ernest Lapointe, Jim Ilsley, Norman Rogers, Colonel Ralston, C.D. Howe, and so many others who have made this country what it is today. All these men were living examples at one time of the great vitality and strength of the parliamentary institution itself.

● (1410)

I said that I had been in Parliament for forty years. As I mentioned, Senator Denis, Senator Fournier (de Lanaudière) and I had come in together. During this time I have been given, as they have been given, a rare opportunity to appraise and measure the worth of the parliamentary

system. I speak not of my own record; that will have to stand by itself; it will have to be assessed by more impartial judges. Suffice it to say that I have been happy, and indeed I have been exhilarated, by my participation in this free and deliberative assembly, in the Commons and in the Senate, the two houses of our Parliament according to our Constitution. I feel something like Charles Fox, who said that he was never happier than when he found himself on the floor of Parliament, and I am sure that is true not only of Fox but of many of us.

But of the parliamentary system I do speak affirmatively in this last speech. I do affirm my belief in it. Our Parliament is based on the Parliament that is derived from the old land, and from which so many other free assemblies of the world have derived their genesis and inspiration. We must not lose faith in the parliamentary system. There are so many challenges today—challenges that have not succeeded in Canada but have succeeded in so many other countries of the world, where totalitarianism in one form or another has supplanted what we call Parliament, what Senator Walker and I called Parliament when we were students debating in Hart House debates. That is where we were getting our inspiration from our professors, who taught us about Mill, Bright, Burke and Gladstone. We have transposed all that, we have brought it into this place and into the other place. That is what Parliament is, and we must not forget it.

We must respond to those who say that Parliament is irrelevant. Of course we must streamline it; we must make it more functional. That was the purpose behind the Joint Committee of the Senate and House of Commons a few years ago when it examined the reform of the parliamentary institution itself, not only this house but the other place as well. Let me say this through you to the younger generations of Canada. This institution of Parliament, imperfect as it is, is sound. Take away this Parliament and you take away the guarantor of our freedom in this country. Make no mistake about that.

**Hon. Senators:** Hear, hear!

**Senator Martin:** I am glad I can say this today with conviction. In 1918 I was a student of the Holy Ghost Fathers, some ten miles away from here. On a clear day from the college hills, which lie along the beautiful Gatineau, we could see the spires of the Parliament Buildings. The magnificent centre tower was not then erected. It was being rebuilt because of the fire of '17. But there stood in the background, on a clear day, clear indications that there was the Parliament of the nation.

What influences in my case caused me early to want to become a member of Parliament, it is hard for me to recall, but they were perceptively there. They are as firm in my mind today as they were when I resolved that some day I should seek to represent a constituency in the Parliament of Canada. I will always be grateful to the people of Essex East, who sent me back to Parliament after ten elections, during what was of ten times a hectic and difficult political life, as is the case for everyone who assumes that role and who does it for that length of time.

Well, I have said all I want to say, all I should have said—indeed, much more. There are so many things that one, in these last few minutes, would like to say but which obviously cannot be said. I am grateful to the Prime Minister and to the members of the government who have thought that I might serve in another public capacity in addition to the role that I have already had in this house, in addition to my ministerial responsibilities in the House of Commons and my role as a private member. There are so many people around this place whom I would like to be able personally to thank. I think of the years in the House of Commons, of people who are no longer here to thank—great figures. The statesmanship of Canada need not take second place to that of any other country in the world. I think of Mr. Bennett and Mr. King engaged in daily debate. And make no mistake about them: these were two powerful men, as had been Borden and Laurier before them. But that was long before my time. Yet in my own time in the House of Commons there were also great figures. I mentioned some of them, and there are senators here who will recall the great figures who carried on their responsibilities in this chamber during the period that I was a private member in the other place in 1935. Many a day I sat in our gallery listening to Senator Dandurand and to Senator Meighen, as well as to others, and I say that it is well that we should think of these personalities because they were almost part of the instruments behind the infrastructure of Parliament itself.

As I say, there are so many to whom I owe so much: my own political leaders, who gave me preferment, gave me opportunities to serve—as a private member, as Secretary of State, as Minister of National Health and Welfare; and Mr. Pearson, whose foreign minister I was. There are so many to whom I owe so much that all I can express is a collective thanks:

To all of you, to all honourable senators wherever they sit, to all members of the staff from the top to the bottom, I acknowledge my debt. I acknowledge what I owe for the collaboration, for the loyalty and for the support I have received. What I have done, small as it is, is only part of a much greater and collective effort, all of which is designed to strengthen the institution of Parliament in our free and great country, the most envied country among the nations of the world.

● (1420)

## TRIBUTES TO SENATOR MARTIN ON RETIREMENT FROM THE SENATE AND APPOINTMENT AS HIGH COMMISSIONER TO THE UNITED KINGDOM

**Hon. Raymond J. Perrault:** Honourable senators, we have just heard from a very great Canadian, a person who has made an immense contribution to the public life of this nation and to the entire parliamentary system. He is leaving this place to assume a new challenge, a new opportunity to serve this country. I know that I reflect the feelings of all honourable senators and, indeed, all of those on Parliament Hill when I wish him well. He leaves behind in Parliament an immense void, but, as well, a record of service which, hopefully, shall be emulated by generations to come.

Senator Martin has made a notable, indeed, a memorable, contribution to the institution of Parliament, and to the framing and passage of some of this nation's most significant legislation. While we regret that he is leaving us to assume these new responsibilities abroad, we know that he will continue to serve with outstanding distinc-

tion, and that in the process he will bring even greater lustre to the name of Canada.

On your behalf I thank him for his notable and, indeed, historic words this afternoon.

**Hon. Senators:** Hear, hear!

**Hon. Allister Grosart:** Honourable senators, I need hardly say how much Senator Flynn, the Leader of the Opposition, regrets that it was absolutely impossible for him to be here today, on this important occasion, to pass on to the Honourable Paul the sentiments and, indeed, the sentimentality, of this group towards him at this time. There will, however, I am quite sure, be another occasion on which the Senate will do appropriate honour to the Honourable Paul.

**Hon. Senators:** Hear, hear!

**Senator Grosart:** On that occasion I am sure that Senator Flynn will speak the things that should be said, and will speak them as well as they should be said, to our parting colleague.

It may be premature to refer to him as "His Excellency." I understand he will not take up the duties which will officially entitle him to that honour until December 31; but, honourable senators, I think there would be most general agreement that if it were one of our functions on this occasion to assess his distinguished career we would mark against every part of that career, not merely the word "good", not just "very good," but, "excellent."

His has been a career which we are all happy to know has not yet reached its peak and where it will now lead we have no way of knowing. But I am sure we are all aware that two of his predecessors in the office to which he goes as High Commissioner in London went on, as we hope he will go on, to other areas of distinguished public service. Sir Charles Tupper came back to be a Prime Minister of Canada, and perhaps this will happen to the Honourable Paul. Another, the Honourable Vincent Massey, came back to be Governor General. So, we are happy that there is so much scope for further promotion available to the Honourable Paul.

His career in the Senate is in many ways the most distinguished, in a parliamentary sense and in a ministerial sense, of any in our history. I don't think there is any other Canadian politician or statesman of our time who can match the record of 39 years in the Parliament of Canada, 33 years in the House of Commons and six years in the Senate, and 29 of those years as a minister of the crown.

When the time comes for history to look back over his distinguished record, it seems to me that it will concentrate, perhaps, on two achievements as epitomizing what he has done for Canada. The first will be in the general area of social security, because I believe it is true to say that he, more than any other Canadian, has been the architect of our present system of social security which is the envy of the world. There are millions of Canadians today who are the beneficiaries of the brilliance of his mind, his wisdom and his concern for his fellow man.

The second area is, of course, that of foreign or external affairs: his contributions to the United Nations as Secretary of State for External Affairs, and, above all, his passion for peace. He too is the architect of our present renown in the world as a military peacekeeper. Over and over again the initiatives he took in the councils of the world were all marked by this passion for peace and his belief in the extension of the rule of law from domestic affairs to the affairs of the nations.

He has—generously as always—referred to some who have gone before him. He said of them that they have made the country what it is. Well, honourable senators, I am sure that today we would add to that distinguished list the name of Paul Martin.

Perhaps at this stage I might be permitted a personal note. I was a student at the University of Toronto when he was also a student there. He was a great debater and he became at that time my first Canadian idol.

**Senator Buckwold:** You should have followed him more closely.

**Senator Grosart:** I might say in excuse that I cannot have been a very good student, because another very distinguished Canadian whom he mentioned, the Rt. Hon. Lester Pearson, was my professor of politics and history. So, I went astray on both counts. But after a good many years our careers did come together again in those interesting and fateful years 1956, 1957 and 1958. We found ourselves in opposition in many matters as to our concept of the future of Canada, and on at least one occasion he dealt with me in rather harsh terms because of the tactics I had used or the action I had taken against the interests which he favoured at that time. But I am glad to say that there was not a great deal of malice in it, or, at any rate, no personal malice but perhaps some sound, understandable, political malice. I watched his career very closely in those days for the reason that the Liberal Opposition in the House of Commons had been reduced to, I think, fifty, and it is my view as an outside observer that the comeback of the Liberals from that very low point in their political fortune was due to Paul Martin more than to any other member of the Liberal hierarchy or group in Parliament at that time. None of us who had any responsibility for countering some of his brilliant moves will ever forget the "Martin Bureau of Statistics"—the statistics which he quoted over and over again as indicative of the height of unemployment, all of which were completely contrary to the official statistics but which, I am sorry to say, were much too widely believed. I often thought he followed that very sage advice the great Benjamin Disraeli gave to an aspiring politician. Disraeli said, "Be frank and explicit—that is the right line to take when you wish to conceal your own mind and to confuse the minds of others." I know he will not mind my saying that, because I quote that as a tribute to his political acumen over those years.

● (1430)

As the Honourable Paul goes to his new assignment, I think of his recent accident in which he fractured his right arm. It is perhaps characteristic that this happened when he was playing with his grandchildren. I recall a statement made by one he will remember and whom I have no doubt he knew personally, Charles Dawes, the great American ambassador, who said, "Diplomacy is easy on the brain but hell on the feet." Henry Fletcher, also a former ambassador, replied: "It depends on which one you use."

We on this side of the house wish to say to the Honourable Paul, "We thank you for the fair and sportsmanlike way in which you have opposed us over the years. We thank you for the way you have led us in the Senate and we wish you the very best in your future career."

**Hon. Senators:** Hear, hear!

**Hon. Alan A. Macnaughton:** Honourable senators, I assume that you will permit me, after 25 years of close association with Senator Paul Martin as both his friend and colleague in many, many situations, some difficult and some pleasant, to say just a few words.

We were together in the other place. We have been together here in this place and I cannot think of a better representative that we could send to the Mother of Parliaments in London, England. I say this because we will have there a man who has gone through the mill, a man who has gone through the workhouse of this Senate, a man who knows what the political implications of life are, a man who is trained in the practical school of politics. We will have more than that. We will have an elder statesman at the home of the Mother of Parliaments, which at the present time is going through a tremendous transition. We will have a trained observer, a trained statesman there; in fact, we will have a *jurisconsult* there. In my opinion, both Canada and Britain are very fortunate in having this type of person as this country's High Commissioner in London at this time of changing conditions.

So, on behalf of all of us here, Senator Martin, I wish you great personal success and, of course, success on behalf of Canada.

**Hon. David Walker:** Honourable senators, it was said at one time in this house when the Honourable Paul Martin received his sixteenth honorary degree that he was becoming popular by degrees. When I saw his hand in a sling today it reminded me of 1919, when the Prince of Wales had his hand in a sling from shaking hands with so many people and I thought this fate had befallen our former Leader. If it had not, it should have. That is why we have difficulty today when we think of his leaving here to take what I consider to be the most honoured post that Canada can bestow on any one of its sons, that of High Commissioner to the Court of St. James. It is the greatest honour that can be given anyone, and it is the most useful field of service. It can do tremendous good for Canada's trade and public relations. It is an open format from which to look out on Europe. There is no one in Canada better qualified at this time than the Honourable Paul Martin. I thought the news leak of his appointment was too soon, and I have seen prime ministers in the past, as soon as a leak got out which they had not authorized, just cancel an appointment. I was on tenterhooks. So I want to tell the Senate that I feel very much relieved today to hear that it is all very official and true.

As my honourable friend has said, there have been many great leaders in this house. I know that Raoul Dandurand and Arthur Meighen are spoken of with reverence, and I join with that great group the Honourable Senator Connolly (Ottawa West), who was an outstanding leader of this house in the years during which he occupied that position. As someone has said, but has not really put it as strongly as it should be, we are losing today one of the greatest parliamentarians in contemporary Canadian history. I say that in all seriousness. His career has been meteoric and he has done most of it on his own sheer ability. I knew him fifty years ago, went to college with him, debated with him and in those days obtained advice from him. In 1925 I had occasion to debate against Mackenzie King, when he was the great Prime Minister of Canada. I remember the advice of Paul Martin when I was about to go up against the great man. He said, "Take it easy, Dave. Remember, he is the Prime Minister." That was good advice, but he mowed us down, anyway.

Senator Martin was born in 1903. That was a long time ago, but he is still young. I lost track of him after the University of Toronto years, because he went on to Harvard Law School, where he obtained a degree with honours, then to Trinity College, Cambridge, where he graduated *cum laude*. Then he went on to Geneva, where he obtained another degree. Therefore, his most recent achievement is not just luck. He has been forming the background for this most of his life.

He has not said, nor has anyone mentioned, that he is the Chancellor of Sir Wilfrid Laurier University. What a wonderful name, Sir Wilfrid Laurier! How appropriately that goes with the chancellorship. It was Waterloo Lutheran University, of course, when he took the chancellorship. There was a question of grants, and the name of the university had to be changed. It was just by chance—I am sure it had nothing to do with Senator Martin—that Sir Wilfrid Laurier's name was given to that Conservative university.

● (1440)

His career in Parliament, as has been said before, is almost unsurpassed in length. Had the Prime Minister waited 10 more days before announcing his cabinet changes—and I am sure he did not know this—Senator Martin would have equalled Mr. Mackenzie King's length of service as a Privy Councillor. Apart from one other exception, Senator Martin served as a cabinet minister for a longer period of time than any other in any country of the British Commonwealth. That indeed is a mighty achievement.

The amazing thing about him is that, apart from the first time when he offered himself provincially, he succeeded in getting elected each time he ran. I guess he learned a lot of lessons. To think of being elected 10 times in succession! I found it hard to get elected twice. It is a very difficult undertaking, but he rode through with the greatest of ease. He has never been defeated.

During those hectic years, as has been pointed out, he served with distinction.

He waited a long time for his first Cabinet appointment. His stewardship was long. He was 10 years in the House of Commons before he became Secretary of State. He was a young man even then. As was pointed out by Senator Grosart, he served as Minister of National Health and Welfare, and the social security program which he inaugurated is something which is the envy of the whole world. We have had criticism of it, of course, but that was to be expected. He held that job for 13 years, until my party came into power in 1957.

**Senator Greene:** Those were black days.

**Senator Walker:** They were for the honourable senator. I remember you well, Joe.

Senator Martin's years in External Affairs, from 1963 to 1968, were outstanding, and none of us will forget them.

He was at his best in Opposition. I would like to talk about that for just a moment, because I sat opposite him. He was like the devil incarnate in Opposition. There we Tories were—we inherited a recession in 1957 when we came into power, and we were doing our best to pull the country out of it, but every day the Four Horsemen of the Apocalypse, as I called them—they had been "apocalypsed" but they only stayed "apocalypsed" for a few years—took turns in shovelling out—that is hardly the phrase—very severe and cogent criticism. I refer, of course, to Jack Pickersgill, Lester Pearson, Lionel Chevrier—an amazingly able man—and, of course, the leader of them all, Paul Martin.

Frequently Mr. Martin would be out of order, but the Speaker, who had gone to Oxford with Mr. Pearson, did not always call the Liberals to order. When he finally called Mr. Martin to order, Mr. Martin would conveniently turn the other way, feign deafness, and continue. How Mr. Martin always managed to get the unemployment statistics a day early, I do not know. I can think of only one other person who could have done it—Joe Greene. If the figures were good and showed a decline in unemployment, Mr. Martin would not mention them; if they were bad, he trumpeted them.

**Senator Greene:** They were always bad when you were in office.

**Senator Walker:** That is very nice. The honourable senator is speaking in generalities this afternoon. That is not unusual. We always appreciate it. No matter how he speaks, it is very nice to hear from him.

Paul Martin had some way of getting those particulars from the Dominion Bureau of Statistics a day before the government got them. Well I remember some fierce fights with him when I was Minister of Public Works, and always after one of them I would be called to our lobby, and Paul Martin would walk up to me and say, "Davie, I thought you and I were friends." That would clear the decks so he could give me hell again the next day.

He was a master craftsman. I do not suppose there is anyone of this generation, other than Mr. Diefenbaker, who is a greater parliamentarian. Certainly there is no Liberal of this generation that I know of who could surpass or even equal the technique and ability of Mr. Martin on the floor of the House of Commons.

One of his great achievements during all those years—he was elected in 1935 and Mr. Diefenbaker in 1940—is that he has remained a close friend of Mr. Diefenbaker. The fact that he, a member of the Opposition, of the other side, could manage that reflects great credit on him.

Finally, I point out that this is a terrific job that Paul Martin is taking on. His responsibilities will be enormous.

I was impressed last fall when, in connection with meetings of NATO, I was in Istanbul, where we had foregathered to see the opening of that huge bridge across the Bosporus linking Asia to Europe. We were in the company of diplomats—there seemed to be hundreds of them—who spoke every possible language except, it seemed to me, French and English. Paul Martin was there, and knew every one by his first name.

I suggest to you, honourable senators, that it is a fact that the former Leader of the Government who is now retiring knew more diplomats than any other diplomat in the world, and was more highly regarded as an individual at the United Nations, and at one time at NATO, than any other diplomat. The liking which people have for him is absolutely remarkable.

I have no axe to grind. I just want to pay tribute where tribute is due. Paul Martin has earned his spurs. He has had everything except the Prime Ministership, and when he ran against my old university professor, Lester Pearson, I subscribed $200 to his campaign fund to see if he could beat Pearson. I was certainly convinced of one thing—that Pearson would not make a good Prime Minister, but Paul Martin would. One thing that I regret, as we meet and part today is that he did not fill the role which he was trained to fill, and which we predicted 50 years ago he would fill, namely, that of Prime Minister of Canada.

He has now a wonderful, golden opportunity, in his latter years, of giving his greatest service to the Dominion of Canada and perhaps, to Harold Wilson in helping him out of some of his difficulties in Britain.

**Hon. John J. Connolly:** Honourable senators, we need not apologize for taking a little longer than usual on this occasion, because it is a rather historic one. Forty years in Parliament is a long time, and today is the culmination of a great record of achievement.

As Senator Walker and others have indicated, it is virtually impossible to outline the career of the Honourable Paul Martin on the floor of the Senate, unless one is prepared to talk almost indefinitely. The story of his life is really a history of our own time.

Paul Martin has spoken about two things in particular. He has spoken about Parliament, and about the great figures of Parliament. The contribution that he made this afternoon to parliamentary debate in describing the importance of Parliament in the affairs of this nation—indeed, in the affairs of the world—is one of the greatest in his very fruitful career. I hope that school children and university students who are interested in the public affairs of our country read the words he has placed upon *Hansard* today as to the value and quality of the institution that we call Parliament.

● (1450)

In speaking of Paul Martin's career, it can be said that Parliament made him, Parliament fed him. Hilaire Belloc said that about Balliol.

I recall many years ago, before I even thought of being in Parliament, sitting in the gallery of the House of Commons, often on an afternoon when attendance in the house was very thin, and almost invariably seeing Paul Martin, who was a backbencher at that time, in his seat. I think he got the feel of Parliament in those days, and it seems to me that his love of the institution developed from that early experience. Every member of the other place in the days when Paul Martin was there realized they were getting a personal contribution from him, because of his efforts on the floor of the house.

Senator Walker has said that Senator Martin might very well have been the leader of his party. I think that is true. However, as I have said to Senator Martin, the contributions he has made to the public life of this country over these years, at immense sacrifice, and the contributions he has made to Parliament and to the political party to which he and I belong, are such that no one can ever assess them adequately. I do not think the fact that he did not become the leader of his party detracts in the slightest from Paul Martin's career. Those of us who have been associated with that party and, I am sure, with any other party, know that so much of the life and spirit of that party is embodied in Paul Martin's own career, and in his work on behalf of this great country which he loves so much.

His career has been one of lustre. I am very proud to have sat in government with him. I am sure I speak for everyone here when I say that when Paul Martin goes from Parliament, Parliament will be the poorer. All of us feel proud at having sat in the same deliberative assembly with him, thereby sharing some of the lustre of this great career which he has had in the Parliament of Canada.

**Hon. Hartland de M. Molson:** Honourable senators, on every day of importance, particularly those bringing transition, in the Senate there has been a pattern established whereby, quite properly, the Leader of the Government, the Leader of the Opposition and certain friends and associates of long-standing speak about the circumstances and the individual involved. It is only rarely that anyone else intervenes. It is appropriate that members of the individual's own party should speak of him, and that is particularly true when he has been their leader.

It is equally important that members of the Opposition should make some appropriate remarks and express their feelings, if for no other reason than that some of them have feelings of remorse after several years of sitting in Opposition.

The third group, those who are friends or long-standing associates, quite naturally want to express a few words on an occasion such as this.

Senator Martin has just made an address which, as Senator Connolly (Ottawa West) has said, is an outstanding one. It is one which I think has historical significance. Today I want, very briefly, to break the usual pattern by adding a few words to the tributes paid to Senator Martin. In the 19 years I have been here I have not been guilty too often of suggesting that, as the senior member of the independent party in this chamber, I should be able to express a few remarks on such occasions. I want to say to Senator Martin that this is done with the unanimous consent of my caucus. Some of you will know that my caucuses are held very regularly, very frequently, and terribly simply.

Senator Martin came to this chamber as the Leader of the Government, thereby accepting a difficult task, regardless of how much those of us who have been here for some time like to think of it as being simple. I can only say that it is never simple. The Senate is a peculiar place. Perhaps I should be a little careful of my analogies, but I was thinking of the donkey, the carrot, and the stick. That may not be the right analogy but certainly the Senate is a place where leadership qualities show up very definitely. Leaders can get an enormous amount done if they go about it in the right way, but they have considerable difficulty in getting the same results if they choose the wrong method.



I would not say to Senator Martin that he is a perfect person, because no one in the world is perfect. I should like to say, however, that in the years he was Leader of the Government in this place he was most considerate. In addition, he has a great saving grace, being his sense of humour and an essential kindness and gentleness, which was always appreciated by all honourable senators.

In seeing you go, Senator Martin, we are losing not only a great parliamentarian and a valued colleague, but a very great friend. We will certainly miss you. We are happy, indeed, that you have taken on this extremely responsible position, which in this modern day may have been slightly downgraded. It may be that people are tending to look down a little on some of our international relations. Personally, I am one of those who believe that our friendship, our understanding and our co-operation with the United Kingdom are still of absolute and paramount importance.

● (1500)

I am extremely happy personally that you are going to be Canada's representative in London. I wish you and your family well. We shall watch your career in London, and the later career that has been suggested, with the greatest of interest. We wish you God speed.

[*Translation*]

**Hon. Paul Desruisseaux:** Honourable senators, without taking too much time, I would like to join my French-speaking fellow citizens and associate myself with all the compliments and good wishes which have been expressed to the Honourable Paul Martin.

Like many of you, since 1966, I have had the opportunity to hear and even follow his advice on occasion.

Paul Martin left an unforgettable impression throughout the world since, if we happen to go somewhere he has been before, by accident or otherwise, we are always told about Honourable Paul Martin and his accomplishments for Canada.

I sincerely believe that if Canada enjoys today such a high reputation throughout the world, it is largely due to the intensive and continuous work that the Honourable Paul Martin accomplished at various times during his long and interesting career. If we are losing him today as a friend in the Senate, we are convinced that we shall nevertheless see him working in far away places for Canada, her development and her good reputation.

We, French-speaking Canadians, wish to you, Paul, all the success that we are sure you will continue to gain for Canada during the years to come.

[*English*]

**Hon. J. J. Greene:** Honourable senators, I would be guilty at best of negligence, and at worst of thoughtlessness, if I did not take this opportunity of speaking to Paul Martin for the people of the Ottawa Valley on this occasion. Many of us tried but none of us was ever able—neither the Maloneys nor the McCanns, and certainly not myself—to displace Paul Martin as the favourite son of the Ottawa Valley, and I know that on this occasion the

people of the Ottawa Valley would want to congratulate him and wish him well in his new venture.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of operations under the Government Annuities Act for the fiscal year ended March 31, 1974, pursuant to section 16 of the said Act, Chapter G-6, R.S.C., 1970.

Copies of Joint Press Communiqué on visit to Brazil of Canadian Ministerial Mission, October 18-27, 1974.

## CUSTOMS ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Connolly (Ottawa West)** for Senator Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-4, to amend the Customs 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?

**Senator Connolly (Ottawa West)**, for Senator Hayden, moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## LEGAL AND CONSTITUTIONAL AFFAIRS

REPORT OF COMMITTEE EXPENSES TABLED

**Senator Goldenberg,** Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, which was authorized by the Senate in the Third and Fourth Sessions of the Twenty-eighth Parliament and in the First and Second Sessions of the Twenty-ninth Parliament to examine and report upon all aspects of the parole system in Canada and to incur special expenses in relation thereto, tabled, pursuant to rule 84, the expenses incurred by the committee in connection with the said examination during the Second Session of the Twenty-ninth Parliament.

## APPROPRIATION BILL NO. 3, 1974

THIRD READING

**Senator Langlois** moved the third reading of Bill C-31, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1975.

Motion agreed to and bill read third time and passed.

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that she had received the following communication:

GOVERNMENT HOUSE
OTTAWA

30 October 1974

Madam,

I have the honour to inform you that His Excellency the Right Honourable Bora Laskin, P.C., Administrator of the Government of Canada, will proceed to the Senate Chamber today, the 30th day of October, at 5.45 p.m., for the purpose of giving Royal Assent to a Bill.

I have the honour to be,
Madam,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the
Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

● (1510)

## IMMIGRATION ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Laird, seconded by the Honourable Senator Carter, for the second reading of the Bill S-12, intituled: "An Act to amend the Immigration Act".—(*Honourable Senator Argue*).

**Senator Langlois:** In the unavoidable absence of Senator Argue, and with his knowledge and agreement, I beg leave to speak on this matter in his place.

**The Hon. the Speaker:** Has the Honourable Senator Langlois leave to proceed in place of the Honourable Senator Argue?

**Hon. Senators:** Agreed.

[*Translation*]

**Senator Langlois:** Honourable senators, I must at the outset express my sincere thanks to the honourable senators who took part in the debate on this measure and particularly to my excellent friend, Senator Asselin, whose contribution yesterday was remarkable. Indeed the Senate has proven once more that the importance of its role as a legislative body is increasing steadily.

In fact, although this bill is a measure that seems fairly simple, the Senate has given it very special attention over these last few days, enabling us to scrutinize it thoroughly.

However, my remarks as to the honourable senators' contribution to this debate, and more particularly that of my excellent friend, Senator Asselin, do not mean that I agree with what they said. I should like to refer especially this afternoon to the remarks made yesterday in this House by Senator Asselin.

First, senator Asselin implied that the need for an urgent passage of this legislation had not been shown. Now I know it was mentioned that it was important not to delay unduly the debate on this bill, on account of certain circumstances prevailing in certain major cities of this country, where illicit activities are taking place and from where, every day, people who are guilty of serious offences leave this country under a deportation order, but who can come back afterwards, without even being liable to arrest or to indictment for having thus come back to pursue here their illicit activities. At the present time it is not an offence to re-enter Canada even though one has not gone through the formalities provided by the Immigration Act. It is precisely that situation which this measure aims to correct. Besides, one has but to look at the single clause (e) in this bill and to read the first paragraphs of the new section 35.1, which is intended to be added to the Immigration Act, to realize that it is effectively a new offence.

As a matter of fact, the explanatory note of the bill reads as follows:

> This Bill would make it an offence for a person against whom a deportation order is made to return to Canada without the consent of the Minister in the circumstances described.

That is the new offence being created and since that offence does not exist at the moment there is absolutely no way of prosecuting since there is no offence committed.

**Senator Asselin:** That is the general act.

**Senator Langlois:** I know my honourable friend just repeated what he said yesterday, that this is the general act. But it is precisely on that comment that I want to expand mainly this afternoon.

Yesterday my honourable friend first talked about deciding on the form of prosecution. He objected to the discretion being apparently given to the minister and his attorneys, and this is actually what is done, to proceed either by way of—

**Senator Asselin:** Indictment.

**Senator Langlois:** —indictment or summary conviction. He further added the following comment with which unfortunately I do not agree, saying there was a difference in the penalty, the punishment imposed by the court, depending on the way the case was prosecuted. However, he added this—and it is this point to which I would like to draw his attention and the attention of honourable senators—he said the penalties set out in the act are only the maximum ones. There is the answer. The presiding judge, whatever the form of prosecution, will have to base his decision and the exercise of his discretion as to what penalty should be imposed on the basis of evidence and of the circumstances of the offence which has been proven before him, and since the penalties are only the maximum penalties he may reduce those penalties according to the degree of the offence proven before him. I am therefore convinced that the presiding judge at one of these trials, whatever their form, will necessarily have to take the evidence into consideration—in other words, the seriousness of the offence in view of the evidence brought before him. The legislation provides him with a certain discretion because the sanctions are not minimum penalties. They are maximum penalties which will be left at the full discretion of the court to reduce, according—and I think that we must have confidence in our judges—according to the evidence submitted to the court.

I think that this takes care of the first argument of my honourable friend.

My honourable friend then referred—

**Senator Deschatelets:** Before Senator Langlois continues, I would like to say that I do not recall all the details of the bill but I understand that there would be a fine or a maximum sentence but no minimum sentence, which means that the court could, for instance, impose a sentence of one hour's imprisonment or a minimum fine. There would be complete discretion, according to circumstances; am I right?

**Senator Langlois:** You are absolutely right. I refer Senator Deschatelets to section 35.1, which this bill would add to the Immigration Act, and which reads as follows:

> (c) on conviction on indictment, to imprisonment for two years, or
>
> (d) on summary conviction, to a fine of not more than five hundred dollars or to imprisonment for six months or to both.

These are maximum sanctions, and the judge will have absolute discretion to reduce them. I am certain that, as always, the judge will base his decision on the seriousness of the offence according to the evidence submitted.

Therefore, in my opinion, whatever the type of prosecution adopted, the judge will always retain that discretion to lessen the maximum punishment as provided for in the act.

● (1520)

**Senator Asselin:** Honourable senators, would the honourable Senator Langlois inform me of the criteria for decision between the alternatives under this act? During my remarks I commented that the indictment procedure is, in my opinion, a more serious one—and the honourable senator is aware of this because of his legal knowledge. Who will set the criteria to decide which way to proceed?

**Senator Langlois:** I was answering a question. I believe that earlier in this debate I gave an opinion, and I used the Income Tax Act as an example. I was told that it was a bad example; it may be so. Examples are always somewhat deceiving. Comparisons are never perfect. However, according to the Income Tax Act, the minister may proceed either by way of indictment or summary conviction. Such is the case under this act. The Minister of National Revenue issues certain instructions to his attorneys to the effect; for instance, in the case of a taxpayer who knowingly and wilfully failed to register his assets so as to escape paying a capital gains tax on them, the minister issues instructions to his officials, in consultation with the Minister of Justice, to the effect that they must proceed by way of indictment. But when the offence results from an error on the part of the taxpayer or his accountant, where there is no intention of evading income tax, the instructions issued are to proceed by way of summary conviction. However, here again there is a maximum penalty involved, which is left to the discretion of the judge. Neither the minister nor his attorneys will decide on the procedure; the judge will decide on the basis of the evi-

dence submitted, whether to impose the maximum penalty, or to reduce the same.

I now refer to the other point raised by my honourable friend when he asked who would be prosecuted. In this respect I refer the house to what my honourable friend said. I have here a copy of yesterday's *Hansard*, and I quote the honourable senator:

> Who will be prosecuted by way of indictment? Is it those individuals who have police records, members of organized crime or would-be political refugees? We are presently faced with the case of the Haitians.

I believe, first of all, and this is my first point, that the case of the Haitians presently in Canada has no relation at all with this legislation. Besides, they are not deportees, they have not been deported yet, but seemingly, if we can rely on press reports, they will be very soon under a deportation order. If this legislation is passed by Parliament, once deported, they will come under the provisions of the legislation if they come back to Canada without the minister's consent. That is the new offence. But presently, no law in Canada allows prosecution of somebody who, after having been deported, comes back to Canada without the minister's consent. That is a control, that is an addition to the deportation orders which, as we commonly say, have no teeth at present. The minister issues a deportation order. The deportee crosses the border, but he can come back again five minutes later and he cannot be prosecuted. When he is arrested later, he is not arrested under a specific section of the act providing for summary conviction. He can be deported again, and then he has every right of appeal. He still has the whole legal process available to him, and he can continue his illicit activities in Canada for many more months before being deported a second time, and this can go on for months and years. And that is exactly what we want to put an end to. I believe it justifies the purpose of the bill now before us.

Now, to come back to the Haitians, yesterday my honourable friend introduced a parenthesis, and I feel obliged to make a few remarks on that digression.

All we know about the Haitians is what we have read in the newspapers. All kinds of figures were given: I read that there were 2,000 Haitians involved. I also heard 1,550 and 1,200 mentioned, but what is the actual figure? Only those who took part in the demonstrations in their favour really know. I doubt that there are any reliable statistics.

But, whatever their number, I agreed with the honourable senator when he suggested, as he did to the minister yesterday, that he use his humanitarian discretion with respect to these people. It seems—and here again, according to the newspapers, there is nothing official about it—that these people came to Canada with visitors' permits. Once the visas had expired they decided to stay in Canada and applied for what is known as landed immigrant status; they wanted that status but their request was denied because they did not meet the criteria of the Immigration Act. Some of them have not yet used up all means of recourse to appeal, but if their appeal is turned down it may be that they will have to be deported. That is unfortunate; on the other hand, I am happy, as Senator Asselin noted, that two days ago the Minister of Immigration announced officially that each case will be dealt with on its own merits and with humanitarian consideration. I doubt that the minister can do more. I am rather confident with regard to those people, especially in view of the statement made, here again according to the newspapers, by an Haitian government official to the effect that they are undesirables in their own country; he has even claimed that they are communists.

I do not have to elaborate further on the situation in Haiti, since everybody, I think, knows about it. I recall—according to newspapers again—that this official is alleged to have added, "We do not want them here." If they do not let them go back home, there is no danger, in my opinion, of their being ill-treated. But I know that some of them, one or two, are in Spain. They each got a visitor's visa, while on holiday. Are they going to stay there?

I am very surprised by something else. The French government who had this country under its protection, under its wings, for such a long time, does not seem to be concerned with the lot of the Haitians. Yet, I am persuaded that the former mother country realizes the situation as well as we do. I would add this: I agree with the honourable senator; these people have all my sympathy. I hope they will be treated with justice and humanity.

Now, I come back to the text of my honourable friend's speech. He asked, "Do we need the present bill?" When answering this question in the negative, Senator Asselin added that under the Criminal Code, particularly under section 115, we have provisions to meet the aim of the bill before us. Let me quote section 115, from my copy of the *Debates of the Senate*, as read by Senator Asselin:

> Every one who, without lawful excuse, contravenes an Act of the Parliament of Canada—

And this is important.

> —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.

But it seems that he has completely forgotten that this section takes for granted the existence of an offence under an act.

It is quite clear.

**Senator Asselin:** The Immigration Act.

**Senator Langlois:** I shall come back to the Immigration Act. Don't go too fast. I shall come back later to sections 46 and 48. This legislation presumes that there must be an offence so that the penalty provided may be imposed.

● (1530)

Therefore, if one act or another does not provide for any offence, section 115 of the Criminal Code does not apply at all. I believe the nod my learned colleague is giving me confirms what I am saying. But probably subject to sections 46 and 48 of the Immigration Act—and I shall deal with both of them in a moment—and referring to the official report of the Senate, I shall first quote section 46 of the Immigration Act as the honourable senator read it in this house:

> —is guilty of an offence and is liable on summary conviction, for the first offence—

I point out those words "for the first offence"—for all that a first offence must have been committed—and I quote further:

> —to a fine not exceeding five hundred dollars and not less than fifty dollars or to imprisonment for a term not exceeding six months and not less than one month or to both fine and imprisonment, and, for the second offence to—

Again the second offence.

> —to a fine not exceeding one thousand dollars and not less than one hundred dollars or to imprisonment for a term not exceeding twelve months and not less than three months or to both fine and imprisonment, and, for the third or a subsequent offence to imprisonment for a term not exceeding eighteen months and not less than six months.

I believe the senator, and rightly so, skipped voluntarily sub-paragraph (a) which is not important.

> Every person who
>
> (b) comes into Canada or remains therein by force—

**Senator Asselin:** By stealth.

**Senator Langlois:**

> —or stealth or, knowing it to be false, misleading or improper, by reason of a false or improperly issued passport, visa, medical certificate or other document pertaining to his admission or other false or misleading information or fraudulent means;

So, once again, it is a specific offence to return to Canada under false pretences. But the person who returns to Canada, gives his name, address, place of origin and makes no misleading statement, does not commit an offence even if he had been deported, and that is precisely the loophole the present legislation seeks to correct.

**Senator Asselin:** May I ask a question of my honourable friend? In sub-paragraph (b) "by force or stealth", is guilty of an offence; the person is guilty of an offence under the bill we are discussing. The person who leaves the country and returns without permission, in what manner does he enter the country? It is by force or stealth or in a fraudulent manner. Therefore, if that person enters the country in that manner, since it is covered in the present act, why have another bill to cover it?

**Senator Langlois:** My honourable friend rose on the pretence of asking a question, but he is refuting my argumentation. However, before putting forward his argument, he should read the clause, the wording of the legislation before us. It is not an offence today to return to Canada without the minister's permission after having been deported. It is not an offence. Therefore, a deportee does not enter by force or stealth and is not guilty of an offence, so long as the bill is not passed. In my opinion, the wording is clear. That is the case we want to cover. We are creating a new offence by saying that every deportee who enters the country without the minister's permission is guilty of an offence. That is what we want to cover in this bill. For me, it is quite clear. It is an offence that does not appear in any existing statute, even in the Immigration Act.

I go on now to the other argument, which is the same argument about the present Immigration Act which my honourable friend referred to when he quoted section 48 of the Immigration Act. I am referring to *Hansard*, and I quote:

> Every person who violates any provision of this Act or the regulations or any order or direction—

—I emphasize these first words of the section: "Every person who violates any provision of this Act or the regulations or any order or direction". There must be a violation.

> —lawfully made or given thereunder for which no punishment is elsewhere provided in this Act or the regulations is guilty of an offence and is liable on summary conviction to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding six months or to both.

But, there again, section 48 provides for some violation of the act. But so long as this legislation is not passed, our Immigration Act will not consider as an offence the fact that a deportee comes back to our country without the minister's consent, and it will be impossible to invoke either section 48 or section 46 of the Immigration Act any more than section 106 of the Criminal Code to have this individual traced and arrested.

**Senator Asselin:** They should have proceeded differently.

**Senator Langlois:** That is a question. I would not want to change places with the experts of the Department of Justice responsible for drafting legislation. I would not say they might have proceeded differently. I have enough faith in them. Besides, if the bill is referred to the committee, we can send for those people and ask them why they did not proceed in that manner. But I think my honourable friend with his last interjection has just proved my point when he said they should have proceeded differently. Therefore, he admits implicitly that there is no offence.

**Senator Asselin:** Wait a minute. I have said before and I say again that regardless of what my honourable friend said, I am convinced, and I have not yet been proved wrong, that the offence provided in this bill already exists under section 46(b). And on this, my honourable colleague did not give evidence to the contrary. He pretends there is no offence involved. For sure, anybody who comes into Canada by force or stealth commits the offence provided in the bill before us. Therefore, the honourable senator has not convinced me that this offence does not already exist. This is my contention.

**Senator Langlois:** I can only refer the honourable senator once more to sub-paragraph (b) of section 46 of the Immigration Act, the important part creating the offence:

> (b) comes into Canada or remains therein by force or stealth or, knowing it to be false, misleading or improper, by reason of a false or improperly issued passport, visa, medical certificate or other document pertaining to his admission or other false or misleading information—

But coming into Canada after being deported is not coming by force or stealth. Perhaps my honourable colleague knows how things happen when somebody comes to the border post and says: I am so and so from Cleveland, and I want to come into Canada for such and such a reason. As long as what he says is true, he does not come

by force or stealth no matter if he has been deported or not. That is precisely why the new offence is legislated into being. If the man is asked: Have you been deported, and he answers no, then he is lying. There will be no need to invoke this section to arrest him if he lies that way and misleads the new immigration officer.

Section 46 would be enough. But if this man comes to the border, accurately states his name, surname and address, and gives accurate answers to questions asked, he is not committing any offence although he has been deported the day before, or two days before, or a year before. This is the only thing achieved by way of the new act, the creating of a new offence in the very specific case of a tricky, undesirable person; the target in this instance, and there is no reason to hide it, is the so-called mafia; people that come to this country to carry on illegal activities. Those people are crafty. They will not, and it must not—

**Senator Asselin:** The word "mafia" should be defined.

**Senator Langlois:** Well, defining the word "mafia" would not be easily done. We would have legal battles before the courts, with counsel trying to get to the bottom of the meaning of the word "mafia". It should not be forgotten that what is involved here is a secret organization, an organization that does not advertize in newspapers its means of recruiting, and how to go about being a member.

But that again is a question of wording, and if my honourable friend agrees that something should be done, then he must agree with the principle of the bill. Whether it be done by defining the word "mafia", or by doing something else, if it is merely a question of form, that will be looked after in committee, or it can there be said that the wording is bad, that the bill should be amended, and that can only be done in committee. It is especially the best way of doing it and the best place to do it.

However, I still maintain that the clauses quoted by my honourable colleague—my learned colleague, I should add—do not create the offence provided for by this bill which therefore is a necessary piece of legislation to consider. That we should bring out its deficiencies, its terms, I agree. I agree but I do not think that we can suggest after seeing the points that were made in this house, that this bill is not necessary and that we are doing what Senator Asselin yesterday called—I do not remember the words he used and I would not want to put words in his mouth—he said that it displeased him enormously to see that our laws were being amended uselessly, that legislation was amended in such a way that an amending section ends up saying the opposite of what was originally intended. I agree. I agree with him in the sense that it is useless for us to complicate our statutes with frivolous amendments which are not worth the paper they are written on. But I do not think such is the case with this bill.

Now, I fully endorse the last suggestion made by the honourable Senator Asselin that this bill be deferred to the committee—he actually did not say which committee, but I think we all know which one he meant—the Committee on Foreign Affairs which, under our rules, must consider bills dealing with immigration. I agree with him and I congratulate him on that suggestion. I do urge the bill's sponsor to move that the bill be deferred to the Committee on Foreign Affairs where we will have the advantage of having the minister and his experts and, possibly, if some senators so desire, legal experts from the Department of Justice, to advise us on the procedures we followed in drafting this bill and tell us whether some amendments might not be made.

Besides, we have had a most interesting debate yesterday on the possibility of calling the minister to appear before us. Rule 18 was referred to. However, I know the minister, Mr. Andras. I trust him, but we should not call a minister who has no legal training to interpret for us section 115 of the Criminal Code, or sections 46 or 48 of the Immigration Act. Furthermore, I believe that it is when the matter is before the committee and when the minister appears there, that he will be able to explain his department's policy. But, when sophisticated legal issues, such as the wording of bills, will be considered, he will be accompanied by experts and possibly by expert draftsmen from the Department of Justice. Therefore, I believe it is the appropriate place where to further our examination.

I asked for and I did receive interesting information on the implementation up to this day of this famous rule 18. I am grateful to the Clerk of the Senate for the information he has provided me on this matter. I believe the Senate will be interested in getting statistics on the use that has been made up to now of rule 18 and on what has been done about it in the past.

With your permission, I shall continue in English, because this part of the debate was held mostly in the other official language of our country.

● (1540)

[*English*]

As I have just said in French, honourable senators, I have obtained through the Clerk of the house some valuable information on the application so far of rule 18 of the Rules of the Senate concerning the appearance on the floor of the house of a minister of the Crown to give information and explanation of any measure relative to his department. I have found that rule 18 is the continuation in a slightly different form of rule 18A which was adopted in 1947.

Since 1947 there have been seven instances in which ministers of the Crown came from the House of Commons and appeared before the Senate to participate in the debate on the motion for second reading of a bill. The first instance was in March 1948, in connection with a bill to amend the Canada Shipping Act, 1934, when the Honourable Lionel Chevrier, then Minister of Transport, appeared. After the minister spoke the debate was adjourned, and the bill was read a second time on a later day and referred to the Transport and Communications Committee.

The second instance was on March 28, 1949, in connection with a bill respecting Oil and Gas Pipelines. At that time the Honourable Lionel Chevrier, then Minister of Transport, came to the house and spoke to the bill. The bill was read a second time, and referred to the Transport and Communications Committee.

The third instance was on November 8, 1949, in connection with a bill respecting National Defence. The Honourable Brooke Claxton, then Minister of National Defence,

spoke to the bill. The bill was read a second time, and referred to the Banking and Commerce Committee.

The fourth instance was on May 13, 1952, in connection with a bill respecting the Criminal Law. The then Minister of Justice, the Honourable Stuart Garson, spoke to the bill on second reading. The debate was adjourned, and the bill was read a second time on a later day and referred to the Banking and Commerce Committee.

The fifth instance was on June 10, 1952, in connection with a bill respecting Food, Drugs, Cosmetics and Therapeutic Devices. The Honourable Paul Martin, then Minister of National Health and Welfare, spoke to the bill on second reading. The bill was read a second time, and referred to the Public Health and Welfare Committee.

The sixth instance was on June 17, 1952, in connection with a bill relating to Trade Marks and Unfair Competition. The Honourable F. G. Bradley, then Secretary of State, appeared on the floor of this house and spoke to the bill, which was read a second time and referred to the Banking and Commerce Committee.

Lastly, on June 23, 1952, in connection with a bill to amend the Eastern Rocky Mountain Conservation Act, the Honourable R. H. Winters, then Minister of Resources and Development, spoke to the bill on second reading, after which the bill was read a second time and referred to the Banking and Commerce Committee.

In five of these precedents which I have mentioned the minister was escorted to his seat in the Senate chamber. The Honourable the Leader of the Government moved that the said bill be now read a second time, and the minister was the first speaker. The bill was then read a second time and referred to a Senate committee. In the other two cases the debate was adjourned, but the bill was later referred to committee.

In no case was the Senate in Committee of the Whole on those various occasions. Therefore in no case was the minister accompanied by departmental officials. The question of departmental officials arose in our discussion yesterday, and inquiry was made as to any precedents to be found in this respect. I should say that the research made uncovered no precedents or evidence, but for one exception, of officials of any department coming to the floor of the house and engaging in discussion of any matter relating to a department.

● (1550)

There was one instance where officials were on the floor of the house. I see Senator Molson nodding. He knows what I am about to refer to. It was in 1969, during the examination of the Report of the Special Committee on the Rules of the Senate in Committee of the Whole. The mace was not on the table at the time. The Law Clerk and special adviser to the committee sat in front of Senator Molson, chairman of the committee, during the study of the report by the committee. That is the only example of where a person, not being a minister of the Crown nor a member of the Senate, was allowed on the floor of the house to assist the sponsor of a measure.

**Senator Grosart:** It is a good precedent.

**Senator Langlois:** In the precedents I have mentioned, the minister was the first to speak on the motion for second reading. In the present debate, it is to be noted that already there have been several speakers but, of course, this does not preclude the minister's being invited.

I come now to my comment on this practice, established by rule 18, of inviting non-members of this house to appear on the floor of the Senate. I quote the following from the book *The Modern Senate of Canada* by F. A. Kunz, at page 196:

> The reason for the discontinuance of the practice may perhaps be partly traced back to the violent protests of the late Senator Nicol, who repeatedly stated that there was no minister who presented legislation half as well as did members of the Senate. Indeed, it should be remembered that the falling into desuetude of Rule 18/A coincided with the decentralization of the legislative functions of the Senate leader among an ever widening circle of senators. Rule 18/A was essentially an aggressive device trying to enforce a practice which did not fit in the "new look" of Senate leadership. It belonged to the era that ended in 1942 and was out of line with the constitutional and political realities of the post-war period. The diffusion of Senate leadership, the minimization of the role of second reading debates, and the revitalization of the standing committee system, where ministers could be invited and cross-examined, in brief, the completion of the process of transforming the Senate from a theatre into a workshop provided no appropriate environment for the operation of Rule 18/A. Although himself responsible for the adoption of the rule, Senator Robertson soon realized that it conflicted with his concepts of the Senate and Senate leadership, and, as he later recalled, "took the cue and I do not think I ever invited a Minister to come here afterwards." On April 2, 1957, it was suggested that Mr. Pearson, then Secretary of State for External Affairs, should be invited under Rule 18/A to come to the Senate and address the House on Canada's policies towards the Middle East, Hungary, and aid to underdeveloped countries. However, the suggestion was dropped as a result of Senator Haig's objection that the Senate ought not "to allow any Minister or other individual from the House of Commons to discuss on the floor of this House a subject that is of general interest to the whole Government . . ." There were some attempts in 1960 to revive the old rule, but Senator Aseltine, Leader of the Senate, frankly told the House that he was "not very much in favour of that system." Like the late Senator Nicol, he believed that under Rule 18/A, even if it worked out, the Senate "would not get any more information from ministers, and perhaps not as much as we get by following our regular practice." Thus, the rule, for all practical purposes, can now be considered dead.

As I noted, that quotation was from the book by F. A. Kunz.

**Senator Grosart:** Celebrated for the nonsense he wrote in that book.

**Senator Langlois:** He quoted many honourable senators who do not have the reputation that the honourable senator just described.

**Senator Croll:** Who wrote that letter?

**Senator Langlois:** It is not a letter; it is a report that I received from the Clerk of this house.

Honourable senators, should we decide to take advantage of rule 18 and invite the minister to appear before us, it would have to be done by way of a motion. So far no motion has been made. Should it be the desire of the minister to have officials on the floor to advise him, that would have to be after second reading in Committee of the Whole, when the mace is not on the table. A motion could then be made to that effect.

I do not propose to quote any further from the report that I have in my hand, but in my opinion this might require unanimous consent, because such a motion would have the effect of suspending one of our rules, to wit, rule 17.

Finally, I should draw the attention of the house to the fact that since it is the practice for honourable senators, not members of a particular committee, to attend and participate in the deliberations of the committee, the presence of the minister on the floor of the Senate is no longer warranted. Each member of the Senate has the opportunity of attending committee meetings and of participating in the discussions. The only thing he cannot do is vote. The information provided in committee by the minister, accompanied by his experts or legal advisers, is available to all honourable senators who wish to participate in the deliberations of the particular committee. For that reason, I reiterate that I support Senator Asselin's suggestion that the bill be referred to committee. I hope in closing the debate the sponsor will make a motion to that effect.

**Senator Bélisle:** I move the adjournment of the debate until the next sitting.

**Senator Molson:** Honourable senators, before the debate is adjourned I should like to ask my honourable friend, the Deputy Leader of the Government, if he thinks he is right in saying that unanimous consent would be required?

**Senator Grosart:** Of course not.

**Senator Molson:** I think the Senate would be required only to suspend the rule without notice. If notice were given and a motion placed before the chamber, it would then be permissible for the house to do as it so found.

**Senator Croll:** There is a motion to adjourn.

**Senator Molson:** I asked my question before the motion was put.

**Senator Langlois:** I gave my opinion freely and under reservation. I said it was my own opinion. I did not want to give the impression that the Table was in accord with me on this point. I would refer honourable senators to rule 3, which states as follows:

> 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.

If we have a motion which has the effect of suspending any of our rules, leave would be required to proceed with that motion, or notice given. That is what I meant. Perhaps I was not clear in my explanation.

● (1600)

On motion of Senator Bélisle, debate adjourned.

## ALBERTA-BRITISH COLUMBIA BOUNDARY BILL, 1974

SECOND READING—DEBATE ADJOURNED

**Hon. J. Harper Prowse** moved the second reading of Bill S-13, respecting the boundary between the Provinces of Alberta and British Columbia.

He said: Honourable senators, this bill is necessary to complement certain acts passed by the legislatures of British Columbia and Alberta, those acts being in practically the same terms as the bill before us. The purpose of this bill is to establish a boundary commission consisting of three commissioners, one from each of the provinces of Alberta and British Columbia, and one representing Canada. The purpose of the commission is to carry out a resurvey of the sinuous boundary line between the provinces of Alberta and British Columbia, which is presently described as being a height of land extending from the point where the Rocky Mountains intersect the 49th parallel up to the point where the Rocky Mountains intersect the 120th meridian of west longitude, which is the western point of Alberta and the eastern point of British Columbia.

It has become necessary now to redefine and resurvey this sinuous line, primarily because of the interest in the search of minerals. In addition, in the southern part of British Columbia and Alberta, strip-mining operations are being carried out which are changing the actual location of the highest point of land. Therefore, it has been determined by agreement between the two provinces and the federal government that it is in the interests of everyone concerned, before disputes break out as to where the boundary is, that there should be a resurvey carried out to replace the present, and rather hard to find, high point, and to establish and maintain survey monuments and other physical evidence of the boundary.

It is anticipated that the commission will be made up of the directors of surveys of the provinces of Alberta and British Columbia, and of Canada; and that the costs of the resurvey will be borne by the provinces themselves, but the federal government is expected to be responsible for the costs in respect of the inspections, the monuments, the mapping and the meetings of the commission.

If honourable senators have any questions. I shall endeavour to answer them. I should add that the passage of this legislation is rather urgent, in order that the commission be established before some damage is done which may result in difficulties for all concerned.

On motion of Senator Macdonald, for Senator O'Leary, debate adjourned.

The Senate adjourned during pleasure.

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At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

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## ROYAL ASSENT

His Excellency the Administrator of the Government of Canada, having come and being seated upon the Throne,

and the House of Commons having been summoned, and being come with their Speaker:

The Honourable James Jerome, Speaker of the House of Commons, then addressed His Excellency the Administrator of the Government of Canada as follows:

May it please Your Excellency:

The Commons of Canada have voted supplies to enable the Government to defray certain expenses of the public service.

In the name of the Commons, I present to Your Excellency 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, 1975.

To which bill I humbly request Your Excellency's assent.

His Excellency the Administrator of the Government of Canada was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

His Excellency the Administrator of the Government of Canada was pleased to retire.

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The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, October 31, 1974

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

Prayers.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the names of Messrs. Loiselle (Chambly) and Lachance have been substituted for those of Messrs. Marceau and MacGuigan on the Standing Joint Committee on Regulations and other Statutory Instruments.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report on operations under the Regional Development Incentives Act for the month of August 1974, pursuant to section 16 of the said Act, Chapter R-3, R.S.C., 1970.

## BUSINESS OF THE SENATE

**Senator Langlois:** 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 next, November 5, at 8 o'clock in the evening.

**Senator Flynn:** Explain.

**Senator Langlois:** Honourable senators, before the question is put I should like to give the usual brief outline of what we can anticipate in the way of work for the next week. There are five bills presently before Senate committees. The Committee on Agriculture met this morning and heard a number of witnesses with respect to Bill S-6, to amend the Canadian Wheat Board Act, but the committee is not yet in a position to report the bill. I understand that the committee wishes to hear from the minister. Bill S-10, to amend the Feeds Act, is also before the committee on Agriculture, and I am informed by the chairman that the committee will examine that bill next week.

The Committee on Health, Welfare and Science will continue its consideration of Bill S-9, to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act, and hopes to be in a position to report next week also. The Committee on Transport and Communications will meet again to consider Bill S-5, to enable Canada to comply with a Convention on the International Recognition of Rights in Aircraft. The Committee on Banking, Trade and Commerce will meet on Wednesday to hear witnesses on its combines investigation study.

If Bills S-12 and S-13 are referred to committee today or early next week, the Standing Senate Committees on Foreign Affairs and Legal and Constitutional Affairs respectively will meet to deal with them. In addition, honourable senators, it is expected that we will receive at least one bill from the House of Commons and further legislation for introduction in the Senate in the first instance.

**Senator McIlraith:** Honourable senators, I listened with considerable interest to the explanation of this motion, and I must say that in making the explanation Senator Langlois did give an imposing list of legislation that is before the Senate for consideration. Of necessity he did not go into the fact that when we meet on Tuesday night through Thursday it inevitably means that committee meetings are bunched on Tuesday afternoon occasionally, but mainly on Wednesday, when there are other activities that some senators might wish to participate in—I refer to the party caucuses—and on Thursday morning.

With the greatest of deference, I cannot be taken to concur in the proposition that we can deal with this amount of important legislation in a three-day or a two and a half-day week, efficient as the Senate is—and I must say I am an admirer of the efficiency of our work and the conduct of our business in this chamber. I say that having had some experience in another part of Parliament. However, I do want to place on record my protest at the concept that we can properly do our business in Tuesday night to Thursday afternoon sittings. It seems to me, with the greatest respect to those who have other problems and who wish it otherwise, that we should consider meeting on Monday, Tuesday, Wednesday and Thursday afternoons, and Friday morning if necessary.

**Senator Langlois:** Honourable senators, perhaps I might be allowed to comment briefly on those remarks, if only for the sake of not acquiring the reputation of a slave driver. Earlier in the session I mentioned that logistically speaking we cannot have more than two, or at most three, committees sitting at the same time, and we will follow this rule next week.

**Senator Molson:** Explain. Why not more than two committees?

**Senator Langlois:** We do not have the staff for it. We cannot staff more than three committees at the same time. I think that applies also to the membership of the committees as well as their staffing. I think this is generally agreed among honourable senators. When we have three committees sitting at the same time it takes all our resources to man those committees as far as membership participation is concerned, and the staffing of the committee with clerks, reporters and interpreters. For this reason, we will continue the practice we have been following. Due to the heavy workload that we have next week it might be

necessary to sit on Friday to consider any legislation we get from the other place or legislation that might be initiated in this house. Perhaps if I had said that earlier it might have set my honourable friend's mind at ease.

● (1410)

**Senator McIlraith:** Honourable senators, I quite agree with what has been said about the number of committees that can meet at one time for reasons of the adequacy of the staff; but nothing was said about why a committee must sit only on Wednesday or Thursday mornings. I see nothing wrong with committees sitting on Monday afternoons and Tuesday forenoons, as well as on Wednesday and Thursday mornings.

**Senator Langlois:** I am ready to give consideration to that suggestion to see if it is possible.

**Senator Flynn:** Honourable senators, I merely wish to draw attention to the fact that the proposal of Senator McIlraith is that we should have committees sitting on Tuesday rather than on Friday. Personally, I think we should start earlier in the week, and, if we are through by Thursday, that is all to the good. If we have to sit on Friday, I don't mind, but it seems to me that Tuesday is much better than Friday. I think that is the point Senator McIlraith was making.

I hope the Leader of the Government will not mind my saying that we had some general discussions as to the organization of our work, and I would suggest that such discussions should continue. Possibly, we should have an inter-party committee dealing with this in order to create as few problems as possible for members of the Senate. In any event, I doubt that it would be required of us that we sit five days a week. I realize there are other considerations that should be taken into account. Certainly, we could review this problem eventually, and I imagine that would be the wish of all sides.

**Senator Langlois:** Consideration shall be given to that suggestion as well. Another suggestion is, of course, that committees could sit on Wednesday evenings also.

**Senator Flynn:** Except that that idea has never been popular. There are good reasons for its unpopularity. Frankly, I think it would be better to have committees meeting on Tuesday afternoons rather than follow that last suggestion.

**Senator Perrault:** The honourable leader's observations will be given careful consideration by the government. I would tell the honourable members, however, that we anticipate that many other measures will be sent to us from the other place. We are looking at a very heavy workload in the next few weeks, and, if necessary hours are required to deal adequately and promptly with this legislation, I am sure that all of us are prepared to co-operate. However, I agree with the honourable leader that we must meet to discuss these things and to make sure that our meetings are properly scheduled.

**Senator Flynn:** I think the Honourable Leader of the Government made a Freudian slip when he said that these observations would be given careful consideration by the government. Surely he meant "by the Senate." That is why I suggested a committee of members from all sides.

**Senator Perrault:** Yes.

[Senator Langlois.]

**Senator Langlois:** It was simply a *lapsus linguae*.

**Senator Flynn:** Yes, that is right.

Motion agreed to.

## CUSTOMS ACT

BILL TO AMEND—THIRD READING

**Senator Cook** moved the third reading of Bill S-4, to amend the Customs Act.

Motion agreed to and bill read third time and passed.

## IMMIGRATION ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, October 23, the debate on the motion of Senator Laird for the second reading of the Bill S-12, to amend the Immigration Act.

**Hon. Rhéal Bélisle:** Honourable senators, several days ago when I spoke on Bill S-4, to amend the Customs Act, I complimented the government sponsor for introducing consistency to our statutes. I said then:

> It is refreshing to find, therefore, that the government, at long last, is now proposing amendments to bring one statute permanently into alignment with another.

Having listened intently to the debate on this bill, and the many interesting and perceptive questions raised by honourable senators, I must come to the conclusion that this piece of legislation is not up to the standard of its predecessors.

At first when I listened to the sponsor of this bill I was impressed by his openness and frankness, which slowly underwent a "quiet revolution" in the minds of the government supporters. It occurred to me that an iceberg was emerging and that so far we have only seen the tip. I rightly decided that those who questioned the sponsor were already afraid of the submerged two-thirds of the iceberg. I must agree with the very important and well presented observations made by Senator Asselin, that existing sections in the Immigration Act and the Criminal Code cover the provisions contained in the proposed amendments before us, unless there are some technicalities that we are not aware of. Having re-read the relevant sections in the aforementioned acts, I too question the necessity of this bill. Unless there are some hidden objectives and legalities, the amendments only duplicate what already exists in the act.

The able and learned Senator Croll is known in this place to be like a fisherman who never buys a can of worms unless he has counted them and is assured of their high quality. His intelligent approach to this piece of legislation has convinced me that the government knew how much of the iceberg was under water, and that his strong objections to the bill are necessary.

If we are going to support "housekeeping" measures, let us be made aware, first of all, what these measures are about. Let us not confuse existing legislation by adding frills and details that only complicate and overload our statutes, and which are difficult for our courts to interpret. Furthermore, this is another example of the untimely

presentation of legislation in this chamber. At a time when our immigration policies are being subjected, to a thorough overhaul in the other place, here we are playing around with subordinate details which may very soon be changed radically. In any event, during my time in this chamber I have observed that every time we have taken the tortoise and the hare approach, we have ended up at the pace of the tortoise—making amendment after amendment.

When I rose the other day to suggest to the honourable Leader of the Government that patience is a great virtue even in dealing with legislation, he was much more convinced than convincing. May I say to my friend, the honourable Deputy Leader of the Government, that yesterday he performed one of those "tours de force" that the Honourable Paul Martin was accustomed to performing in this place. I am still at a loss to understand why the Honourable Hazen Argue is not participating in this debate. If he did, I am sure that he would present a different argument from that given us by the deputy leader yesterday. The learned and distinguished deputy leader probably knew that the ingredients of the cake were inedible, so he put lots of icing on in order to sell us something which very few in his audience seemed willing to buy. For these reasons, honourable senators, I oppose the second reading of this bill.

● (1420)

**Senator Grosart:** Honourable senators, may I at this point direct a question, and I think I do so appropriately, to the Deputy Leader of the Government? Perhaps I may preface my question by saying it is my understanding that the decision as to whom to call before a committee of the Senate is normally made, in effect, by the chairman of that committee. In the absence, therefore, of the chairman of the committee to which this bill will probably be referred, as we have been assured it will, I wonder if I might ask, since I happen to be deputy chairman of that committee, if it is the intention to ask the minister to be present when the committee is seized of this bill.

My reason for asking this question is that the debate has indicated quite clearly that the concern and consideration of honourable senators goes beyond the mere legalities discussed so thoroughly yesterday and is now into the realm of policy. Many of the questions asked were directed to the policy of the government in this whole matter of immigration, and particularly as to how this bill fits into that policy. I therefore ask, and I assure you that I do not do so in a critical way but rather, I hope, in a constructive way, if consideration has been given to requesting the minister to attend the meeting of that committee.

**Senator Langlois:** Honourable senators, although I would like to be able to give an affirmative answer to my honourable friend, I must refrain from doing so because I feel that I would be usurping the functions of the members of the committee. It is up to the committee members alone to decide who should be called.

**Senator Grosart:** Oh, no.

**Senator Langlois:** I am not even a member of that committee, so how can you ask me to determine in advance who is going to be called before it? I could not do so without usurping a power that is not mine.

**Senator Grosart:** Well, I certainly know of no case where a committee has met to determine who should be called as witnesses, and then adjourned. I think there must be some misunderstanding here. My understanding is that the chairman normally decides who the witnesses will be. That, to my knowledge, is certainly the practice. If that is not the case, then I have been very unobservant during the twelve years I have been here.

**Senator Langlois:** But the chairman is in the hands of the committee.

On motion of Senator Macdonald, for Senator Yuzyk, debate adjourned.

## ALBERTA-BRITISH COLUMBIA BOUNDARY BILL, 1974

### SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator Prowse for the second reading of Bill S-13, respecting the boundary between the Provinces of Alberta and British Columbia.

**Senator Macdonald:** Honourable senators, I actually moved the adjournment of this debate for Senator O'Leary. I would therefore ask that he speak to it at this time.

**Hon. M. Grattan O'Leary:** Honourable senators, I am sure this house could engage itself much more usefully than in listening to me on this bill, because frankly I know nothing about it, and there is nothing in the bill itself to enlighten me. I must say, however, that Senator Prowse yesterday made comments concerning the bill which should have been contained in the bill itself.

I have always understood that the preamble to a bill should indicate, to some extent at least, what the bill is about, but this does not happen in this case. In fact, as a masterpiece of concealment, it almost equals the Speech from the Throne.

Let us consider, for example, the third paragraph of the preamble to the bill, which commences in these words: "And whereas it is desirable to establish a boundary commission . . ." Who said it was desirable, and why? What is the sense of using generalities such as that in a preamble to a bill? It is true that Senator Prowse yesterday did, to some extent, say what the bill should have said, and I am merely posing a few questions with respect to this bill.

I am very suspicious of commissions, because they have a talent for self-preservation and self-perpetuation. I remember years ago, when I was in the parliamentary press gallery, we had what was known as a boundary commission on the boundary between Canada and the United States. Year after year an estimate came before the house to pay for the cost of this commission, and invariably the Opposition would ask when the commission would finish its work. There was always the explanation that this would be the last vote; the commission was just on the eve of conclusion. Apparently, however, we were always to be, never blest, and the commission went on and on and on and, in fact, I am not sure that it does not still exist. Yesterday I checked to see if I could find where it is, but was unsuccessful. I referred to that regional directory—and what an astonishing book it is, with all the com-

missions and various organizations that exist. Do you know that the British Government ran the British Empire, which encircled the globe, and had not one-third of the floor space that we have in Ottawa today?

**Senator Greene:** That was back in your time.

**Senator O'Leary:** I do not know what the relevance of the question is, but I invite you when you return to your office, as a matter of curiosity, to take down this book and look at the number of people and organizations with resounding names. When a member of the public service is given a resounding title, a commission, a cubbyhole of an office and a filing cabinet, in no time at all he has an enormous staff and is engaged in empire building.

I should like to ask just why this boundary commission is necessary. I know what a sinuous boundary is, and I can understand it between Alberta and British Columbia. For instance, if an oil well were to be found at the base of Mount Cavell or Mount Eisenhower, whose oil well would it be? However, when a commission is established to determine this sort of question, how does it work, other than doing what is being done now? There are two members, one from British Columbia and one from Alberta, and now we are to have a Canadian commissioner. What is his position in relation to the other two? Is he to be a referee, or an arbitrator? Suppose these disputes, which we are told are anticipated, occur and the two commissioners from the provinces cannot agree. What happens then? Does the Canadian commissioner tell them what to do, and will they accept the telling?

I can see in the future tremendous black headlines in the Vancouver *Sun*, about British Columbia being imposed upon by a coalition of Alberta and Canada. I can see Mr. Bruce Hutchinson writing about another watershed of history, and I can hear the Premier of Alberta saying he is not going to roll up the map of the province of Alberta to concede something to British Columbia and Canada. Finally, I can just see Mr. Barrett descending on Alberta at the head of 50,000 words.

● (1430)

That is what we will have in this. I can see this commission perpetuating itself almost indefinitely. I will not be alive when this commission finishes its work.

I do not believe in these commissions. In my opinion, Parliament should decide these things, or let the two provinces decide. Surely there is some kind of boundary there now. A "sinuous boundary line" is mentioned. One can well imagine that applying to the Rockies. Surely there is some kind of boundary decided by someone—presumably Alberta or British Columbia. What has happened? Are the mountains moving?

I can understand that at the foot of one of those mountains there could be discovered mineral resources or oil, and I can understand the Premier of Alberta wanting that. But what are we doing? What is Canada doing? I did not know it was the business of Canada to tell the two provinces what their common boundary should be.

We had a dispute between Quebec and Newfoundland about boundaries, and also one between Quebec and Ontario, but those matters were not decided by act of Parliament; they were decided between the provinces concerned, which is the only satisfactory and safe way. I concede that these things can be determined, but we cannot have someone sitting in Ottawa, with the resounding title of chairman of the commission, telling these people who are in dispute what should be done. That does not seem to be either practical or sensible.

The bill does not have any answers to those questions. I congratulate Senator Prowse. He said that if honourable senators had any questions they should present them to him, and he would do his best to answer them. But, frankly, I do not think that even Senator Prowse can provide satisfactory answers to those questions.

These disputes will exist. If oil or minerals are discovered in this terrain—this sinuous terrain—there will be a dispute between the two provinces over ownership. That is understandable. Is the honourable senator telling me that a man sitting in Ottawa, with his filing cabinets and secretaries, is going to tell them what they should do? This bill does not seem sensible. Why is it introduced now? What has happened in the past five years to change the situation between Alberta and British Columbia?

**Senator Côté:** The price of oil.

**Senator Prowse:** No, it is not the price of oil.

**Senator O'Leary:** I am sure the honourable senator will be glad to reply. He is interjecting, but good naturedly and in good fun. However, his remarks are not relevant to this bill. It is a serious matter for the Senate of Canada to say, "We are going to set up a commission." If we do so, it will be for God knows how long. I cannot see how it can determine a real dispute between those two provinces.

Will the commission act as an arbitrator? What happens if the parties refuse to accept arbitration? Will there be a war between Alberta and British Columbia, with Canada declaring neutrality?

I see no sense in this bill. My inclination is to throw it into my waste basket, provided there is room there after today's mail.

**Hon. Frederick William Rowe:** Honourable senators, I had not intended to speak on this bill. However, I wish to make one minor point with reference to the eloquent remarks of Senator O'Leary. It has to do with the boundary dispute between Newfoundland and Quebec. That was not a dispute between two provinces, as I am sure the honourable senator knows. It was a dispute between two independent entities of the British Commonwealth.

**Senator Flynn:** No. I am sorry. One was independent; the other was very dependent.

**Senator Rowe:** I understand Senator Flynn's comment. However, it was recognized as a dispute between Canada and Newfoundland. Newfoundland at that time was an independent entity. By joint agreement, the matter was referred to the Judicial Committee of the Privy Council in the early 1920s. Senator Goldenberg may recall the date. I think it was in 1926. The Privy Council brought down its decision, which delineated the boundary of that part of Labrador which belonged to Newfoundland. That boundary was accepted in the Terms of Union in 1949. There has been no dispute between Quebec and Newfoundland—

**Senator Flynn:** I do not think you should go into that.

**Hon. J. Harper Prowse:** If no other honourable senator wishes to speak to this bill, I shall answer the questions raised by Senator O'Leary and close the debate.

**The Hon. the Speaker:** I wish to inform the Senate that if Senator Prowse speaks now, his speech will have the effect of closing the debate on the motion for the second reading of this bill.

**Senator Prowse:** Honourable senators, this is not a commission such as other commissions that have been appointed, even though it is called a commission. The governments of Alberta, British Columbia and Canada have agreed that the commission shall consist of the surveyors general or the directors of surveys—whatever the titles may be—of the two provinces and the federal government.

At present, strip mining operations are taking place along the border of southern Alberta and southern British Columbia.

The sinuous boundary was established under the British North America Act which created British Columbia a province in 1871. That act defined the sinuous boundary as the height of land separating the waters which flow into the Pacific from those which flow elsewhere. It follows a zigzag course which from time to time can be changed by landslides or other natural events. There is no problem once we leave that area and get into the straight line of the 120th meridian, which has been determined by surveys.

Both provinces have passed legislation similar to this bill, which was declared by them to come into effect in June of this year. We were unable to pass the complementary federal legislation because of the intervening general election.

It was agreed that the three acts should read in precisely the same way, their purpose being to prevent the sort of thing to which Senator O'Leary referred. Before reaching a situation where someone finds an oil well on what looks like the present boundary line, and an argument follows as to whom it belongs, boundary points will be set up changing the sinuous line on the map to a series of straight lines. There will be a series of straight lines which, in a sense, will form a zigzag line, if I may put it that way. Survey monuments will be established. So there will be no dispute over where the boundary line is located. This should eliminate the possibility of arguments.

● (1440)

That is the intent of this bill. Whether it will work in practice, I would not undertake to guarantee.

**Senator Macdonald:** May I ask the sponsor of the bill a question? Under clause 6 of the bill is it not necessary that the Lieutenant Governors in Council of the provinces of Alberta and British Columbia approve the recommendations of the commission before the Governor in Council can declare the boundary line as being that which is recommended by the commission?

**Senator Prowse:** As I interpret it, there must be agreement between the two provinces. The provinces themselves will have to fight it out.

Originally, the eastern boundary of British Columbia was set by the British North America Act, and the western boundary of Alberta, as set by the Alberta Act in 1875, was said to be the eastern boundary of British Columbia. That is what is causing the difficulty at this juncture. This bill will give Alberta equal bargaining status with British Columbia.

The provincial governments will have to settle the matter, following which the federal government will enter into it. If the provinces cannot come to agreement, they might agree to the federal surveyor being the arbitrator to determine whose survey is correct. These people are not politicians, but technical people, and if they both conduct their surveys properly they will not disagree.

**Senator Macdonald:** I have one further question. In his remarks yesterday, Senator Prowse said:

> —the costs of the resurvey will be borne by the provinces themselves, but the federal government is expected to be responsible for the costs in respect of the inspections, the monuments, the mapping and the meetings of the commission.

If the federal government is to be responsible for any of the costs, does that not make this a money bill which, under our rules, cannot be introduced in the Senate?

**Senator Prowse:** I was in error in stating that the cost of the monuments would be borne by the federal government. The federal government, as a general practice, does provide maps to the provinces, to which the provinces then add certain things which are of concern to them.

The provinces will bear the costs of the monuments, not the federal government. I was incorrect in making that statement. The federal government will only provide meeting places for the commission and pay the cost of sending the Canadian commissioner to the meetings.

The substantial costs involved, including the establishment and maintenance of survey monuments, and so forth, will be borne by the provinces. There will be minimal costs as far as the federal government is concerned.

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?

**Senator Prowse:** Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(b), I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

## CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAM "LES BEAUX DIMANCHES"—
TRANSPORT AND COMMUNICATIONS COMMITTEE
AUTHORIZED TO EXAMINE AND REPORT

**Senator Langlois** moved pursuant to notice:

> That the Standing Senate Committee on Transport and Communications be authorized to examine and report upon the matter of the program entitled "Les beaux dimanches", televised on 28th April, 1974, on the French network of the Canadian Broadcasting Corporation.

He said: Honourable senators, I first raised this matter on May 1, 1974, on a question of privilege, and on May 6, 1974 I moved a motion similar to the one I am moving today. That motion was agreed to, as reported at pages 390 and 391 of *Hansard* of May 6, 1974.

This motion deals with a program televised on the CBC French network on April 28, 1974. I, along with many other honourable senators, saw that program, and from the comments I have received from all quarters it would seem that there is general agreement that this program was aimed at casting ridicule on the heads of Her Majesty the Queen, the Governor General and our parliamentary system generally. The program depicted a so-called Opening of Parliament with Her Majesty the Queen in attendance, and then went on to depict the introduction to Rideau Hall of His Excellency the Governor General and Madam Léger. From beginning to end, this program cast ridicule on the high offices of the heads of government of our country.

In my opinion, this type of program should be banished from both the French and English networks. It is all well and good for the CBC to insist on Canadian content in its programming, but there is a provision in the Broadcasting Act whereby it has a prime duty to promote the interests of this country. Surely it is not for the CBC to help destroy our most cherished institutions, as did the message conveyed by the television program in question.

● (1450)

For these reasons, honourable senators, I wish the Standing Senate Committee on Transport and Communications to study this program, summon the heads of the CBC and CRTC to appear as witnesses, and view the videotape of this program, together with the sound track in French, and a translation of that sound track into English, so that everybody present will get the meaning of the message that was conveyed on our TV network on this occasion.

I know it has been the policy of the CBC to cut to a minimum programs of foreign origin, mainly programs coming from south of the border. However, as I said in this house last year, I would rather see westerns all year round without interruption than see another program of the kind that was presented that evening on the CBC French TV network.

I commend this motion to the favourable consideration of the Senate.

**Hon. Jacques Flynn:** Honourable senators, I, of course, support the motion. I merely want to point out that this is yet another illustration of a serious problem that has existed within the CBC from the very beginning. And that problem, I would say, has become much more serious in the last 15 years. I would hope that in dealing with this matter the committee will not be restricted to passing judgment on this program alone.

The object of the CBC should be to offer balanced coverage of public affairs. It should express the views of the public generally—of Canadians all across Canada. There is no doubt but that some people in the CBC have been able to create small empires enabling them to promote certain ideas rather than others, and that they have been more than lax in informing us of the opinions of all segments of the populace on various issues.

There is exaggeration in certain directions, as you very well know. For example—and I use this only as an example—the separatists in Quebec are given the opportunity to express themselves through the CBC to a degree out of all proportion to their importance, numerically or otherwise.

This has been an obvious difficulty with the CBC, and I do not know how, or if, they try to control it. I remember in 1959, when I was in the other place, a committee looked into this and other problems connected with the CBC. I recall very well asking Mr. Ouimet, who was then the head of the CBC, why because some commentators or producers in the CBC had more talent than others they should be given more opportunities than others to express their own political views. You can grasp from that the depth of the problem. At the time we asked Mr. Ouimet about Mr. René Lévesque, who was the commentator on a program called *Point de Mire*, and he replied, "He has talent." Of course he has talent. He still has talent. But because he has talent should he be allowed to use the CBC, and get paid by the Canadian taxpayers, to express his personal opinions against the wishes or convictions of the great majority in this country? There are other equally talented men who represent other points of view.

I merely wish to point out the complexity of the problem that we are placing before the committee, which I hope will not restrict itself to dealing with only this one incident.

**Senator Langlois:** Honourable senators, I appreciate the remarks of the Leader of the Opposition. I would welcome the committee's expanding the investigation suggested in my motion, and examining the complete picture of the CBC's programming problems. Although my motion directs the attention of the Senate to one bad egg in the basket, I hope the committee will go to the very bottom of the basket and see what is underneath. I am sure that the chairman of the committee will ensure that this issue is fully considered.

Perhaps I might take this opportunity to suggest that the videotape be shown in the press building, because I am told they have the necessary facilities, including those for translation. Therefore, I suggest that that particular meeting of the committee be held in the press building, which is on Wellington Street facing the Parliament Buildings.

Motion agreed to.

The Senate adjourned until Tuesday, November 5, at 8 p.m.

# THE SENATE

Tuesday, November 5, 1974

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

Prayers.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Leggatt has been substituted for that of Mr. Brewin on the Standing Joint Committee on Regulations and other Statutory Instruments.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Superintendent of Insurance for Canada on Co-operative Credit Societies for the year ended December 31, 1973, pursuant to section 57 of the Co-operative Credit Associations Act, Chapter C-29, R.S.C., 1970.

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, 1973, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

Copies of Telex from the Prime Minister to Provincial Premiers, dated October 16, 1974, concerning the 15th Annual Premiers' Conference.

Copies of Order in Council P.C. 1974-2352, dated October 22, 1974, respecting the variation and removal of reduction in tariffs under paragraph 3(1)(b) of the Maritime Freight Rates Act, pursuant to section 5(3) of the Atlantic Region Freight Assistance Act, Chapter A-18, R.S.C., 1970.

Copies of a pamphlet entitled "What you need to know about Employing Foreign Workers", issued by the Department of Manpower and Immigration.

## FOREIGN AFFAIRS

MOTION TO AUTHORIZE COMMITTEE TO EXAMINE AND REPORT ON CANADIAN RELATIONS WITH THE UNITED STATES

**Hon. George van Roggen,** 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 upon Canadian relations with the United States;

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

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

That the committee have power to sit during adjournments of the Senate.

**Senator Flynn:** Explain.

**Senator van Roggen:** Honourable senators, before explaining the motion, I should like to take a moment of your time to pay tribute to the work of Senator John Aird in his capacity as Chairman of the Standing Senate Committee on Foreign Affairs for the last number of years. I think all honourable senators will agree that, with the able assistance of Senator Grosart as his deputy, Senator Aird has distinguished himself and brought distinction on the Senate in his role as chairman of that committee.

Senator Aird presided over the Foreign Affairs Committee during its study of Canada-Caribbean relations, on which subject the committee published a report. The committee then followed with a report on Canada's relations with countries of the Pacific region, and most recently it completed its report on Canada's relations with the European Community.

I had the privilege of serving on the committee during only the last of those three studies, but during that time I had ample opportunity to observe the distinguished manner in which Senator Aird chaired that committee, and to observe his work and the effort which he put into making the committee a success.

Although it is difficult to judge the impact and influence of Senate reports, it would seem that the report on the European Economic Community has contributed to the Canadian objective of stronger political and economic links with the European Community.

I can specify four particular aspects of that report as illustrations. First, the European parliament's decision to establish a regular link with the Canadian Parliament. You will recall that our committee made the initial move in requesting a meeting with the European parliamentary delegation when we were in Brussels approximately a year and a half ago. Because of that contact the European parliament made its first formal visit to Canada approximately one year ago on the joint invitation of our committee and the committee in the other place. At that meeting we again pressed for the establishment of a regular parliamentary link, which subsequently was acted upon by the

European parliament. The Canadian delegation, of which I will be proud to be a member, will meet with the European parliament in Strasbourg next week as a return engagement.

● (2010)

Secondly, stemming indirectly from our report, which I feel sure had significant influence on it, was the establishment of a European Community office in Canada. You will appreciate that the European Community, as powerful economically as it may be, is not a sovereign state and cannot establish its own embassies, but it has established one or two offices abroad to perform the functions of the European Community's spokesmen in foreign countries. They are designated as "information offices," and one is established in the United States and one in Japan.

We have had a number of contacts with the European community since our first meeting in Brussels, pressing on every occasion this particular link. I am sure many senators noticed the announcement several weeks ago that the European parliament had approved the establishment of an office in Canada, the third industrialized nation in which such an office is to be established. You may have also observed in the remarks made by the Prime Minister on his return from Europe last week the specific reference that such an office would be opened in Canada.

Thirdly, it was recommended in the report of our committee that more research on the European Community be conducted in Canadian universities, and there are now some developments in this connection. A private Canadian foundation, being alerted by the committee's report to the scarcity of research on the European Community in Canadian universities, has decided to fund a study which would remedy this situation.

Fourthly, the report recommended that the Prime Minister should visit Brussels, not as a visit to Belgium but as a visit to the headquarters of the European Community. As you know, this visit took place only a week or two ago—following the Prime Minister's successful visit to France—with very satisfactory results for Canada. While the committee could not take full credit for these developments, I think it is still of significance that all four of those developments were included in the report of the committee on the European Community published in July of last year.

Honourable senators, I have digressed from my motion to deal with some of the work of the committee in its last report, partly to reinforce my remarks on the effectiveness of the work done by Senator Aird and partly to remind you of the work of this committee in the past, in the hope that you will agree that the work has been sufficiently effective that the committee should receive your support in the next task which it now plans to undertake.

This task was embarked upon last year and, of course, a study of Canada-U.S. relations is an enormous subject. Before the dissolution of Parliament in early May we had barely taken an introductory look at the whole relationship to see if we could grasp the optional directions for Canada's policies. This was to give us, first of all, an overview. We had just begun to look into the second aspect of this vast and complex problem, the ways in which our relationship with the United States is worked out—the machinery, the instruments for conducting relations, the institutions which exist for this purpose—when the election intervened.



I shall not take the time of honourable senators now to develop at length the areas in which we think this study should develop. They are numerous, and it is a study which will probably required not one but several reports on its various components. I would say only this, that these terms of reference which I have outlined are basically the same as those obtained from you by Senator Aird last March when it was first proposed that we should launch into this new study. Here I would quote from his remarks to the Senate on March 26 of this year, when he said in part:

> Why do I think that the Standing Senate Committee on Foreign Affairs is capable of, and the appropriate forum for, such an inquiry? Honourable senators, I believe that the competence of the committee is now reasonably established. I believe that its previous reports on Canada's relations with the Caribbean, the Pacific Rim, and, most recently, the European Community, have had a positive public response—particularly in the press and the Canadian business community, which apparently have found these reports both timely and useful. I believe this to be particularly true of our recent report on the European Community. The European Community report has not only been well debated in this chamber, but used as a basic document by other institutions, conferences and seminars since its issue last July.

After further developing his motion, Senator Aird went on to say:

> This brings me to my second question, of how your committee proposes to undertake such a formidable task—and I repeat these words—constructively and very carefully. I believe that the tentative program approved last week by your committee is a logical and careful plan.

Honourable senators, I would ask for your support of these terms of reference for the committee to continue its study of Canada-United States relations.

**Senator Flynn:** Honourable senators, I agree generally with what the mover of this motion has said, but I think the motion is in a context that requires some thought, and I would therefore move the adjournment of the debate.

● (2020)

**Senator Walker:** In the meantime, has Senator Aird resigned from the chairmanship of the committee?

**Senator van Roggen:** Yes. I was elected chairman the week before last.

**Senator Walker:** You have been elected, have you?

**Senator van Roggen:** Yes.

**Senator Walker:** I was just wondering—and I say this with all humility—what qualifications you have to take over.

**Senator Croll:** He is a Liberal.

**Senator Walker:** He is a Liberal, is he?

**Hon. George McIlraith:** Honourable senators, before the motion for the adjournment of the debate is put, I should like to say a few words.

I am heartily in support of Senator van Roggen's motion, and I agree that the committee has a formidable task before it. It is not only a formidable task, but a task which has, in my view, some urgency about it. However, I wish to put forward another matter for possible consideration by that committee when it completes the task which is the subject of the motion now before the house.

This is something I raised on two occasions in 1973—once on January 11, 1973 in the debate on the Address in reply to the Throne Speech, and again on March 22, 1973 when I called the attention of the Senate to the Eighteenth General Conference of the Commonwealth Parliamentary Association, held at Blantyre, Malawi. It concerned the desirability at some point of having this committee—whose work in my opinion has won the respect of the Senate and of the outside community—examine into our relations, particularly, with South Africa and East Africa. It is my view that long-term attempts to secure universal peace require a thorough understanding of those countries. I am not satisfied that the United Nations has proposed adequate or reasonable solutions to some very difficult problems which affect that part of the world. In my opinion, our acceptance of the view put forward by the United Nations, in all its simplicity, is not adequate. It may well be that an initiative on our part will be required if we correctly foresee some of the problems that may develop out of what is a tense situation there. I suggest that the committee should consider examining this subject when it completes the task that will be before it when the present motion is adopted.

It is rather interesting to note that since I raised this question in the early part of 1973, news items concerning events in that part of the world have improved significantly. The media, instead of repeating all the propaganda that is published, are reporting the news in a more objective fashion. To my mind, an impartial study of Africa by the committee would be to the long-term benefit of us all. There is a tendency when discussing such things as race relations for emotions to rule and reason to depart. I am afraid that many news items critical of Africa still reflect the emotions of the writers, but I am happy to say that the information we are now getting is much more objective, and this indicates some progress.

Considerable change is taking place. I do not want to go into the subject in detail tonight, but wish merely to suggest that the committee consider undertaking this task when its study of Canada-United States relations is completed.

**Senator Hicks:** Honourable senators, I had the honour and good fortune to be the member of this house chosen to participate in the deliberations of the Twenty-eighth General Assembly of the United Nations. I rise merely to say that I concur entirely with what Senator McIlraith has said concerning attitudes towards Africa, and the function or role of the United Nations there. I endorse his views completely.

This is a very difficult and delicate situation, and it is not being dealt with as though it were a difficult and delicate subject in the various bodies of the United Nations which have directed their attention to it. It would be a great thing if it were possible for a Senate committee to make some contribution.

**Senator Forsey:** Honourable senators, it might be peculiarly appropriate just now because, judging from a couple of articles in the last issue of the Manchester *Guardian Weekly*, there are signs of some rapprochement between the Government of South Africa and the Government of Zambia in particular, which hold out some hopes of considerable change in the policy of the South African government and considerable willingness on the part of the Zambian government, and possibly some other black African governments, to get into some kind of fruitful discussion with the Government of South Africa.

A very notable speech, I think, which was made at the United Nations by the South African representative, Mr. Botha, has stirred up a considerable amount of speculation about the possibility of some very important changes in the internal policy as well as the foreign policy of the Government of South Africa.

**Senator Flynn:** May I remind the house that I had moved the adjournment of the debate.

On motion of Senator Flynn, debate adjourned.

## NATIONAL CAPITAL REGION

PROPOSED STUDY BY JOINT COMMITTEE—QUESTION

**Senator McIlraith:** I should like to ask the Leader of the Government if he can advise us as to when the motion to establish a joint committee of this house and the House of Commons to consider questions relating to the future of the National Capital Region, as set out in the Throne Speech, will be brought forward for consideration?

**Senator Perrault:** I can assure all honourable senators that the matter is now under active consideration by the government, and it is hoped that an announcement will be made in due course. In any case, I shall undertake appropriate inquiries, and make known any further information I am able to obtain.

**Senator McIlraith:** I would further ask the Leader of the Government if he can advise us whether or not the terms of reference for that committee have yet been settled, or are still open?

**Senator Perrault:** The terms of reference are also under consideration at the present time. As I say, hopefully this information can be made available very shortly.

● (2030)

**Senator Croll:** That is like the kind of answers you gave when you were minister, Senator McIlraith.

**Senator Flynn:** May I ask the Leader of the Government a question? Will Mr. Fullerton's report be included in the terms of reference?

**Senator Croll:** It will have to be.

**Senator Perrault:** Honourable senators, I do not want to make any further statements at this time.

**Senator Grosart:** Very wise.

**Senator Forsey:** Let us hope it won't be *Hamlet* without the Prince of Denmark.

## IMMIGRATION ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, October 31, the debate on the motion of Senator Laird for the second reading of Bill S-12, to amend the Immigration Act.

**Hon. Paul Yuzyk:** Honourable senators, I am glad this bill has not been rushed, especially because it was initiated in this chamber.

**Senator Grosart:** Hear, hear!

**Senator Yuzyk:** The observations of Senators Flynn, Grosart, Croll, Molson, Greene, Buckwold, Thompson, Asselin and Bélisle should be carefully considered by the sponsor of the bill, Senator Laird, and the committee. The government is about to release a green paper on the proposed new Canadian immigration policy, portions of which have already leaked out revealing rather drastic changes, some of a highly controversial nature. I do not think it would be wise at this time for the Senate to proceed too hastily with what amounts to a minor amendment to the Immigration Act, bearing in mind that the government will soon be submitting a major overhaul of the act, or perhaps a new act. However, while we are considering the amendment proposed in Bill S-12 now before this chamber, I should like to touch on one aspect which has not been raised thus far, at least not from the viewpoint I shall endeavour to present.

This proposed amendment points up a discrepancy between the spirit of the law and the letter of the law. The spirit of the law indicates that once a person is deported, he must stay out of the country until the federal government, or rather the responsible minister, states that he may come back in. The letter of the law, however, does not give clear effect to the legislative intent.

Let us look at section 35 of the act, which is the heart of the problem. Section 35 says that once deported a person may not "be admitted" anew without the minister's permission. Let us note that it does not say that a deportee cannot turn up at a border crossing physically to test whether or not he will be re-admitted, or that he may, for example, wish to attend his brother's funeral. Also, the act does not make it binding upon a deportee to make it known to an immigration officer that he is a deportee. So, if the deported person gets back into the country without having to lie about who he is and whether or not he is a deportee, he cannot be prosecuted for offending against any part of the act. All that can be done is to deport him again.

The present amendment makes it an offence for the deportee to return to Canada, for whatever reason, without the consent of the minister. In this instance, "return" is the operative word. This would mean that the minute he sets foot in Canada without the minister's permission, he will be guilty of a punishable offence and liable to imprisonment for two years or to a fine of up to $500. Would this not be a very severe punishment for what could be regarded as good intentions? I wonder whether this could not be more simply done by making the actual deportation order more explicit. I have a copy of a deportation order, which reads:

> On the basis of evidence adduced at the further examination/inquiry held . . . I have reached the decision that you may not come into or remain in Canada as of right . . . I hereby order you to be detained and to be deported.

The words "you may not come into" seem quite clear to me. But perhaps it would be clearer if the word "return" were used in the deportation order, to read thus: "You may not return to or remain in Canada." Would not the substitution of "return" for "come into" be more fair to non-criminal deportees who may later qualify for entry into Canada after seeing an immigration officer on Canadian soil? I am no lawyer, but I would not regard it as an offence for someone to see an immigration officer, which gesture then should not be judged as "returning." In such a case, if the deportation order is very clearly worded, the deportee would not be flaunting the law.

Granted, if such an order has to be clearly backed up by statute, section 35 of the act will have to be amended. As it stands now it is not clear, for it does allow for the situation already described. However, if the order can be used to further define the intent of that section of the act, then could not the deportation order be simply reworded and thus avoid unreasonable prosecutions? Should not some provision be made that a deportee must declare himself as such when he sees an immigration officer?

Those are the points I wanted to raise in connection with this bill and on which I should like to have explanations. It would be very useful to have the minister and departmental officials appear before the Committee on Foreign Affairs to explain the implications of this bill.

**Hon. Keith Laird:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, I wish to inform the Senate that if Senator Laird speaks now, his speech will have the effect of closing the debate on the motion for the second reading of this bill.

**Senator Laird:** This debate has been of unexpected length, but it has been instructive and enjoyable. The only thing that worries me at all is that I detect the groundswell of a movement to bar me from ever again sponsoring a simple bill.

**Senator Walker:** Tut, tut.

**Senator Laird:** Several interesting points have been raised, but it is not my intention to go into a great deal of detail at this time. It is perfectly clear that it is the wish of the Senate that this bill be referred to committee. However, as Senator Croll has said, the Senate is entitled to at least some sort of reply from the sponsor to the questions raised, and I propose to do just that.

● (2040)

For example, Senator Croll asked about various statistics. I had to admit, frankly, that there were not any, but it seems that Senator Croll's observation had the effect of getting the department to produce some. However, I am afraid those statistics are not all that helpful to us. They have to do with the overall number of deportations only and do not specify, for example, the number of persons who have been deported, have returned, and have been deported again. Moreover, the only figures available so far are for 1973—they have not yet been able to produce the 1972 figures—and for the first eight months of 1974. In 1973 there were 7,110 people deported; in the first eight

months of 1974 there were 7,401 deportations. As I say, those are rather meagre statistics and are not of much help; but there they are for what they are worth.

Another point discussed in the course of this debate was that of alternative methods of proceeding under the proposed new section 35.1—that is, whether it should be by way of indictment or by way of summary conviction. I cannot add much to what I said when I introduced this measure, except to point out that in the legislation passed by Parliament there are literally hundreds of cases where there is a choice between proceeding by way of indictment, in which event the punishment is more severe, and by way of summary conviction, in which case, obviously, the penalty is less severe. It has been established through time that these alternative methods of proceeding are satisfactory. Someone has to take the responsibility of deciding which way to proceed and, consequently, what punishment is likely to be visited upon the offender.

Ancillary to that, the suggestion was made that the jail term, in the event of conviction by indictment, had to be two years. As I said at the time, and I believe others said it as well, there is no necessity for imposing a two-year sentence. That is a matter of discretion. The sentence may be as long as two years, but it may be as short as an hour, I suppose.

Senator Thompson raised a question with respect to section 35.1. He asked what would happen if a deportee were to put in an appeal which was allowed. He wanted to know what complications would arise out of that situation. Well, in the event of an application by way of appeal from a deportation order, normally, under section 31(1) of the Immigration Act, the filing of the appeal has the effect of staying the deportation order. Therefore, the person is allowed to remain in the country. However, there is a special provision in that section dealing with people who come from the United States, and from St. Pierre and Miquelon. They are returned to their country of origin. In all other cases the persons making the appeals are allowed to remain in the country. If such persons voluntarily depart from the country, however, they cannot then reenter, as that would be an offence under section 35.1. Under section 16 of the Immigration Appeal Board Act, which is a different act, the Immigration Appeal Board may allow persons to return to Canada pending the hearing of their appeals.

Incidentally, section 11 of the Immigration Appeal Board Act restricts the right of appeal from a deportation order to a fairly narrow class. Not everybody has a right of appeal. Section 11 sets out the classes of persons who can appeal; it certainly does not include everybody. I do not know that that is particularly important to this debate, but there it is.

Perhaps the most pertinent criticism of this measure—a criticism made by Senator Asselin, and supplemented tonight by Senator Yuzyk—was that the present state of the law is such that there is no need to add to the act the proposed new section 35.1. Senator Asselin made a good case for the proposition that there are at least three sections—two in the Immigration Act and one in the Criminal Code—which enable the department to proceed in the event that such an offence as contemplated by section 35.1 were to take place.

In answer to that, let me say that the section in the Criminal Code is a catch-all section. The section in the Immigration Act—

**Senator Asselin:** Sections 35 and 46.

**Senator Laird:** No, I want to deal with section 46 later.

**Senator Asselin:** Section 48.

**Senator Laird:** Yes, section 48. That is also a catch-all section. Those catch-all sections, as any lawyer will tell you, are most difficult to prosecute under. Actually, if they had a choice, most lawyers—and that would include me—would much prefer to act for the defence in those circumstances, because there is always the difficulty for the prosecution of proving every detail in connection with the offence alleged, which is a general breach of some other statute.

What is far more important, however, is that the lawyers in the Department of Justice have considered those two sections—and, I may add, also section 46(b) of the Immigration Act—and they have come to the conclusion that it is too risky to proceed under them. They believe that the chances of a successful defence under them are far too good and that, therefore, those sections are not suitable for the purpose of this bill, which, as I said at the beginning, is to add to the punishment visited on a deportee who comes back into the country.

The difficulty with respect to section 46(b), which was mentioned by Senator Asselin, is in proving what is "stealth." This is what I am told is concerning the lawyers in the Department of Justice. In other words, as Senator Yuzyk pointed out a few minutes ago, when a person comes to the border and asks to be admitted into Canada to attend his uncle's funeral, or something like that, the chances of his being asked if he ever had a deportation order against him are almost nil.

● (2050)

I do not know what other senators have experienced, but I have crossed the border literally thousands of times, and never once have I been asked, "Is there a deportation order against you?" Section 35 of the act uses the word, "admitted," and this is what is bothering the departmental lawyers. They are thinking, "Yes, admitted. But he didn't lie; he said he was going to his uncle's funeral."

**Senator Flynn:** Have they ever tried to prosecute someone who comes into Canada after having been subject to a deportation order? He should know that he is coming against the will of the minister and the order made against him. Has there been any case of that kind?

**Senator Laird:** No. Naturally, like the good lawyer you are, you would be concerned. I inquired about it, and frankly the reason is that the Department of Justice lawyers are apprehensive that they could not get a conviction.

**Senator Flynn:** But they should try.

**Senator Laird:** Well should they? First of all, it would seem that everyone who has spoken in this debate feels there is a missing link, that there is nothing in the act which takes care of it. As I said when I introduced the bill last Wednesday, it is true that under section 35 as it stands, a person who comes back into the country after being deported can be deported again—

**Senator Flynn:** No, no. We are just suggesting that if the minister orders someone to get out, that person should know he is going against the order if he returns.

**Senator Laird:** Yes, of course, he should, but unfortunately, as you know only too well, you have to put sanctions on some things—

**Senator Flynn:** A presumption?

**Senator Laird:** —or some people ignore them. The departmental lawyers feel they are unable to secure a conviction under any of the sections mentioned by Senator Asselin, and therefore they want something specific in the act, and it is this proposed clause 35.1 of the bill, which enables a prosecution to take place and a punishment to be visited.

I am told—and here again I presume all honourable senators have had occasion to read about these cases—that in some of the larger cities like Montreal, Toronto and Vancouver, there have been many instances of very undesirable characters being deported, coming back into the country and engaging in criminal activities here, then simply being deported again and going through the cycle just about as many times as they feel like it. We want to stop this.

**Senator Flynn:** I object. You say, "engaging in criminal activities here." If you can prove that they are engaging in criminal activities you can put them in jail for longer terms than are provided in this bill.

**Senator Laird:** That is correct. Sometimes it is well known, without being proven, that a person has engaged in criminal activity, and our legislation should provide for punishment when such a person returns to Canada in spite of a deportation order against him. I don't know if you agree with that proposition, but in the opinion of the Department of Justice lawyers—and I agree with them—the present legislation is certainly not enough to enable a conviction in those circumstances. But, if we pass this bill, enacting this section, there will be power to throw these people in jail—

**Senator Flynn:** Are you sure? Would you be more sure than you are now?

**Senator Laird:** Under this section, yes. It is very pertinent.

Honourable senators, I do not intend to add anything further tonight, for this bill will be going to committee and there will be ample opportunity to question witnesses in detail. However, I did feel that in closing this debate I should draw to your attention that this section is needed for the simple reason that the departmental lawyers feel that at the present time there is no legislative basis upon which to prosecute a person who having been deported, returns to this country. That is all I have to say, unless there are questions—or perhaps you would rather ask the experts in committee.

**Senator Walker:** You are doing very well.

**Senator Bélisle:** I should like to ask a question. If there are no records in the Department of Justice or in the Department of Manpower and Immigration to show that informations have been prepared and people brought to court, is it not because there has been no necessity for it?



**Senator Laird:** That would be a good point if it were valid. I cannot prove it by statistics, but all I know is that people are not discouraged from returning to Canada in the face of further deportation orders. Therefore, the act should provide for punishment by way of fine or imprisonment.

**Senator Thompson:** Would not this problem be overcome if the deportation order contained words to the effect, "It will be considered an act of stealth if you return to Canada without permission of the minister"? As I understand it, if there is stealth in the action, then the person who slipped in again would be subject to prosecution. Would that not meet this need?

**Senator Laird:** I think it might, but I don't know. It is much too difficult a question for me to answer tonight. We would not know whether it was effective until after the matter had been taken to court and a judgment rendered. I suggest that rather than complicating things by trying that method, we should try the direct method of enacting section 35.1.

• (2100)

**Senator Grosart:** Did the honourable senator say that no figures whatsoever are available as to the number of deportees in the year 1972, and that no figures whatsoever are available as to the number of deportees who may have sought or obtained re-entry into Canada after being deported. Did I understand that correctly?

**Senator Laird:** You understood quite correctly, senator. I too was amazed. To be quite honest, I think the figures should exist.

**Senator Grosart:** Then I wonder if I could ask the honourable sponsor if he would tell us at some time why these figures are not available. It seems utterly incomprehensible—indeed, incredible—that we should at this particular time not know the number of people deported from Canada in the year 1972. Why are these figures not available? Are we trying to hide something? There were just over 7,000 people deported in 1973, according to the figures given us, and in the first eight months of 1974 there were 7,401 people deported. We are now told that the Department of Justice and the Department of Immigration has no knowledge whatsoever of the number of people deported from Canada in 1972.

Secondly, we have no figures whatsoever as to the number of people who may be affected by the application of this amendment to the act. Surely we must be told whether there are five, 10, 20 or more people so affected.

Therefore, I would ask the honourable sponsor of this bill to ask those who will be appearing before the committee to let us have an explanation of this extraordinary situation whereby we do not know the dimension of the problem—the number of people concerned—that is to be met by this very important and controversial amendment.

I would further ask him if he has any knowledge—and I can only put it that way in view of the answer I had the other evening from the Deputy Leader of the Government—as to whether the chairman of the committee, or the committee itself, has decided to ask the minister to appear.

**Senator Langlois:** That is a different question from the one you asked the other night. Then you wanted an assurance.

**Senator Laird:** First of all, senator, in answer to your first question concerning statistics, I asked the departmental officials the very question you have now posed, and the answer I got was, "We should have them, but we have been delayed because we are in the process of changing system."

**Senator Grosart:** No, not that, please.

**Senator Laird:** That is the answer they gave me.

As to the minister's being a witness, frankly I would say that that is up to the chairman or the deputy chairman of the committee. I might mention that the Honourable Robert Andras, the Minister of Manpower and Immigration, is not a lawyer, and this amendment is primarily a legal proposition, so I do not know whether he would be helpful.

**Senator Flynn:** Oh, oh!

**Senator Grosart:** Lest my question should be misunderstood, let me make it clear that I was not suggesting that he be called as a legal expert. I was suggesting that he be called as the minister responsible for the department, and for a bill amending an act administered by his department. This is a situation which automatically means that we are concerned with policy.

**Senator Laird:** On that very interesting point, I would suggest that the field of this bill is rather narrow. On the question of immigration policy, the situation is quite different because that is a widespread and extremely absorbing topic. Under the proper conditions, whether it is in connection with a bill resulting from the green paper or otherwise, and if I were the chairman or deputy chairman of the Foreign Affairs Committee, I would certainly want the minister to appear. In fact, if I can help at that stage I shall do so.

By the way, honourable senators, I forgot to mention, in connection with the point raised by Senator Yuzyk to the effect that the government would soon be bringing in a new bill, that, frankly, I do not think it will be soon. As I understand it, the whole purpose of the green paper, when it is finally tabled, is to enable a wide discussion to take place and then, after that discussion and the obtaining of diverse views, to introduce a bill. I think that is an event which is still some little distance in the future.

**Senator Grosart:** We will have a green paper, a white paper and then a red paper.

**Senator Langlois:** And lastly a blue one.

**Senator Grosart:** That will be a few years.

**Senator Desruisseaux:** Honourable senators, I should like to put a question to Senator Laird. Is it possible to find out what has been paid for the deportation of these people from Canada? I think in each case the deportation has to be paid for—it is not done for free—and surely there is a record of the money spent for deporting these people from Canada. Would not the department have such a record?

**Senator Laird:** I would say it does. As to the matter of payment of the costs of deportation, to be quite honest with you I do not know the answer to that. However, the question is now in *Hansard*, and I will see that it is brought to the attention of the appropriate departmental officials.

**Senator Grosart:** May I ask the honourable senator another question? If there is no list available of those deported in 1972, how are our immigration officers to know, in the case of somebody who was deported in 1972 and who now returns, that that person is subject to this new section? If they don't know who was deported in 1972, does that mean that everybody who was deported in that year can return to Canada?

**Senator Laird:** I would say that there are complete records of every person deported, but the one thing they have not done, apparently, is to reduce those records to the statistical form being sought.

**Senator Grosart:** It is too difficult to add them up.

**Senator Flynn:** Question.

**Senator Walker:** You did very well.

**Senator Flynn:** Blind answers.

**The Hon. the Speaker:** It is moved by the Honourable Senator Laird, seconded by the Honourable Senator Carter, that this bill be now read the second time. Is it your pleasure, honourable senators, to adopt the motion?

**Senator Flynn:** With reluctance.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Laird:** I move that the bill be referred to the Standing Senate Committee on Foreign Affairs. If I might just add a word to that, I would merely express the hope that the committee will be able to proceed with this bill on Thursday.

**Senator van Roggen:** It is my hope, honourable senators, that we will be able to go ahead with it immediately.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, November 6, 1974

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of Aide-Memoire, dated April 20, 1974, presented to the European Communities; copies of Discussion Draft of Trade Agreement between Canada and the European Communities; and copies of Official Communication to the Political Coordination Committee of the Nine.

## FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO EXAMINE AND REPORT ON CANADIAN RELATIONS WITH THE UNITED STATES

The Senate resumed from yesterday the debate on the motion of Senator van Roggen:

That the Standing Senate Committee on Foreign Affairs be authorized to examine and report upon Canadian relations with the United States;

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

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

That the committee have power to sit during adjournments of the Senate.

**Senator Flynn:** Honourable senators, I shall not detain you long. I merely wish to make a few remarks in answer to what Senator van Roggen had to say in support of this motion.

As I mentioned yesterday, I do not contest the substance of this motion. The Standing Senate Committee on Foreign Affairs has done an excellent job in recent years; in fact, it acquired a reputation for outstanding work quite some time ago. We passed a motion in the previous session to study the problem of Canada's relations with the United States, and the committee actually started hearing witnesses. It is therefore only logical that this motion be adopted now to enable the committee to resume its work. I wish it well.

**Senator Croll:** Best speech of the day!

Motion agreed to.

## INTER-PARLIAMENTARY UNION

SIXTY-FIRST ANNUAL CONFERENCE, TOKYO, JAPAN—DEBATE ADJOURNED

**Hon. Gildas L. Molgat** rose pursuant to notice:

That he will call the attention of the Senate to the Sixty-first Annual Conference of the Inter-Parliamentary Union held in Tokyo, Japan, 2nd to 11th October, 1974, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

He said: Honourable senators, it is my pleasure today to report on the recent trip to Tokyo of the Inter-Parliamentary Union group from Canada. At that particular conference there were three members of the Senate—Senator Robichaud, Senator Asselin and myself—who were selected for the group along with members from the other place representing three of the parties there.

I hope that my comments will not be in terms of a travelogue. I do have some rather general comments to make at the outset and then I should like to draw the attention of the Senate to some of the problems I see in the Inter-Parliamentary Union, and some of the actions that I think we ought to take as Canadians as we participate in that body.

At the outset I would like to express the thanks of our whole delegation to the staff members who were involved in the preparations for this conference. There were some problems this year because the election delayed the formation of the committee. Then there was the period before the opening of Parliament, during which time it was not easy to assemble people and get returns from those who might be interested. As a result, the time was somewhat short, but the Inter-Parliamentary Relations Branch, and Miss Jean Macpherson, who is particularly responsible for the IPU, responded marvellously and organized a fine agenda for us, preparing in advance a great deal of material.

I must express my thanks as well to Mr. Peter Dobell, Director of the Parliamentary Centre for Foreign Affairs and Foreign Trade. As honourable senators know, that is an independent non-profit organization, and it was invaluable in making the preparations for the trip.

This year the conference was held in Japan, and I think this was particularly fitting, from a Canadian standpoint, for a number of reasons. The first of these is our very close and important commercial relationship with that country. Our trade is growing every year with the Japanese, and our relationships with them are becoming ever closer. It was fortunate that just prior to the trip to Japan the Prime Minister of that country, Mr. Tanaka, was received here in Canada on his first visit. It was, I believe, a very successful visit. This permitted as well, from the standpoint of the IPU delegation, some useful contacts. For

example, some other Japanese people and parliamentarians were here at that time. The IPU received, in particular, Mr. Kono, one of the parliamentarians. The Canadian Ambassador to Japan, His Excellency Ross Campbell, came here during the preparations for the visit. This provided an opportunity for the Canadian delegation to meet with His Excellency and get a very useful early briefing on the Japanese situation vis-à-vis Canada, and a great deal of background which we could not have obtained otherwise. This was combined with two days of briefing here in Ottawa during the recess and, in my opinion, the Department of External Affairs outdid themselves in assisting with the arrangements for our trip. As a result, we arrived in Japan very much better prepared than we otherwise would have been.

I must give particular credit and thanks to our ambassador and his staff, who assisted us in every possible way when we reached Japan. We arrived late on the Monday afternoon, and we received a thorough briefing from them at the embassy on the Tuesday morning.

There is one particular item I should like to point out, because it covers a procedure that we might consider useful to adopt in the future. Because we were dealing with Japan, and because of our commercial relationships with that country, we were able, through our ambassador and his staff, to organize meetings entirely apart from the IPU meeting itself. Members of the Canadian delegation were invited to indicate areas of particular interest in respect of which they would like to meet their opposite numbers in the government and the public service of Japan.

● (1410)

We were able to organize meetings on energy, a subject in which Japan has a particular interest and about which we share an equal concern; iron and steel, in which we complement each other in certain respects for commercial reasons; education, environment and pollution, which are obviously items of major concern in Japan; and management and labour. Some of our members were particularly interested in finding out how the Japanese aim to cope with the fantastic inflation they are experiencing, which now runs at the rate of 25 per cent per annum. This was of particular interest in so far as it related to labour-management matters.

The embassy had organized, for those members of our delegation interested in these fields, meetings with parliamentarians, civil servants and people in industry. These were useful contacts for us. In my own particular case, in company with my colleague, Senator Robichaud, we met with those responsible for matters related to the environment and pollution. As an aside, I might add that they have an interesting governmental structure. They have a deputy minister (administration), who is a civil servant, and a deputy minister (political), who is a member of the Japanese Diet. These two deputy ministers operate side by side within the department, thereby assuring a very close association between the elected members on the one hand and the civil servants on the other. I mention this because it is an interesting concept, particularly as one hears so often in Canada remarks about parliamentarians feeling that sometimes it appears that civil servants run the whole operation.

I mention these as examples of the type of meetings we had. They were extremely useful to Senator Robichaud and to me, because they enabled us to find out what they were doing. Because we have such close commercial relations with Japan, this was an ideal occasion for getting information. It might not be that for every trip or every visit of the IPU this type of program could be arranged, but it was extremely useful in this case, and I want to express my thanks to the Canadian ambassador and his staff for arranging these meetings for us.

The Canadian delegation was equally impressed with the reception given to it by the Japanese people. We found the Japanese extremely courteous, pleasant and helpful. There was no problem for any one of us in travelling anywhere we wished—in Tokyo or even on the odd occasion outside Tokyo. There was no concern about language or about how we would be received, because everywhere people came forward voluntarily if they saw we were in any difficulty. In any situation where a problem might arise, someone always came forward to assist. A surprising number of Japanese speak English, and all in all it was a most enjoyable experience.

The Japanese group who organized the whole conference equally deserve to be congratulated. The physical arrangements were beyond reproach, everything seemed to work in perfect order. When a bus was supposed to be there, it was there; whatever was supposed to happen, happened. On top of that, the whole social side was almost too much for us. There was reception after reception. We were received by the Prime Minister himself, by the Speakers of both houses, by the Japanese IPU group and by the Governor of Tokyo. As a very special recognition of the IPU, there was a visit to the Imperial Palace and a reception by the Emperor himself. We could not have asked for a better reception on the part of the Japanese people.

I turn now to the specific resolutions which were under discussion at that meeting. As those honourable senators who have been involved previously with the IPU will know, there are basically two meetings per year. First is the spring meeting, which might be termed the drafting meeting. At that point the purpose is to draft resolutions to be discussed at the subsequent fall meeting. The resolutions that came before us, and that were finally adopted, I have here in both languages. I had originally considered asking to have them included as an appendix to *Hansard*, until I looked at the cost; that being what it is, I will not ask. However, I shall be happy to make copies available for any honourable senators who may be interested in particular resolutions.

The first subject discussed was the limitation and cessation of the armaments race, and the disarmament question. The second was the situation in the Middle East. In connection with that resolution, the Canadian representative, who was my colleague Senator Asselin, was a member of the drafting committee. The third was the problem of torture in the world. The fourth was the energy crisis.

The fifth subject was termed "Population Trends and Economic and Social Development." That is a change in title, and I refer to this specifically because of Her Honour the Speaker. The previous title for that resolution was

"Economic and Social Consequences of the World Population Explosion." That particular title was adopted at the spring meeting, in Bucharest, when our present Speaker was a Canadian delegate. She was specifically responsible at that stage on the Canadian side for putting forward this matter of the world population explosion. She certainly has great knowledge in this particular field, judging by the reaction I observed on the part of the delegates we met in Tokyo. Many of them asked about her on this occasion, having been impressed by the presentation she had made at the Bucharest meeting and by her participation at that time. I explained to them that she had risen to a higher position, and then they accepted the fact that she was not representing Canada at the Tokyo meeting, and my presence instead.

The IPU met in Bucharest in April. Subsequently, the United Nations Conference on World Population was held in that same city. As a result of that conference, there is a new approach and attitude toward the problem of world population. The term "explosion" does not adequately present the problem in terms of each country. Certain countries may be faced with bursting populations, while others may not. It was the view of the conference that it is more a matter of national responsibility, that there are great variations of population growth within nations. The title, in its original form, was not considered suitable, hence the change. Here again the Canadian delegation played an active part, as the Canadian delegate was a member of the drafting committee on that resolution.

● (1420)

This was one of the two resolutions for which there were drafting committees, and Canada was represented on both. The other resolutions did not need drafting committees.

The sixth resolution was on the education of youth, with a view to international understanding, cooperation and peace.

The seventh resolution suggested a study of principles and measures to eliminate racial discrimination, particularly apartheid.

Those seven resolutions were discussed at the April meeting in Bucharest, and had come forward as formal resolutions at the Tokyo conference. In Tokyo, there was a request from two countries to include further resolutions. Bulgaria presented a draft resolution, and a request for discussion, on the situation in Chile. Mexico presented a draft resolution on the interference by government agencies in the affairs of other countries.

It was agreed that those two resolutions be included. The Canadian delegation was in agreement, although it had certain reservations about the inclusion, at the last moment, of further items. This is something which should be considered by the Canadian group, namely, the position that Canada should take on such matters of procedure. Obviously we do not wish to prevent discussion of some immediate subject, but the inclusion at the last moment of new subjects frequently means, as it did on this occasion, that discussion on others has to be cut down, evening meetings have to be set up, and so on. There is no problem in having extra work. In fact, we had extra work. There were evening meetings. But delegates who came prepared to speak on certain subjects subsequently found that the time allocated to those subjects had been greatly reduced.



However, the addition of those two resolutions was agreed upon. There was a drafting committee in connection with one of them, but the Canadian delegation was not represented on it. Of the total of nine resolutions presented, three had drafting committees, the Canadian delegation participating in two of them. It is fair to say that the Canadian delegation did its work at the Tokyo meeting. Members of the delegation had responsibilities connected with specific subjects. If honourable senators have any questions with regard to the resolutions, I shall be happy to respond. As I mentioned, I have copies available.

I wish now to turn to some of the problems in the IPU, and to those points which we as Canadian participants should consider. I was disturbed by a tendency, on the part of special interest groups and of particular countries, to use each resolution as an excuse to push forward a particular point of view. This is a disquieting tendency, and its implications should be discussed by all parliamentarians. For example, in dealing with any of the resolutions before us, we seemed to be unable to get away from the Arab-Israeli question. Regardless of the subject under discussion, whether it was education of youth or apartheid, someone would bring up the question of the Arab-Israeli conflict. The tendency to do this took away from the effective discussions of the basic resolutions, making them simply a mechanism, a mode, for someone to voice a particular grievance. That is not a good thing for the IPU.

The Arab-Israeli question is not a new one; it has been around for some time. A new subject being injected into the discussions is that of the conflict between North Korea ans South Korea. Perhaps because of the geographical location of Japan in relation to Korea, there were large delegations from both north and south, and those delegations seemed to be able to inject their dispute into the discussions. Assuming the conflict between North Korea and South Korea to be a serious one—and I am quite prepared to admit that it is—that question should have formed part of a specific resolution. It should not have been injected into other discussions, such as those on the education of youth or apartheid. The practice of bringing up extraneous questions might very well, in the long run, hurt this parliamentary body. People may take the view that if its only purpose is to allow someone to set forth a certain political opinion, it is not a meaningful group.

Another matter that disturbs me is the tendency on the part of certain groups to vote as a bloc. It seems to me that on virtually every issue the communist group voted as one unit, and very often, through the use of some basic items in the resolution, were able to gain the support of many of the African states, as well as the delegations from the Arab nations. On the other hand, the states which I choose to call the free democratic states, ended up by being all over the place, as it were, with delegations voting separately, or perhaps one delegation voting partially in favour of a resolution and partially against. Consequently, the communist bloc can pass virtually any resolution it wishes. That is a danger for the IPU. If this practice continues, more and more of the free democratic states will question the value of this parliamentary body.

I am not suggesting that the free democratic states ought to get together and have a fixed position. On the contrary, I feel the approach taken by these states is the right approach. There were 11 official delegates from Canada, representing various political parties, and each one of those individuals spoke as an individual. He or she spoke as a Canadian parliamentarian, not as someone sent by his or her country or party to represent a certain point of view.

If the IPU is to fulfil its proper role as a meeting of parliamentarians, it is important that that concept continue. I deplore the fact that the communist bloc countries do not operate in that fashion. It is important for us, as Canadian parliamentarians in this world body, to make our views known in this respect. I do not suppose it will change their method of operation, but if we make it known that that is how they operate, at least there will be some recognition of the different positions in which the two groups find themselves when voting on various issues. Some action is required on our part, as members of this world body, to bring this point into the open.

● (1430)

It is important, if we are to play our proper role in this, that we pay more attention to the IPU. If we are serious about being a member of that organization, about sending parliamentarians twice a year to a world meeting, we ought to pay more attention to the content, to the material, that we put forward. This means that we ought to be thinking about the kinds of resolution we believe should be discussed by that body. This means more homework. Having decided what is a proper subject for study, we must find out who is interested in the subject and get working so that they will be properly briefed.

Briefing is another aspect we should consider. It seems to me that the people sent by the communist bloc countries are highly briefed. Admittedly they have a different system. I do not imagine that their parliaments sit for very long periods of the year, as ours does. I suspect they sit for a very short time, so the parliamentarians have ample time to go on world trips, to conferences of this sort. It is different in our case. Our two houses sit virtually year in and year out, and detaching people to serve on these delegations means that some work that is required to be done here is not being done. Yet, if we are to present an effective voice at these meetings we must make sure that properly qualified and properly briefed people go to them, people who have had a chance to look at the subjects in advance and who do not arrive unprepared. The communist countries are sending to these meetings some very highly qualified and trained people—ministers in their governments, people who have special knowledge and expertise in the subjects to be discussed.

The selection of candidates for these meetings is something that we must look at. There must be early selection of people who have knowledge in the subjects to be discussed, people who after being briefed can speak with authority. There is nothing worse than sending a Canadian delegate who is not knowledgeable in the subject for which he is responsible. That would hurt the Canadian position and it would be better if such a delegate did not speak or get involved. Please do not misunderstand me. I am not being critical. I was a member of the delegation, so I am not criticizing anyone else. I am merely indicating the general need.

Honourable senators, those are my observations as a result of attending this meeting, which was very useful for the delegates. It was obviously useful from a general broadening standpoint. I again emphasize the particular value of the meetings that were held privately with members of the Japanese Government and leaders of industry on specific subjects. This is something we should consider for the future. We can usefully do more of this, but it means diligent preparation. The overall approach should be: How can we do the best job for Canada; how can a Canadian delegation best do its job at this type of international meeting, so that we can be proud of our accomplishment?

**Senator Walker:** May I ask the honourable senator a question arising from his excellent speech? One of the world's greatest problems is that of the population explosion. Did the IPU conference outline any means for slowing the growth of world population? I am sure it must have been discussed. It was when I attended such a meeting years ago.

**Senator Molgat:** Yes, that was discussed. I indicated that it was one of the subjects to be discussed. However, there has been a change in the thinking, largely as a result of the United Nations meeting in Bucharest. For example, Canada obviously does not at this stage have a population growth problem. The reaction of some of the countries with very large population growths is to say that, although their numbers may be growing rapidly, they do not regard it as a problem for themselves right now. They feel some resentment towards outsiders who tell them what is good for their country.

The matter was not quite as clear as it had been as a result of the April meeting of the IPU in Bucharest, when Senator Lapointe was a member of the group. Birth control methods, including provision of such information, are not necessarily working out satisfactorily to control growth. The emphasis now is more on assisting various countries to develop their production of goods and services. This may lead to a natural self-control of their population growth. That is happening, but we cannot take the overall picture and say that because the population of a country like India is growing very rapidly the simple solution is to provide more information on birth control. Apparently that attitude has not worked. The approach now is more along the lines of helping India to develop itself and to raise its standard of living, so that by natural reaction, as has happened in the developed countries, the population growth rate will decrease. I suppose there is more realization now that birth control recommendations, methods and information have not succeeded in those countries where the problem is greatest.

**Senator Rowe:** I should like to ask a question, which perhaps Senator Molgat has already answered in the course of his remarks. I understood him to say that there were three representatives of the Senate on the Canadian delegation.

**Senator Molgat:** That is right.

**Senator Rowe:** Does the honourable senator recall how many delegates there were from the other place?

**Senator Molgat:** There were eleven Canadian delegates to this conference. On a population basis we are allowed fourteen delegates drawn from the two houses, so we actually have fourteen votes. One of the problems of these meetings is the cost, and when the conference is held in a place as far away as Japan the budget only allows for a lesser number. Therefore, the total delegation this time was eleven members. Of those eleven, two were chosen automatically because they were the Canadian representatives on the IPU Council—one from each of the main parties. They were Mr. Gordon Fairweather, the chairman of the delegation, and Mr. Rosaire Gendron. The three main parties in the other place were represented by four Liberals, three Conservatives and one NPD member. Geographically the representation, taking into account both houses, extended from my colleague Senator Robichaud from New Brunswick in the east, to Mr. Balfour from Saskatchewan in the west.

I might add that five wives accompanied the delegation, and I express particular thanks to our Japanese hosts for providing a wonderful program for the ladies. They had all sorts of opportunities to see Japanese culture, Japanese life and the Japanese countryside.

On motion of Senator Flynn, for Senator Asselin, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Thursday, November 7, 1974**

The Senate met at 2 p.m., Honourable Alan A. Macnaughton, P.C., Speaker *pro tem* in the Chair.

Prayers.

## RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** *pro tem* informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Leblanc (Laurier) has been substituted for that of Mr. Isabelle on the list of members appointed to serve on the Standing Joint Committee on the Restaurant of Parliament.

## IMMIGRATION ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Senator van Roggen**, Chairmen of the Standing Senate Committee on Foreign Affairs, reported that the committee had considered Bill S-12, to amend the Immigration Act, and had directed that the bill be reported without amendment.

**The Hon. the Speaker** *pro tem*: Honourable senators, when shall this bill be read the third time?

**Senator Laird** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

THIRD REPORT OF STANDING JOINT COMMITTEE PRESENTED

**Senator Forsey**, Joint Chairman of the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments, presented the third report of the committee as follows:

**The Clerk Assistant** (*Reading*):

The Standing Joint Committee on Regulations and other Statutory Instruments has the honour to present its third report as follows:

**Senator Choquette:** Dispense.

**Senator Grosart:** No, read it.

**Senator Choquette:** My new leader says to read it.

**The Clerk Assistant** (*Reading*):

Your committee reports that the criteria it will use are the following:

Whether any Regulation or other Statutory Instrument within its terms of reference, in the judgement of the Committee:

(1) (a) is not authorized by the terms of the enabling statute, or, if it is made pursuant to the prerogative, its terms are not in conformity with the common law, or

(b) does not clearly state therein the precise authority for the making of the Instrument;

(2) has not complied with the provisions of the *Statutory Instruments Act* with respect to transmittal, recording, numbering or publication;

(3) (a) has not complied with any tabling provision or other condition set forth in the enabling statute; or

(b) does not clearly state therein the time and manner of compliance with any such condition;

(4) makes some unusual or unexpected use of the powers conferred by the enabling statute or by the prerogative;

(5) (a) tends directly or indirectly to exclude the jurisdiction of the Courts without explicit authorization therefor in the enabling statute; or

(b) makes the rights and liberties of the subject dependent on administrative discretion rather than on the judicial process;

(6) purports to have retroactive effect where the enabling statute confers no express authority so to provide or, where such authority is so provided, the retroactive effect appears to be oppressive, harsh or unnecessary;

(7) appears for any reason to infringe the rule of law or the rules of natural justice;

(8) provides without good and sufficient reason that it shall come into force before registration by the Clerk of the Privy Council;

(9) in the absence of express authority to that effect in the enabling statute or prerogative, appears to amount to the exercise of a substantive legislative power properly the subject of direct parliamentary enactment, and not merely to the formulation of subordinate provisions of a technical or administrative character properly the subject of delegated legislation;

(10) without express provision to that effect having been made in the enabling statute or prerogative, imposes a fine, imprisonment or other penalty, or shifts the onus of proof of innocence to the person accused of an offence;

(11) imposes a charge on the public revenues or contains provisions requiring payment to be made to the Crown or to any other authority in consideration of any licence or service to be rendered, or prescribes the amount of any such charge or payment, without express authority to that effect having been provided in the enabling statute or prerogative;

(12) is not in conformity with the *Canadian Bill of Rights;*

(13) is unclear in its meaning or otherwise defective in its drafting;

(14) for any other reason requires elucidation as to its form or purport.

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

**Senator Forsey** moved that the report be taken into consideration at the next sitting of the Senate.

Motion agreed to.

## PROPRIETARY OR PATENT MEDICINE ACT TRADE MARKS ACT

BILL TO REPEAL AND TO AMEND—REPORT OF COMMITTEE PRESENTED

**Senator Carter**, Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill S-9, to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act, and had directed that the bill be reported with the following amendment:

Page 1: Strike out clause 3 and substitute therefor the following:

"3. This Act shall come into force on the first day of July, 1976."

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

**Senator Carter** moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

## BUSINESS OF THE SENATE

**Senator 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, November 12, at 8 o'clock in the evening.

Before the question is put, I should like to give a brief outline of the work program for next week. Bill S-10, to amend the Feeds Act, is presently before the Standing Senate Committee on Agriculture and will likely be reported back to this chamber on Thursday. Bill S-6, to amend the Canadian Wheat Board Act, is also before that committee. It will sit on Wednesday afternoon to hear the minister, and it will likely report this bill back to us on Thursday also. Bill S-12, to amend the Immigration Act, was reported today without amendment and will likely receive third reading on Tuesday evening.

● (1410)

Bill S-9, to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act, was reported today and will be presented for third reading on Tuesday evening. Bill S-3, the Statute Revision Act, will probably be reported also on Tuesday evening. Bill S-2, to amend the Supreme Court Act and to make related amendments to the Federal Court Act, is presently before the Committee on Legal and Constitutional Affairs, which will meet Tuesday morning and probably report the bill in the evening. Bill S-5, the Aircraft Registry Act, is before our Committee on Transport and Communications, which is awaiting certain advice from the attorneys general of the provinces. The bill will not be reported back to this house next week.

[The Clerk Assistant.]

Additional legislation is likely to be received from the other place during the week, particularly amendments to the Canada Pension Plan. I am informed that the Committee on Banking, Trade and Commerce would like to sit all day Wednesday to deal with the important problem of competition in Canada.

In view of the workload facing our committees next week, we have in mind reserving the whole of Wednesday for committee meetings. Therefore, the house will sit Tuesday evening and adjourn until Thursday afternoon to consider whatever committee reports we have before us at that time. I am presently endeavouring to arrange, through the chairman of the Committee on Transport and Communications, for that committee to consider my motion, passed by this house last week, in regard to the program entitled "Les Beaux Dimanches." In all probability this will not be considered until the following week.

This is our workload for next week. We will be dealing with legislation apart from the two bills which have been reported to this house and placed on the Order Paper for third reading next week. At this stage I cannot inform the house of the sequence in which other bills will be considered, but they will be taken in the order in which they are reported from our committees.

**Senator Grosart:** Is the deputy leader satisfied that this revised program of sittings next week will not in any way retard the passage of legislation?

Senator Langlois: I do not think so. In fact, I believe it will expedite the disposal of any legislation. That is why we wish to have our committees working at full strength on Wednesday.

Motion agreed to.

[*Translation*]

## AGRICULTURE

FEDERAL ASSISTANCE REQUESTED FOR BEEF PRODUCERS—QUESTION

**Hon. Martial Asselin:** Honourable senators, in view of the absence of the government leader, I should like to put a question to his deputy.

Last Monday, the Quebec premier announced that, in order to solve the problem facing farmers and beef producers, which as everyone knows is very serious at the present time, federal assistance would be absolutely necessary to pay a subsidy guaranteeing a minimum price per pound of meat.

Could the Deputy Leader of the Government ask the federal authorities concerned to comply with the request of the Quebec premier for a contribution towards a subsidy, so that the Quebec government can solve that very serious problem? In addition, could we have an answer in the near future?

**Senator Langlois:** Honourable senators, in answer to that question I should like to point out, first of all, that I was given no notice of it. I am not upbraiding my honourable friend about it, but I must say that the government is always very receptive to the requests of the provincial governments, especially within the context of what is known as "co-operative federalism".

I am sure that the request for assistance which we got from the province of Quebec is now under active consideration by the government. I shall look into the matter, as my colleague has asked me to do, and give him an answer as soon as I have had the opportunity of getting the required information.

[*English*]

## PARLIAMENT BUILDINGS

EAST BLOCK—INQUIRY STANDS

On the Inquiry of Senator Forsey:

1. What is the estimated cost of the proposed renovations to the East Block?

2. Will the Privy Council Chamber be preserved?

**Senator Forsey:** Honourable senators, I should like to express the hope that we may have a reply to these questions some time in the measurable future.

**Senator Langlois:** It will be coming in the near future.

Inquiry stands.

The Senate adjourned until Tuesday next, November 12, at 8 p.m.

# THE SENATE

Tuesday, November 12, 1974

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

Prayers.

## PROPERTY QUALIFICATION OF SENATORS

RETURN PRESENTED

**The Hon. the Speaker** presented a return, submitted by the Clerk of the Senate in accordance with rule 114, listing the names of members of the Senate who have renewed their declaration of property qualification.

SUPPLEMENTARY RETURN AUTHORIZED

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Clerk of the Senate be authorized to receive the renewed Declarations of Property Qualification from those Members of the Senate who have not had the opportunity to make and file the same in accordance with rule 114, and to make a Supplementary Return accordingly.

Motion agreed to.

## CANADA PENSION PLAN

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-22, to amend the Canada Pension Plan.

Bill read first time.

**The Hon. The Speaker:** Honourable senators, when shall this bill be read the second time?

**Senator Perrault:** Honourable senators, with leave of the Senate and notwithstanding rule 44(1)(f), I move that this bill be placed on the Orders of the Day for second reading later this day.

Motion agreed to.

## STATUTE LAW (VETERANS AND CIVILIAN WAR ALLOWANCES) AMENDMENT BILL, 1974

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-4, to amend the War Veterans Allowances Act and the Civilian War Pensions and Allowances Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## CUSTOMS TARIFF

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-27, to amend the Customs Tariff.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL 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 acquaint Their Honours that the following Members have been appointed to act on behalf of the House of Commons on the Special Joint Committee on Employer-Employee Relations in the Public Service, namely: Messrs. Alexander, Baker (Grenville-Carleton), Blais, Clermont, Daudlin, Dinsdale, Dionne (Kamouraska), Fairweather, Forrestall, Francis, Gauthier (Ottawa-Vanier), Herbert, Knowles (Winnipeg North Centre) and O'Connell.

Attest

Alistair Fraser

The Clerk of the House of Commons

SENATE MEMBERS

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the following senators be appointed to act on behalf of the Senate on the Special Joint Committee of the Senate and House of Commons on Employer-Employee Relations in the Public Service, namely, the Honourable Senators Asselin, Buckwold, Goldenberg, Macdonald, Neiman, Riel and Thompson; and

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

Motion agreed to.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of a report on the technical feasibility and cost of transporting Arctic oil and gas by railway,

prepared for the Department of Transport and dated October 1974.

Copies of a commentary on the British Columbia route for the rail transport southward of crude oil and natural gas, issued by the Department of Transport and dated October 25, 1974.

## DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

BILL TO AMEND—FIRST READING

**Senator Perrault** presented Bill S-15, to amend the Department of Industry, Trade and Commerce Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## STATUTES OF CANADA

BILL TO REVISE REFERENCES TO THE COURT OF QUEEN'S BENCH OF THE PROVINCE OF QUEBEC—FIRST READING

**Senator Perrault** presented Bill S-16, to revise references to the Court of Queen's Bench of the Province of Quebec.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## EXPLOSIVES ACT

BILL TO AMEND—FIRST READING

**Senator Perrault** presented Bill S-17, to amend the Explosives Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

● (2010)

## SUPREME COURT ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Goldenberg,** Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, reported that the committee had considered Bill S-2, to amend the Supreme Court Act and to make related amendments to the Federal Court 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?

**Senator Connolly (Ottawa West)** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## STATUTE REVISION BILL

REPORT OF COMMITTEE

**Senator Goldenberg,** Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, reported that the committee had considered Bill S-3, to provide for a continuing revision and consolidation of the statutes and regulations of Canada 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?

**Senator Stanbury** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## AGRICULTURE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Senator Petten,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Standing Senate Committee on Agriculture have power to sit while the Senate is sitting tomorrow, Wednesday, November 13, 1974, and that rule 76(4) be suspended in relation thereto.

**Senator Flynn:** Explain.

**Senator Langlois:** Honourable senators, before the question is put, I should like to add a word of explanation, particularly in view of what I said last Thursday with respect to our program for this week. We had in mind at that time not to sit tomorrow in order to facilitate the work of our committees. However, because there will be two bills before the Senate tomorrow for third reading, it is felt that the Senate should sit for a short time in order to give consideration to the third reading of those bills, so as not to delay the messages to be sent to the House of Commons in connection thereto. The Agriculture Committee is scheduled to sit at 3.30 tomorrow afternoon, and this motion is to authorize it to do so in the event that the Senate sits beyond that time. It is unlikely that the motion is necessary, but it is being moved in the event that the Senate is still sitting at 3:30 p.m.

**Senator Petten:** Honourable senators, if I may add a further word of explanation, tomorrow the committee will consider Bill S-6, to amend the Canadian Wheat Board Act, and the minister can be present at that time.

Motion agreed to.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

**Senator Macdonald,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Asselin be substituted for that of the Honourable Senator Flynn on the list of senators serving on the Standing Joint Committee on Regulations and other Statutory Instruments; and

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

Motion agreed to.

## IMMIGRATION ACT

BILL TO AMEND—THIRD READING

**Senator Laird** moved the third reading of Bill S-12, to amend the Immigration Act.

● (2020)

**Hon. David A. Croll:** Honourable senators, before this bill receives third reading I have something to say about it. Normally before we consider a government bill there has been a debate in the other place; sometimes we have the benefit of committee hearings. The result is that we know something about the bill, which, added to whatever information is given to us by the sponsor, makes the record complete.

This bill was introduced in the Senate. We welcome this procedure, and encourage it more and more. We have from time to time indicated that we can thoroughly study such bills. Instead of giving them sober second thought, we give them sober first thought. However, bills that come before us are not all of the same kind. A bill dealing with a boundary dispute is one thing; a bill amending the Immigration Act is another. We give them whatever is required in the way of scrutiny, and we study their implications.

It will be remembered that Senator Laird, the sponsor, said this was a simple bill. I think what should be said now is that there is no such thing as a simple immigration bill. All immigration bills are sensitive—sensitive and emotional. Anyone who does not appreciate—I am not suggesting the sponsor does not, because he knows immigration—the difference between a bill involving people and a bill dealing with boundaries between two provinces is not with it.

In this instance we had introduced a bill dealing with immigration, not directly in the sense of policy but having slightly to do with it, at a time when we are awaiting the green paper. We do not quite understand what is bothering the government on immigration. We all have our own views on it, and because immigration has, in the main, been handled by the Cabinet and bureaucrats we are suspicious, so when this sort of bill is hurried along it gets our backs up.

Moreover, when a bill is introduced in this house we do not read its title and then, in addition, a few clauses of it. We have to deal with the bill in depth. In order that we may fully understand and do it justice, we must know the meaning of the bill, the purpose of the bill and what it will do. When somebody says, "We will deal with this in committee," that is not the answer. That is not the purpose of committees.

**Senator Molson:** Oh?

**Senator Croll:** A certain amount of information can be made available in committee, but not dealing with principle. The committees are there to hear outsiders who want or need to be heard. The committees are there for the purpose of hearing elaborations of what has already been given to us here.

[Senator Macdonald.]

It is quite clear that we were informed here that there have been some 7,000 deportations. It would have been highly unfair to ask the sponsor, for example, how many deportations there were in the first month of 1974 or 1973, but if that information is important we can certainly get it in committee. We do not expect that sort of information here, but we do expect the full and complete story.

However, we must realize that the business of the Senate is done on the floor of the Senate, where it is open to the public and where the public sometimes covers it. It is not done in committee. If business is done in committee then it is reported back here. The main work must be done here, open and above board.

What was our problem? We were dealing with what are called "country crashers," people who had been deported and who make their way back into the country. That is not an unusual situation, but it is the problem we were dealing with. The first question asked in respect of that problem was very simple: Is there not something in the Criminal Code, which says that if you are in the country illegally you are subject to arrest, deportation or whatever other sanction the law applies? The answer was: Yes, there is a law. The next question was: Well, did you take a case before the courts to find out whether it would stand up? and the answer: No, we did not take a case before the courts because the Justice Department told us we would not likely win.

The law has been on the statute books for a long time, and perhaps the Department of Justice is perfectly right. We have to hold the Justice Department in high regard, and they may be absolutely right in what they say. On the other hand, some of us who disagree, although we are not here to practise law, do bring expertise to this chamber. Nevertheless, if the department wants it that way, well, one cannot argue with them too long about it. Perhaps there is some good reason for doing it the way they want, but the question remains: What is the problem? When we ask how many people have been deported, why is it that we can only get figures for 1973 and part of 1974? Why is it that the sponsor must admit that he has no information for 1972? Why is it, when we are in committee, that the minister has to admit that the person who was responsible for compiling that information just did not do it? He sort of "goofed" with it. Well, we can understand that. That is not that dangerous.

But then another question comes up: How many people come into the country after being deported? What is the problem? Between the time that question was asked on the floor of the Senate and the time we arrived in committee they had obtained a sample which indicated that the figure was about 20 per month. Well, 20 per month is a problem, and it should be dealt with. They said that that figure was for the year 1974, but, when we asked them about 1973, they simply said they had no record for 1973. They said, "We don't keep records." They did not have statistics for either 1973 or 1972 and they said, "We don't know the extent of the problem for 1974. We went out and got a sample."

Although the difficulties with respect to this bill have been somewhat cleared up, nevertheless we are asked to pass a new measure when presently available laws have not even been tested. We are asked to put into effect a new

law despite the fact that no statistics are available—indeed, have not even been kept—and one can only assume that we are supposed to guess whether the law is necessary or not. Of course, I do think in the end the bill has shown itself to be necessary, but the point I am making here today is that we in this place are entitled to full and complete information before we give a bill our endorsement on second reading, whether it originates here or comes to us from the other house, and until such time as we have that full and complete information we cannot be expected to pass any of these bills very quickly.

● (2030)

**Senator Flynn:** Honourable senators, I would just like to say to Senator Croll that I am happy he has put these facts on record, because he expresses not only his views, but those of other senators on this side of the house who spoke here and in committee.

Motion agreed to and bill read third time and passed.

## PROPRIETARY OR PATENT MEDICINE ACT TRADE MARKS ACT

BILL TO REPEAL AND TO AMEND—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Senate Committee on Health, Welfare and Science on Bill S-9, to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act, which was presented Thursday, November 7.

**Senator Carter** moved that the report be adopted.

Motion agreed to and report adopted.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Bonnell** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## INTER-PARLIAMENTARY UNION

SIXTY-FIRST ANNUAL CONFERENCE, TOKYO, JAPAN—DEBATE CONCLUDED

The Senate resumed from Wednesday, November 6, the debate on the inquiry of Senator Molgat calling the attention of the Senate to the Sixty-first Annual Conference of the Inter-Parliamentary Union held in Tokyo, Japan, 2nd to 11th October, 1974, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

[*Translation*]

**Hon. Martial Asselin:** Honourable senators, I read with deep interest the report of Senator Molgat on the trip to Japan of the parliamentarians who took part in the IPU Conference.

As Senator Molgat pointed out, the Senate was represented by three of its members. We greatly deplored the absence of Madam Speaker. She was supposed to join us, but she had to stay in Canada because of the responsibilities of the very important position that she fills with great judgment. I wish to congratulate her, as I did not have the opportunity to do so before.

I would also like to congratulate the members of the Canadian delegation on their earnest participation in that conference. I can say with pride that our Canadian delegates were well prepared and played a leading part in every committee of that meeting. Our advice was sought on many occasions on various questions discussed by the general assembly or in various committees. The Canadian senators were quite proud of the achievements of our delegates in Japan.

As everyone knows, the Inter-Parliamentary Union is an organization which represents Parliaments from all over the world. Although it has no binding executive power, it is a fact that when those parliamentarians express their views on matters of world-wide interest, such as disarmament, the Middle East crisis, the problem of over-population, those resolutions adopted by the general assembly do influence to a great extent the decisions of Parliaments and governments concerned.

I must say our meeting adopted some extremely important resolutions. I am sure that the governments and Parliaments concerned will readily accept those resolutions.

I also wish, like Senator Molgat, to thank the Canadian ambassador to Japan for his collaboration and the help provided by all his political, technical and legal advisors. They were of invaluable help to our delegation. They made comments on the various problems that exist between Canada and Japan. It was also thanks to them, as Senator Molgat pointed out, that the meetings were organized between our representatives, businessmen and civil servants and even ministers of the Japanese government to discuss some of the problems between our two countries.

Obviously, honourable senators, our Canadian delegation was especially interested in discussing our economic and trade relations with the Japanese government representatives, and rightly so. If we look at some of the statistics published by the Department of External Affairs, we find that the bilateral trade grew from $132.2 million in 1953 to $2.8 billion in 1973. In addition we know that the goods exported by Canada to Japan are mainly metals, minerals, cereals and forest products. Canada also wants to increase its exports of manufactured goods to Japan.

As you know, Japan exports to Canada, automobiles, motorcycles, television and radio sets, tape recorders, communications material, toys, sewing machines and textiles of all kinds. That is why Canadian delegates wanted to know whether the Japanese government and parliamentarians were interested in increasing, in some way or other, the trade between Canada and Japan.

Of course when the Japanese Prime Minister came to Canada, we learned the Japanese government was interested in investing money in the Athabaska oils and development. For our part we were mainly interested, the member for Manicouagan and I, to know whether Japan, a purchaser of millions of tons of ore from Quebec Cartier Mining and Iron Ore Company, could not invest money to get the materials processed here, rather than sending raw

materials to Brazil, have it processed there and then sent back to Japan.

Such were the questions we asked ourselves, because we should know whether the Japanese government is interested in investing in plants that would process materials here and employ our labour.

The answer we got every time was that the Japanese government fear our labour unions. They fear the general spreading of strikes here in Canada, and especially in Quebec.

There is also the view that with increased strikes the cost of labour rises in proportion. Therefore, the profitability of plants to be built here would shrink. We know that Japan is now ready to invest in such plants, to process raw materials bought in various countries. Such was of course the objection when we asked the government if they were interested in locating such plants here to process our raw materials.

● (2040)

They undoubtedly fear labour unions, and rightly so. It is my opinion that the labour movement has not been reasonable in its demands in the last few years, especially in the province of Quebec. We see strikes breaking in every direction. Almost every day, whenever you turn on the radio or the television set, you learn that a union has gone on strike in such and such sector. There are a great many strikes in the province of Quebec at the present time, which certainly does not contribute much to improving the Canadian economy. The first to suffer are the workers themselves, who are often forced to go on strike because their union leaders do not seem to me to really assume their responsibilities in respect of the rank and file. Such is not the case in Japan. Of course, we are aware that unions exist in Japan. Workers there also get together and organize in order to better vindicate their rights. However, there exists something in Japan which we are lacking here in Canada: the will to succeed as a nation. Each and every individual there is working for his country, and there are very few strikes.

In fact, there exists between the government and the labour unions a continuing and permanent on-going bargaining process, so that the latter must give the former very long advance notice of its intention to strike—up to four months, I think. In the meantime, the bargaining mechanisms get under way. Large scale strikes are rare in Japan. On occasions, of course, workers may show their support. During our stay in Japan, we saw a large crowd of workers marching down the street in front of the Canadian embassy. Our ambassador told us, while 30,000 workers were demonstrating and demanding their rights, that if these workers had decided to go on strike for one day, as they did last year, the population would have wanted to lynch them because they were not doing any good to the economy of the country.

**Senator Langlois:** May I interrupt the honourable senator? When he refers to these preliminary negotiations, does he not mean negotiations for the whole of the industry rather than for one plant in particular?

**Senator Asselin:** Of course, they apply to the whole of the industry, but there is a continuing system or mechanism for negotiation with the government.

[Senator Asselin.]

**Senator Flynn:** But there are not very many illegal strikes.

**Senator Langlois:** No, but these negotiations are carried out mostly at the industry level.

**Senator Asselin:** I think so. But, of course, what impressed me was what they call the national will of every Japanese to contribute to the progress of his country.

It is not easy for us to meet the same objectives since Canada is divided, in my opinion, into five different regions and not many westerners have continuous contacts with easterners. It is therefore obvious that we are not too well informed, as we have very different problems.

● (2050)

These people live on an island. Their objective, their main goal, is to see that Japan progresses as much as possible in all political and economical spheres. This national determination to work for their country was brought to my attention in many ways. As you know, Japan is developing very rapidly and this is their current problem. This expansion has been going much too fast. To date, of course, no formula has been found to solve this problem. Sites can no longer be found in Japan to locate factories, and even if they want to build a factory there is a sort of national conscience that is urging the Japanese, on account of a high degree of pollution, to increase their green spaces. That is why Japan is at present trying to locate industries in other countries. That is why Japan can be seen trying to set up an industrial and economical empire in Asia. If you have read news reports coming in from Japan, you will see that Japan is now establishing very large industrial complexes in Korea and other Asian countries. We have been told that their problem is expansion and that is why Japan will be making considerable capital investments in the future to try to increase its industrial developments in other countries. That is why I think Canada should make considerable efforts to invite Japan to come over here and establish these industries which could partly solve the surplus manpower problem.

Of course, the problem of inflation in Japan is much worse than in this country.

**Senator Flynn:** That is putting it mildly.

**Senator Lamontagne:** 40 per cent.

**Senator Asselin:** Inflation is now at 32 per cent. I do not know whether it has changed since last month. Senator Lamontagne tells me that it is 40 per cent; that is quite possible. Even though the unemployment problem is practically nil over there, for one reason or another, maybe it will come up. But, when we were there, it was less than 1 per cent of the working population. Of course, there is a phenomenon in Japan that they call the "lifetime job". When you hire a worker, he must be kept on until he reaches the age of 55. Before dismissing a worker, it is absolutely necessary to make serious complaints against him and prove that he could be prejudicial to industry and production. Normally a man hired by an industry remains there up to about 55 years of age. So there are more people, more younger ones joining the labour force, because employees retire earlier than they do here. On the other hand, they also have a problem from that point of view. When there is a scarcity or a slackening of production,

those workers must be kept. The companies must make up huge reserve funds which they freeze to pay and keep those employees even if they do not require their services.

**Senator Goldenberg:** Would the senator allow me a question?

**Senator Asselin:** I am not an expert, as you know.

**Senator Goldenberg:** No, I wanted to ask you if it is not true that the conditions you have just described explain why there are not so many strikes in Japan?

**Senator Asselin:** I would perhaps accept that point of view. It seems to me that labour leaders over there were more reasonable than ours, that they were more concerned about the community and would not try to take advantage in order to justify their wages, contrary to ours who often call illegal strikes. I noticed, over there, that people have a sense of responsibility.

**Senator Goldenberg:** People are guaranteed a job until about 55 years of age.

**Senator Asselin:** That is not necessarily the impression I got. People are guaranteed a job until 55. However, if they had to insist on their basic rights, even if they were to go on strike, they could not be laid off from one day to the next; I feel that that point of view must also be considered.

Another thing struck me: the help the Japanese government gives some near-public industries.

This may interest Senator Langlois. I have already discussed the matter with him. In Japan, shipbuilding industries are highly subsidized, to the extent of 80 to 85 per cent. In addition, Japan's shipbuilding industry is extremely successful for it took the trouble of inviting our Prime Minister's wife to christen a ship in Japan; and we congratulate the Japanese on their gesture.

**Senator Langlois:** It will bear a Canadian name.

**Senator Asselin:** Yes indeed. But we learned over there that the shipbuilding industry has achieved a high degree of efficiency, to the extent where it is now competing with many other countries that are following their example in the same field.

I should like to speak briefly about the committee to which I was assigned during this conference.

It was called the committee on the Middle East. It was not an easy one. As Senator Molgat reported here last week, all delegates, whether we were discussing disarmament, the future of youth, the population crisis, all delegates tried to connect the Middle East crisis with all the problems under discussion. As I said, this was not an easy committee.

In the general assembly, Canada introduced a resolution which was supported by Belgium, Luxembourg and the Netherlands. This resolution was in very broad terms. It called for the belligerents to stop quarrelling and to meet as soon as possible in Geneva, with a view to trying to find the means to settle once and for all the Middle East crisis.

There were four or five other resolutions introduced at the same time as ours, one of them by Pakistan. Following the debate in the general assembly, we set up a drafting committee. The delegates from various countries prepared a draft resolution to submit to the general assembly. This committee included delegates from France, Belgium, Israel, of course, Luxembourg, The Netherlands, Canada, Zaire, Egypt, Pakistan, Iraq and Lebanon.

At the very beginning, when I took the floor at the general assembly, I made it clear that Canada would by no means question the existence of the State of Israel. It is there to stay. Nor did Canada intend to voice its opinion on the boundaries of occupied territories. It was up to the parties involved to find a formula and get to a solution. But what came somehow as a surprise to the delegates at the general assembly was that I questioned the United Nations peacekeeping force in which Canada has an extremely important share.

I said our people were wondering about the efficiency of those forces. This was in effect witnessed during the last electoral campaign, and the matter has been discussed in the other place. The Senate talked about it too, especially as Canadian taxpayers pay for that United Nations peace keeping force out of their own taxes whereas other countries get their money back from the United Nations.

I also said that, in my opinion, to ensure the credibility of the United Nations peacekeeping force, other nations would have to participate in it. Besides, if we look back at the history of that United Nations force, and the contribution of Canada, we discover that we have been there since 1964. We sent soldiers almost everywhere the United Nations had peace troops. Many times, unfortunately, the efforts of our troops did not get the credit they deserved from the countries which were getting our aid and where we were trying to restore peace. Therefore, I urged the assembly to devise a new formula for the participation in that United Nations peacekeeping force. And also that the period during which countries are asked to contribute be limited in order to alleviate the burden of countries which already have to pay for that peace keeping force.

This may be a valuable contribution in that we contribute to creating a worldwide peace. However, I think we should question that UN peacekeeping force and redraft its statute and ask the countries which have the power and the means to do so, to do their own share for the United Nations peacekeeping force.

We discussed the matter for eight hours in committee. I was very pessimistic when I came out. I have never heard such dialogues of the deaf as those between Israel and the Arab countries. We fought over words. I again emphasize that it took us eight and a half hours to write a draft resolution to be submitted to the general assembly. For almost an hour, the Arabs wanted to change—you may remember the United Nations resolution 242 which ordered Israel to withdraw its troops from territories occupied since 1967—they wanted to add these words to the resolution: "to a complete withdrawal of the troops". The drafting committee rejected the amendment. At the general assembly, countries of the communist bloc succeeded in having those words added: "to withdraw all Israeli armed forces from the territories occupied since 1967".

I entirely agree with what Senator Molgat said last week. It seems to those who attend such international meetings that there is some sort of control between the socialist countries and their satellites; they have a tremendous sympathy for Third World countries and they form a

bloc. Unfortunately, the other countries, friends of Canada, do not stand together enough to put their views forward. I think perhaps the formula should be changed.

At the general session, as the resolution appears in the conference report, the Canadian delegation voted as follows: five in favour, two against and seven abstentions. We were entitled to 14 votes.

Coming back to the Middle East, after witnessing *in camera*, so to speak, talks between the Arab countries and Israel, I would not say peace is forthcoming in those parts. There are too many accusations between the countries involved, too many conflicting interests preventing easy and early development of a formula for the settlement of the Middle East situation.

I believe I have said enough about that conference. In conclusion, I would in turn extend my most sincere thanks to the Japanese parliamentarians who were extremely kind to the Canadian delegation as well as to all other delegations. In their usual and extremely civilized way, they acted in a most courteous way. They are good organizers. They arranged for our delegation and those from other countries a splendid historical trip to Kyoto. I must say that my trip to Japan on the occasion of the IPU Conference taught me a great deal. I am grateful for having had the opportunity to attend.

[*English*]

● (2100)

**Hon. Louis-J. Robichaud:** Honourable senators, as a delegate to the Sixty-first Annual Conference of the Inter-Parliamentary Union, I should like to give my own version of what I saw and heard at that conference. Unlike my two colleagues, Senator Molgat and Senator Asselin, I shall not refer to the technical aspects of the conference. Both senators certainly did their homework and gave an accurate report of what I consider to have been an extremely successful conference.

I should like to express my personal thanks to the Speaker of the Senate for giving me the opportunity of making my first trip to Tokyo. Had she not accepted the position which she now occupies with such dignity, I would not have had the opportunity of making that trip. I thank her very much. Having been invited to attend the conference at the last moment, I was not as well prepared, perhaps, as some of my colleagues to discuss the various important topics on the agenda.

I was impressed by the calibre of those attending the conference, which might well be called a parliament. Although it has no absolute jurisdiction, the semi-annual conference is representative of many countries and its influence has been felt throughout the world. The reports of its deliberations in plenary sessions and in its various committees have been given wide publicity and have been favourably received in many countries.

The Canadian delegation owes a debt of gratitude to those who made it possible for us to acquire that degree of experience. I should mention specifically Miss Jean Macpherson who, as coordinator, was tremendously helpful. She certainly knew how to ensure that everyone was in the right place at the right time. Mr. Peter Dobell was also most helpful. I should mention also the warm hospitality shown to us by our ambassador, His Excellency Ross Campbell, and his staff. We were kept busy at work each day, and in the evenings we were invited to attend several receptions, for which we were grateful to the ambassador and his staff.

The Canadian delegation has no reason to feel ashamed of its performance at the conference. Canadians are highly regarded wherever they travel throughout the world. I have said this in private and I will say it in this chamber, that as soon as a person is recognized in Europe, Asia, or elsewhere, as being a Canadian, he is immediately shown genuine respect. This is true of any country I have visited over a period of years, and it was certainly true of Japan during my recent trip. This is due, I am sure, to a variety of circumstances.

This Canada of ours has its problems of regionalism; of religion, because we do not all practise the same religion; and of language, because officially we are a bilingual country, but other countries have their own particular problems. While in Japan I recalled a trip I made to Russia with Team Canada in 1972, when I visited many stores and other establishments and found it impossible to extract a smile from any clerk, waiter, servant, bus driver, taxi driver, or anyone else. They are an oppressed people. On returning from Russia we kissed the soil at Montreal. We were delighted to be back in Canada. After ten days' absence, we appreciated the beauties of our country and what it holds in store for the future.

● (2110)

The situation is not quite the same in Japan. The Japanese people are, generally speaking, much happier. However, they are faced with the problem of inflation. Inflation is a serious problem; it is an universal problem. We in Canada suffer from inflation, but inflation in Canada is not nearly as serious a problem as it is in Japan. Mrs. Roy, the wife of the member for Timmins, Ontario, Jean Roy, told me one day that she went to a grocery store to buy apples to find that they cost $5 each—not $5 a dozen or $5 a half-dozen, but $5 for one apple, such as we grow in the Annapolis Valley, along the Saint John River and in certain parts of Quebec, Ontario and British Columbia. Gasoline costs $2 per gallon. I was told that in Tokyo, which has a population of approximately 11 million, it is impossible for any individual to buy a residence for anything less than $100,000, which means, of course, that only the aristocracy are in a position to own their own homes. When we become aware of situations such as I have related, we realize how fortunate we are to be Canadians, in spite of our problems.

I agree with Senator Asselin's comments with respect to unions. In Japan there is discipline. The unions are not all that powerful. They are not in a position to run the economy or the government, and I think that is all to the good. I am all in favour of unions, but I am not in favour of their controlling the economy, the government and the people, and using all ways and means at their disposal to make sure that their demands are met. I am not at all in favour of such tactics. I much prefer the Japanese system.

I recall visiting a manufacturing plant in Germany some years ago where they manufactured motors of all sizes. There were some 90,000 people working at that particular plant and there was never any question of a strike. All employees of that plant, from the president down, had

lunch in the same cafeteria, thereby giving everyone an opportunity to exchange views and opinions. Everyone rubbed shoulders, whether he was the president of the company or the most recent employee. That was the philosophy.

There is a lesson to be learned from the way in which both unions and management operate in these countries. However, despite the fact that I see unions and management existing in harmony in these countries, I cannot help but feel sad that the malaises we suffer in Canada are trivial as compared to those of other nations.

I recall his Excellency Shinyichi Kondo, Japan's ambassador to Canada in 1971, remarking to me how fortunate we in Canada were to have such a vast land, pollution free. He told me that the waterways of Japan were badly polluted, as were the land and air—and we witnessed that. They are spending hundreds of millions of dollars to combat pollution. It is an almost insurmountable task. Hopefully, they will eventually clean up all the pollution, but it will be at a cost of billions of dollars.

We are fortunate to be living in a country such as Canada. Despite the fact that this was an extremely informative conference, revealing a number of things to me, I was very happy to return to Canada, my home, my country, the best country in the world. I do not say that because I want to be on the side of the angels, or because I want to preach motherhood. I think any Canadian who has travelled abroad extensively can appreciate my feelings. It is unfortunate that some of the critics we have in Canada are not given an opportunity to see for themselves the situations in other countries. Only then would they be in a position to say, "Canada, my home and native land."

**The Hon. the Speaker:** As no other senator wishes to participate in the debate, the inquiry is considered debated.

● (2120)

## CANADA PENSION PLAN

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Chesley W. Carter** moved the second reading of Bill C-22, to amend the Canada Pension Plan.

He said: Honourable senators, as you can see, Bill C-22 is not a simple bill, like the one introduced by my friend and deskmate, Senator Laird, a couple of weeks ago. On the contrary, it is a fairly voluminous bill, occupying some 46 pages and consisting of 56 clauses. However, it is not quite as complicated as it may appear on the surface, but it does constitute a fairly extensive revision of the Canada Pension Act.

Honourable senators will recall that the Canada Pension Plan, and the identical Quebec Pension Plan, became law in 1966, thereby initiating a program whereby people could make some financial provision for their retirement, and at the same time protect themselves and their dependants in the event of severe disability or death.

In accordance with its underlying philosophy, the plan was originally conceived and structured as an important segment of a broad income maintenance system involving both the public and private sectors. It was based on the assumption that the needs of the retired generally would continue to be met by the old age security program, and that this would continue to apply universally to wage earners and non-wage earners alike.

It was also assumed that private pensions and insurance holdings would continue to exist and provide income protection for large numbers of Canadians who could afford to buy this protection and chose to do so. At the same time, however, it was concluded that there was a need for a public, universal contributory plan related to the amount of earnings to provide a basic level of income protection in the event of retirement, disability or death.

The basic orientation of the Canada Pension Plan has been to the wage earner, and as a consequence the determination of the key factors of the plan—that is, coverage, contributions and benefits—has been tied to the earnings of the participant. This close tie to earnings has provided a fair and equitable basis for allocating costs between employees and employers. It has also facilitated the administration of the plan through such mechanisms as payroll deductions and the tax collection process of the Department of National Revenue. Also, this orientation to earnings has facilitated the integration of the Canada Pension Plan with private pension plans.

The compulsory character of the Canada Pension Plan results in the participation of the large majority of wage earners and self-employed persons in Canada. This makes the Canada Pension Plan the largest group pension and insurance plan in Canada. The automatic participation of such large numbers makes it possible for the plan to provide relatively low cost protection and to incorporate a number of desirable features which might not otherwise be feasible, including a basic exemption, a "drop-out" feature and short minimum contributory periods.

The year's basic exemption is a provision which relieves contributors of the obligation to pay contributions on the lowest portion of their annual earnings, but at the same time allows them to include such earnings in the calculation of their benefits under the plan.

The "drop-out" provision allows contributors to ignore years of low or zero earnings when their benefits are calculated and, in this way, enables them to increase the size of their benefits.

The short minimum contributory periods required before benefits can be paid—that is, three years for survivor benefits and five years for disability benefits—mean that such protection is available relatively early in the contributory period of the wage earner. If the plan were not mandatory in nature it would be difficult to retain these features, as it would become possible for individuals to arrange their participation in such a way that they could draw substantial benefits for a minimal contribution.

The benefits provided by the Canada Pension Plan for contributors and their dependants include a retirement pension, a widow's pension, a disability pension, a death benefit, and a benefit for the children of deceased or disabled contributors. Because the plan as designed has a 10-year maturation period for retirement pension, the maximum retirement pension will be payable in 1976 when, if the amendments in Bill C-22 become law, it will be $154.85 per month.

Originally the Quebec Pension Plan and the Canada Pension Plan were identical. However, some substantial changes in the Quebec Pension Plan, effective January 1, 1973, provided higher benefits, but the effect of the proposed amendments will be to make the retirement pensions the same under both plans.

In 1970, the government felt that the Canada Pension Plan should be amended to bring the benefits more in line with the economy in which it was operating. Accordingly, in that year the federal government initiated action in that direction by publishing a document entitled: "The White Paper on Income Security for Canadians," which contained several proposals for improving the Canada Pension Plan, including a suggested increase in the maximum pensionable earnings for contributions and benefit purposes for the years 1973, 1974 and 1975—the last three years of the maturation period. All these proposals were discussed with the provinces, which indicated at that time that firm decisions on specific proposals should wait until an appreciation could be made of the whole direction of national social security programs.

In April 1973 the government published another document, entitled: "The Working Paper on Social Security in Canada." This provided a launching pad for the joint federal-provincial review of the total social security system, which was followed at the end of that month by a meeting of federal and provincial ministers of welfare. At this meeting the proposals for changes in the plan set forth in the working paper were considered, and there were indications that a consensus was developing on some of the more significant items that were discussed. A further meeting was held in October 1973, and another meeting in February of this year. As a result of the consensus resulting from these meetings, we have before us Bill C-22 to enact into law the major changes that have been agreed upon, and at the same time ensure compatibility with the Quebec Pension Plan.

● (2130)

One very important feature of Bill C-22 stands in a category by itself. It is the provision in clause 7 for the return of contributions to contributors who are certified members of a religious sect or a division of a religious sect who have elected not to make contributions.

This amendment honours a commitment made jointly by the Minister of National Health and Welfare and the Minister of National Revenue in December 1971. This commitment was the result of representations made to the Government of Canada by the Hutterites and the Old Order Amish Mennonites in which it became clear that the Canada Pension Plan in its current form places an unintended penalty on these groups for the practice of their own particular religious beliefs.

The communal nature of the Hutterite colonies was recognized in 1969 when it was agreed that members of the colonies were to be considered as partners in the business of farming for purposes of the Income Tax Act. In accordance with the teachings of their religion, the colony members live in small self-contained communities in various parts of Canada. According to their beliefs, members of the colonies should not acquire interest or rights to property of any kind, and they feel that the Canada Pension Plan gives contributors such rights.



Although shunning Canada Pension Plan benefits, the Hutterite colonies make their own provisions for dependant members when they are no longer capable of physically contributing to the welfare of the community as a whole. This provision is such that dependant members are maintained for the rest of their lives at the expense of the whole community in a manner to which they are accustomed.

The Old Order Amish Mennonite sects hold similar beliefs and, although members do not live in colonies, they have consistently stated that their religious convictions are such that they may not in good conscience accept benefits under the Canada Pension Plan. The United States government recognized their special status in 1966 by amending its social security legislation to exempt them from coverage.

Despite the fact that the members of these religious groups are prevented by conscience from accepting any benefits, they are nevertheless required by the present law to contribute to the Canada Pension Plan, and the Department of National Revenue is required by law to collect those contributions. Under the legislation now in force, liabilities for contributions have been generated in the accounts of self-employed members of the sects and many returns have been automatically set aside for collection. The purpose of the amendment in clause 7, therefore, is to correct this situation and to allow these religious groups the freedom to practise their religion without at the same time being forced to break the law.

Most of the other important changes can be grouped under the headings of extension of eligibility for benefits and improvement in the benefits themselves and the conditions under which they are paid.

One of the most significant of these are the amendments proposed in clauses 23 and 25, which embody the principle of equal treatment for male and female contributors and beneficiaries under the act.

These clauses amend the present provisions of the Canada Pension Plan so that the surviving spouse and children of a deceased or disabled female contributor will qualify for benefits under the same conditions as the surviving spouse and children of a male contributor. The amounts of the benefits that would be paid upon application will be determined by the same factors—age, health and dependent children—that now apply to widows. This objective is obtained by deleting all references to widowers and widows in the present act and by substituting the term "survivor's pension" for the term "widow's pension."

These changes have been drafted to provide retroactive entitlement, but not retroactive payment. That is, the widower, orphans or dependent children of a female contributor who died or became disabled prior to the effective date of the amendments would be entitled to benefits, but those benefits would not be paid in respect of any period prior to the effective date of the amending act.

Another important extension of coverage is the provision to include, as pensionable employment, employment in Canada by the government of another country or by an international organization. For example, Canadian civilian employees of the United States army base in Goose

Bay who were not covered previously will be included by the amendment in clause 22 of this bill.

Another significant change is the repeal of the earnings and retirement test that now applies to CPP retirement pensions. Under the act at the present time contributors between the ages of 65 and 69 must retire from regular employment before they can qualify for a CPP retirement pension, and recipients of these pensions who are aged 65 to 69 face the prospect of having their pensions reduced or eliminated if their post-retirement earnings exceed amounts stipulated by the legislation.

The amendment in clause 35 does away with these requirements so that, once this bill becomes law, these tests will no longer apply and persons aged 65 or older may draw their Canada Pension Plan retirement benefits even though they may continue to work and receive wages.

A further extension of coverage is embodied in clause 6, which repeals section 10(2) of the present act. Section 10(2) is a special provision which has applied to self-employed persons, requiring them to earn one and one-third times the year's basic exemption for that year in order to qualify as a contributor. I will explain this a little more fully in a moment, but the point I wish to make is that this change will provide greater opportunity for people at lower income levels to participate in the Canada Pension Plan. In particular, increased numbers of farmers, fishermen and other self-employed persons will be enabled to improve their protection under the plan.

The year's basic exemption is the amount on which contributions do not have to be made. The present law establishes the basic exemptions at 12½ per cent of the year's maximum pensionable earnings. During the first session of the last Parliament, in accordance with an agreement reached with the provinces at the October 1973 meeting, Bill C-224 was passed, which sets the yearly maximum pensionable earnings at $6,600 for 1974 and $7,400 for 1975. This is the maximum proportion of a person's earnings on which he can make contributions for benefits under the Canada Pension Plan. It can be seen, therefore, that the effect of the amendments in clauses 6 and 13 is to reduce the year's basic exemption for 1975 from $800 to $700, and for self-employed people from $1,000 to $700.

● (2140)

Under the present law, the amount of the year's maximum pensionable earnings is calculated in accordance with a formula based on the earnings index for that year, the earnings index for any given year being the ratio that the employee's average earnings for that year bear to the employee's average earnings for the base period. Clause 11 repeals this formula and establishes a new formula based on the industrial composite, which is a term used by Statistics Canada to denote the average of weekly wages and salaries of workers in Canadian industry.

I mentioned earlier that the Canada Pension Plan comes into maturity in 1976, and clause 11 provides that for 1976 and subsequent years, the amount of the year's maximum pensionable earnings will be increased by 12½ per cent per year until it catches up with the industrial composite.

After this transitional period, the year's maximum pensionable earnings will be kept parallel with the average earnings by equating it with a projection of the industrial composite data. This change should play a vital role in substantially increasing Canada Pension Plan benefits in the future. It is estimated that as a result of this change, over the next decade maximum Canada Pension Plan retirement pensions could increase by about 250 per cent; that is, up to $350 a month, and disability and survivor pensions will increase by up to 180 per cent. In addition, Bill C-22 contains a number of amendments designed to bring the Canada Pension Plan in line with the Unemployment Insurance Act and the National Revenue Act.

**Senator Asselin:** A good thing.

**Senator Carter:** For example, clauses 17 and 18 broaden the appeal procedures and provide for the right of appeal to be extended to the legal representative of either the employer or the employee. It also provides for payment of legal expenses incurred by a respondent on an appeal by the minister to the Pension Appeals Board. Another amendment provides for interest to be paid at the prescribed rate for overpayments, and there is a provision for payment to a province of welfare benefits which had been paid to a person who subsequently becomes eligible for benefits under the act, and provision also for amounts required but failed to be deducted on account of federal Crown employees' contributions, and for payments to provincial authorities, pursuant to agreement, of amounts which were required but failed to be deducted on account of federal crown employees' contributions in employment designated in the agreement.

Of the remaining clauses, many of them are consequential on the amendments to which I have already referred. Others have to do with technical changes, technical clarifications, removal of anomalies and ambiguities and for improved administrative procedures.

Generally speaking, technical changes are necessary in order to rectify inequities not foreseen at the conception of the plan, and also to change certain conditions which have lost some of their original relevance and to provide the flexibility which experience has proved essential. For example, the act now provides that when recipients of disability pensions reach 65, payment of their disability pensions cease and they start receiving retirement pensions. It was intended that this change would occur the month after the beneficiary reaches age 65, but the wording of the act is such that this change is delayed by one month. There is a similar one-month lag under existing law for the payment of a widow's (survivor's) pension to a woman upon her reaching age 65. These flaws are taken care of in clause 1 (6).

The act now provides that wages earned by a contributor before his death but paid after his death cannot be taken into account for pension plan purposes. This is taken care of in clause 8.

The present act also provides that the earnings of a self-employed person in the year of his death must be prorated, while those of an employee are not. That is, if a self-employed contributor dies in the month of January, he can only be credited with one-twelfth of his actual January earnings. Clause 9 puts the self-employed on the

same basis as the employee contributor, with effect from January 1, 1975.

Also, a contributor may hold two jobs simultaneously and, being assigned two yearly basic exemptions in the year, may not have contributed on his total eligible earnings. Clauses 1 and 9 clarify the wording of the act and enable such a person to elect to contribute on any such extra earnings.

At the present time, if a trustee continues to operate the business of a bankruptcy, the trustee becomes a new employer for CPP purposes. To deal with this situation, clause 16 contains a provision like one found in the Income Tax Act which treats the trustee as an agent of the bankrupt.

Because the year's maximum pensionable earnings level is not known until very close to the end of the preceding calendar year, National Revenue has a problem in ensuring the enactment of the necessary contributions rate tables for employers. Clause 22 provides for the retroactivity of contribution tables passed subsequent to January 1 of the given year and the legality of their application throughout the whole of that year.

The wording of the present act prevents contributors from securing maximum disability pensions, because to receive a maximum pension the contributor is required by the act to make contributions for a month in which he is not allowed to make a contribution. Clause 27 removes this anomaly.

Under present legislation, a survivor's benefit which becomes payable in January cannot be escalated in accordance with the cost-of-living index of the previous year. However, a survivor's benefit which becomes payable in December can be so escalated. This anomalous situation is remedied by clause 29.

Under the existing law, it is possible for a surviving spouse to receive two concurrent pensions, one as a common-law spouse and another as a legal spouse of another contributor. There are also situations arising when a contributor dies within a year of his marriage. Clauses 30 and 31 clarify the application of the law in such situations.

Under the present law, a person can be denied his Canada Pension Plan benefits if he does not have a social insurance number. Clause 47 removes this penalty and authorizes the minister to cause social insurance numbers to be assigned to contributors and beneficiaries.

The Canada Pension Plan now provides that the federal government must give a minimum two-year notice of intent to introduce amendments affecting the general level of benefits or rates of contributions. The provincial Ministers of Welfare have agreed that this time lag would not be observed for the amendments contained in this bill and so this requirement is suspended for this bill. This requirement was also suspended in the case of the plan changes enacted last year by Bill C-224.

The plan also sets out the categories of changes which cannot become effective without the consent of two-thirds of the provinces having two-thirds of the population. There are a number of such changes in the amending act and the last clause confirms that this requirement will be observed.

Honourable senators, Bill C-22 is a substantial improvement on the original act and I strongly recommend it for your favourable consideration.

On motion of Senator Bélisle, for Senator Macdonald, debate adjourned.

● (2150)

## BRITISH TRADE MISSION

INQUIRY ANSWERED

**Senator Forsey** inquired of the government, pursuant to notice:

1. Is it true that the British Trade Mission in Montreal has been transformed into "the British Consulate"?

2. If so, why?

3. If the Montreal office of the Mission has been so transformed, have the offices of the Mission elsewhere in Canada suffered the same sea-change?

**Senator Perrault:** Answered.

1. Yes; the British Trade Commission in Montreal was redesignated as the British Consulate General with effect from August 1, 1974.

2. The decision to change the designation of the office was made by the British Government, and was accepted by the Government of Canada. The British action follows a decision taken at the 1972 Commonwealth meeting on Consular Relations to the effect that Commonwealth Countries could appoint Consular officers in other Commonwealth Countries.

3. All British Government Posts in Canada outside of Ottawa have been redesignated as consular posts.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, November 13, 1974

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

Prayers.

## THE SENATE

PERMISSION REQUESTED TO TAKE PHOTOGRAPHS OF PRECINCTS AND SENATORS FOR DISTRIBUTION TO CANADIAN EMBASSIES

**The Hon. the Speaker:** Honourable senators, the Clerk of the Senate has received a letter from Miss Robbin Frazer, who is under contract with the Department of External Affairs, to prepare a photo-story on the Senate. Only still photographs will be taken. These photographs will be distributed to various Canadian embassies throughout the world and will be used by the embassies for exhibits, publication in local newspapers, and for distribution in libraries and schools.

Permission is requested to photograph a number of senators, who will be contacted individually by Miss Frazer. Miss Frazer also requests that the photographer, Mr. Ted Grant, be permitted to work without a flash from both balconies when the Senate is in session, and also from the ante-chamber, taking photographs from there at ground level while the Senate is sitting. He would also like to photograph the Senate ceiling and the murals surrounding the chamber. This, of course, would be done while the Senate is not sitting.

Is it agreeable to honourable senators that these still photographs be taken of the Senate while the Senate is sitting, and that the Senate ceiling and murals be photographed at another time?

**Senator Flynn:** I suggest that this be considered at the next sitting.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

## AGRICULTURE

FEDERAL ASSISTANCE REQUESTED FOR BEEF PRODUCERS—SUPPLEMENTARY QUESTION

**Senator Asselin:** Honourable senators, last week I asked a question of Senator Langlois with respect to beef producers in Quebec. I know that the Government of Quebec has settled the matter and granted an amount of $150 million to the beef producers. I should like to know if the federal government will contribute with the Government of Quebec and give the promised assistance.

**Senator Langlois:** I am making the necessary inquiries, and hope to have the information to enable me to reply very soon.

## SUPREME COURT ACT

BILL TO AMEND—THIRD READING

**Senator Connolly** moved the third reading of Bill S-2, to amend the Supreme Court Act and to make related amendments to the Federal Court Act.

He said: Honourable senators, I should say that the Standing Senate Committee on Legal and Constitutional Affairs met yesterday morning to consider this legislation. I am not a member of the committee, but I attended the meeting, which I found very enlightening. The bill was explained by Mr. T. B. Smith, of the Department of Justice. Also present were Mr. E. Neil McKelvey, Q.C., of Saint John, New Brunswick, Immediate Past President of the Canadian Bar Association, and Professor W. R. Lederman, Q.C., formerly of Queen's University, and now of the University of Montreal. Professor Lederman did the research for the Canadian Bar Association committee that reported to the government on the problem dealt with by the bill.

All of us were pleased with the evidence tendered. The committee sat in the morning and again in the afternoon. Full information was given the committee, and we are grateful to the witnesses who appeared and performed so well.

Motion agreed to and bill read third time, and passed.

## STATUTE REVISION BILL

THIRD READING

**Senator Stanbury** moved the third reading of Bill S-3, to provide for a continuing revision and consolidation of the statutes and regulations of Canada.

Motion agreed to and bill read third time, and passed.

## PROPRIETARY OR PATENT MEDICINE ACT TRADE MARKS ACT

BILL TO REPEAL AND TO AMEND—THIRD READING

**Senator Bonnell** moved the third reading of Bill S-9, to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act.

Motion agreed to and bill read third time, and passed.

## BUSINESS OF THE SENATE

**Senator Perrault:** Honourable senators, before I move the adjournment of the house I should mention that the reason for the short sitting this afternoon is the extensive committee work being undertaken by the Senate this week. Our committee activity began yesterday morning, continued today, and two important committee meetings

are to be held this afternoon. Further committee meetings will probably be held later this week.

● (1410)

As was announced by the Deputy Leader of the Government on Thursday last, it was proposed to reserve the whole of today for committee meetings. Thus, it is moved that the Senate adjourn now so that the work of our committees can continue.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, November 14, 1974

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

Prayers.

## THE SENATE

PERMISSION REQUESTED TO TAKE PHOTOGRAPHS OF PRECINCTS AND SENATORS FOR DISTRIBUTION TO CANADIAN EMBASSIES

**The Hon. the Speaker:** Honourable senators, yesterday I informed the Senate that the Clerk of the Senate had received a request for permission to take photographs from both galleries of the chamber for the purpose of a photo-story on the Senate which is being prepared for the Department of External Affairs. It was then the wish of the Senate that this request be considered at the next sitting. As honourable senators have had an opportunity to read my statement of yesterday, may I ask if the house is ready to make a decision regarding such request? Is it agreed, honourable senators, that permission be granted to take the photographs in question?

**Some Hon. Senators:** Agreed.

**Senator Perrault:** May I suggest to honourable senators that we on this side would like to stand this matter pending consultation with our colleagues and associates in the other place. For that reason I would ask that it stand.

**The Hon. the Speaker:** Stand.

## BUDGET SPEECH

ACCOMMODATION FOR SENATORS IN COMMONS GALLERY

**The Hon. the Speaker:** Honourable senators, as previously announced, the Minister of Finance will deliver his budget speech in the other place on Monday, November 18, at 8 o'clock in the evening.

May I be permitted to remind honourable senators that none but senators will be admitted to the Senate Gallery of the House of Commons on that occasion. This step is being taken for the purpose of providing accommodation in the gallery for as many senators as possible. In this manner, senators will not be excluded from the gallery on account of many of the places being occupied by relatives and friends of senators.

May I add that such instructions were first issued in 1931 by the then Speaker of the Senate, the Honourable P. E. Blondin, and that this practice has been followed ever since by succeeding Speakers.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

FIRST REPORT OF SPECIAL JOINT COMMITTEE ADOPTED

**Senator Neiman,** on behalf of Senator Buckwold, Joint Chairman of the Special Joint Committee of the Senate and House of Commons on Employer-Employee Relations in the Public Service, presented the committee's first report, as follows:

> Your committee recommends that its quorum be fixed at eleven (11) members, provided that both Houses are represented, whenever a vote, resolution or other decision is taken, and that the Joint Chairmen be authorized to hold meetings and receive evidence so long as five (5) members are present, provided that both Houses are represented; and
>
> That the committee have power to engage the services of such expert staff, and such stenographic and clerical staff as may be required during the present session.

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

● (1410)

**Senator Buckwold:** Honourable senators, I move that the report be taken into consideration at the next sitting of the Senate, unless there is unanimous consent to deal with it now. I see Senator Asselin is signifying that this might be done.

**Senator Asselin:** Yes, I would have no objection to that at all.

**Senator Buckwold:** If there is unanimous consent, I would move that the report be adopted now.

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

## CANADIAN WHEAT BOARD ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Argue,** Chairman of the Standing Senate Committee on Agriculture, reported that the committee had considered Bill S-6, to amend the Canadian Wheat Board 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?

**Senator Buckwold** 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

**Senator Perrault:** 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, November 19, at 2 o'clock in the afternoon.

Before the question is put, I should like to give a brief outline of what is anticipated in the way of work for the Senate next week. In moving that we adjourn until 2 o'clock Tuesday afternoon, I am taking into consideration the number of bills now before the Senate. There are five bills presently on the Order Paper for second reading, and one on which the debate on second reading was adjourned. Bill S-10, to amend the Feeds Act, is now in committee stage. The Senate will continue its work with respect to these bills next week and, hopefully, will get all or most of them into the committee stage.

There are already three committee meetings scheduled for next week. The Banking, Trade and Commerce Committee is scheduled to meet on Wednesday at 9:30 a.m. to continue its advance study of proposed legislation respecting the Combines Investigation Act. The Joint Committee on Regulations and other Statutory Instruments will meet Thursday at 9:30 a.m. to consider certain statutory orders and regulations. The Foreign Affairs Committee is scheduled to meet at 9 a.m. Thursday to study Canada's relations with the United States. It is expected that the Agriculture Committee will hold a further meeting with respect to Bill S-10, to amend the Feeds Act, and that at least one further bill will be introduced in the Senate next week.

**Senator Manning:** May I ask the Leader of the Government whether it is the intention to sit both Tuesday afternoon and evening?

**Senator Perrault:** Yes, that is the intention. There is considerable business before the Senate, and it is felt that this should be expedited. For that reason, the Senate will be sitting both Tuesday afternoon and evening.

Motion agreed to.

## HEALTH, WELFARE AND SCIENCE

CHANGE IN COMMITTEE MEMBERSHIP

**Senator MacDonald,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Choquette be substituted for that of the Honourable Senator Bélisle on the Standing Senate Committee on Health, Welfare and Science.

Motion agreed to.

## STANDING RULES AND ORDERS

CHANGE IN COMMITTEE MEMBERSHIP

**Senator Macdonald,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Beaubien be substituted for that of the Honourable Senator Asselin on the list of senators serving on the Standing Senate Committee on Standing Rules and Orders.

Motion agreed to.



## LIBRARY OF PARLIAMENT

STANDING JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

**Senator Macdonald,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the names of the Honourable Senators Sullivan and Walker be substituted for those of the Honourable Senators Grosart and Yuzyk on the list of senators serving on the Standing Joint Committee on the Library of Parliament; and

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

Motion agreed to.

## PRINTING OF PARLIAMENT

STANDING JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

**Senator Macdonald,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the names of the Honourable Senators Choquette, Haig and Walker be substituted for those of the Honourable Senators Asselin, O'Leary and Sullivan on the list of senators serving on the Standing Joint Committee on the Printing of Parliament; and

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

Motion agreed to.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

**Senator Macdonald,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Bélisle be substituted for that of the Honourable Senator Macdonald on the list of senators serving on the Special Joint Committee of the Senate and House of Commons on Employer-Employee Relations in the Public Service; and

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

Motion agreed to.

## STATUTE LAW (VETERANS AND CIVILIAN WAR ALLOWANCES) AMENDMENT BILL, 1974

SECOND READING—DEBATE ADJOURNED

**Hon. Daniel A. Lang** moved the second reading of Bill C-4, to amend the War Veterans Allowances Act and the Civilian War Pensions and Allowances Act.

He said: Honourable senators, it is not an entirely inappropriate time of the year to have a bill such as Bill C-4 before us. We are just three days beyond Remembrance Day, and I know that last Monday many of us were involved in services in various parts of the country. I had the advantage of watching several on television, including

the one at the cenotaph in Ottawa, and later I read the newspaper editorials covering the events of last Monday.

● (1420)

I do not often find occasion to pay tribute to the CBC, but I feel I must do so now about a Remembrance Day program they produced. I refer particularly to the use they made of film taken last June on the Normandy beaches and environs, showing many of the veterans who attended the ceremonies commemorating the thirtieth anniversary of D-Day. I thought the coverage was excellent, and that the observances portrayed were genuine and very profound. I was struck by the realization that many of these Remembrance Day programs, both on television and on radio, as well as newspaper articles, were the work of men and women who were born since World War II. My impression, and I hope it is correct, is that with the effluxion of time our young people are attaining a deeper understanding of what two World Wars meant to this country. I feel that this understanding may be more so now than in the 1960s.

Honourable senators, this bill, dealing with war veterans, is liberalizing legislation which will confer greater benefits on the veterans than exist in the present law. The bill has been endorsed by all parties in the other place and I feel certain it will receive the endorsement of all honourable senators. There are those who say, on every such occasion, that the bill does not go far enough or that the amounts involved are not large enough, but within those parameters I am sure it will receive favourable consideration.

Honourable senators, it is rather startling to think today, 56 years after World War I and some 30 years after World War II, we are still concerned with improving the lot of our veterans. I know we are all proud of our veterans, and this legislation springs from a general awareness by the people of Canada of the debt they owe to those who gave their lives or their health in the service of their country and in defence of freedom.

Honourable senators, turning to the specifics of the bill, you will note it amends two acts, namely, the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act. I think I will do justice in explaining the bill if I point out the five major areas affected by its clauses and the results that will be brought about by its passage.

Under the acts I have mentioned, as they now stand, benefits are provided at one rate to veterans who are single and at another rate, a higher rate, to veterans who are married. However, there are no additional allowances provided for married veterans who have dependent children or for widows of veterans with two or more children. I should add that under the law as it now stands, a widow or widower with one child is treated in the same manner, so far as the allowance is concerned, as a married veteran.

Although it is probably slightly belated, this bill does recognize now that it is only fair to provide additional support for those veterans who have dependent children. Accordingly, the amendment makes allowance for payment of $50 per month for each dependent child, less the amount of family allowance received for that child. Widows and widowers will continue to receive the married rate for the first child, without any deduction being made in respect of the family allowance for that child. They will also, as I have said, receive the additional $50 each month for each additional child, less the family allowance amount. I think the reasons for the broadening of the base here are self-evident and that the amendment will be most welcome.

The second important aspect of the bill is that it deals with the current, persisting and obdurate problem of inflation. Honourable senators will recall that in 1972 this house passed a bill which recognized for the first time the adverse effect which inflation had been having on war veterans with respect to the benefits they receive. That bill provided an annual escalation which was to be matched from year to year with the increases in the consumer price index. The effect of Bill C-4 is to improve considerably the reality of that escalation. It does so in a number of ways: first, by making the escalation quarterly instead of annually—and, bearing in mind the rate of inflation we are experiencing these days, I would not be surprised to see it made monthly.

**Senator Flynn:** Or daily.

**Senator Lang:** The second way in which the bill improves the reality of this escalation is by computing the amount of escalation on the income ceiling permitted under the act rather than on the rate, and then applying that amount to the rate. If I may say so, that is not nearly as complicated as it first sounds. Indeed, it can be quickly appreciated that what we are doing here is simply applying the factor to a much larger base—that of the permissible limits of outside income. Those limits would rise by the amount thus computed, and the rate of the pension itself would likewise increase by that amount. For some reason with which I am not too familiar, the allowances to orphans will continue to be escalated, as under the 1972 legislation, annually, and not quarterly, as for others. However, I will come back in a moment and refer to the status of persons in that category.

● (1430)

To gauge the extent of these changes to which I have referred, I might give you a few examples with a minimal number of figures. Today an unmarried veteran who has no outside assessable income which would adversely affect the amount of his pension, receives $151.14 per month. This base was effective up to October 1, 1973. If the bill is passed, the amount will go up by $10.13 to $161.27 for October, November and December of 1973. It will go up again by $5.43 to $166.70 per month for January, February and March of 1974; by $3.72 to $170.42 for April, May and June of 1974; by $5.47 to $175.89 for July, August and September of this year, and up again by $7.77 to $183.66 for October, November and December of this year.

You will understand from what I have said here that this bill will have retroactive effects in terms of the benefits available to our veterans. From the examples I gave, you can see that the pension for a single veteran, with no other assessable income, will go up from $151.14 to $183.66. That, of course, is a very substantial increase, percentagewise, but I suggest in all fairness it recognizes the facts of life.

As I mentioned, the treatment of orphans is to be improved. The payments now are $91.95 for one orphan, $161.27 for two, and $217.24 for three or more. This bill

provides for a flat rate of $125 per month for each orphan, no matter how many there are in the family. Family allowances received for those orphans are applied as a deduction against the amounts referred to.

**Senator Connolly (Ottawa West):** Will the honourable senator permit a question at this stage? He used the word "orphan," which appears in the schedules to the bill. He also used the words "dependent children." Is there an age limitation with respect to the use of those words; in other words, for the purposes of this legislation what is an orphan and what is a dependent child?

**Senator Lang:** That will be my next point. The next major provision of this bill changes the definition of dependent and orphan. As the law now stands, those persons are within those categories only until they are 21 years of age. Under this bill they will remain in that category for the purpose of payment of pensions and allowances until they are 25 years of age. The reason for this is quite obvious. The length of time that our young people are spending in school today is considerably beyond what could have been imagined some 25 years ago, with a consequent increase in the economic burden on the supporting family.

Finally, honourable senators—and I think Senator Neiman should be very pleased about this—women veterans are being given complete equality of status with male veterans. I have not yet tried to divine what the effect of this bill will be when both spouses are veterans. That might be considered when the bill goes to committee.

**Senator Benidickson:** That is a problem under the Veterans Land Act.

**Senator Hicks:** Will Senator Lang permit me to ask a question? Is it not true that women veterans and spouses are given an advantage over their male counterparts in this legislation, in that payments may be made to them when they have attained the age of 55 years, whereas in the case of males the pension becomes payable only at age 60?

**Senator Lang:** That may well be, but if that is the case then that is a difference that I would "vive."

**Senator Flynn:** Vive la différence. I thought the amendment might provide pensions for husbands or widowers of veterans which would mean that there would be an advantage for men as well as for women.

**Senator Lang:** That is the main thrust of the amendment.

Honourable senators, I have no hesitation in recommending the principles of this bill to you. I know you would like to examine it in detail with experts in committee. Its ramifications are quite extensive and, to some extent, quite complicated.

When John McCrae wrote in the words of *In Flanders Fields*, "If ye break faith with us who die . . ." I wonder what he meant by "break faith"? I think that at times it is worthwhile to bring some thought to bear on this. This is particularly the case when you see—and it is almost trite to comment on world conditions at the present time—the United Nations welcoming as it has into its forum, and giving almost *de facto* recognition to, a terrorist leader and at the same time expelling a member country for the rest of the session. It certainly cannot give one any great sense of security about the world's condition at the present time. But I think, perhaps, that McCrae was referring also to the very real concern which is abroad in Canada today about the role, strength, adequacy and, indeed, the morale of our armed forces. I hope the Minister of National Defence will heed this concern. But I know that by keeping faith McCrae would also mean having a concern for our veterans and their continued welfare, and updating our remunerative measures to keep pace with the times. I know that was inherent in the faith, and I think Bill C-4 certainly conforms to that intention.



**Senator Norrie:** May I ask Senator Lang a question? Is there any provision for the education of the children of these veterans, especially those who were not disabled during the war?

**Senator Lang:** Not under these two acts. There may be other legislation, with which I am not too familiar, that deals with that aspect of the matter. I think this question might be directed to the witnesses in committee. They would have a thorough knowledge of the entire supportive system which would include those specific matters.

● (1440)

**Hon. Rhéal Bélisle:** I congratulate the sponsor of the bill, Senator Lang, on the manner in which he has presented this very important bill.

Before turning to Bill C-4, I would like to digress for a moment, as he did, to a subject which concerns veterans, but in a different manner. I refer to Canada's participation in the 30th anniversary, which took place between June 5 and 7 of this year, of the Allied landings in Normandy. Under sponsorship of the Government of France, the Comité du Débarquement and the City of Caen organized a three-day series of events to mark this 30th anniversary, which I was most privileged to attend, of the D-Day landings. Canada was represented by a 160-man delegation headed by our ambassador to France, the Honourable Léo Cadieux, and our Minister of Veterans Affairs, the Honourable Daniel MacDonald. The names of all who attended, either as members of the official party or as honoured guests, cannot be given, but I would be remiss if I did not mention Senator Léopold Langlois, the Deputy Leader of the Government in the Senate, and Mr. G. A. Smith, M.P., from the other place. It was indeed a unique honour to assist the Minister of Veterans Affairs. Senator Langlois, General Dextraze, the Chief of the Defence Staff, Mr. J. S. Hodgson, Deputy Minister of Veterans Affairs, and Mr. Jean-E. Haché, Mr. MacDonald's executive assistant, to lay wreaths on behalf of the Canadian people.

Among the honoured guests stood many surviving commanders who led the formations which stormed the Normandy beaches and protected the landings from the sea and air. Rear Admiral Piers was there as senior Royal Canadian Navy officer; General Cunningham as senior representative of the infantry; Brigadier General Todd for the artillery, and Air Marshal Slemon as senior officer of the Royal Canadian Air Force. Last, but far from least, stood Judge Redmond Roche representing the Royal Canadian Legion, and the Sergeant-at-Arms of the House of Commons, Lieutenant-Colonel David Vivian Currie, who is one of that very small and diminishing band of Canadians who wear the Victoria Cross—they belong to

the most exclusive club on earth, certainly the most difficult to gain admittance to.

As I stood beside these men at the ceremonies at Bény-sur-Mer, Banville, Bayeux and Caen, I reflected on the Norman farmers and villagers whose homes were liberated so many years before, and yet who still spoke with voices of faltering emotion when recalling the agonies of 1944. In this modern age, when terrible events take place almost daily and are just as quickly forgotten, I wondered why these simple men and women of Normandy continue to dedicate the streets of their towns and villages and to erect monuments to Canadians. To be sure, our fighting men were given the formidable task of clearing the suburbs of Caen and of crossing the River Orne. By completing that task we gave those people back their freedom. It was all so long ago, and one would think 30 years have clouded their memories and watered down their gratitude, but this is not the case. Eventually, I realized that the affinity and historical ties that have linked Normandy and England for over 900 years, and Normandy and Canada for almost four centuries, were deeper and stronger than I had imagined. We had not come as strangers in 1944, but as cousins of a bygone day. We were accepted as kinsmen of William the Conqueror, of the men who first peopled Acadia and of the Englishmen who, having once been Norman subjects, then conquered New France.

In closing this all too brief outline of an occasion that deeply impressed me, I would like to note an inscription which is written in Latin on the frieze of the Bayeux Tapestry. I shall not attempt the Latin, but in the English translation it reads: "We, who were once conquered by William, now liberate the Conqueror's land." No inscription could better embody the essence of the ties that now link French-Normandy with Anglo-Saxon Britain and, hence, with English- and French-speaking Canada. In effect, it epitomizes the relationship of the two mainstreams of our people and helps explain the continuing warmth and gratitude which is so freely given to us by the people of Normandy.

May I be permitted to say a few words regarding the graves of our Dead, and the neatness of the Canadian war cemeteries. They are so well kept and so impressive in appearance that it creates in one the feeling that their sacrifice was not in vain. Their peaceful rest leaves us with the belief that they have found the eternal happiness. It was my privilege to visit the Arlington National Cemetery in the United States of America, where some 160,000 American soldiers are buried, including two former Presidents, and the Honolulu Cemetery in Hawaii, where the victims of Pearl Harbour are buried. I was informed that those two main cemeteries are the best kept in the United States, but our cemeteries in France are as well kept, if not better. I offer my appreciation and thanks to those responsible.

Turning now to the business at hand, I should like to begin by providing some background to Bill C-4. The War Veterans Allowance Act first became law in 1930, three years after the Old Age Pension Act came into force. Based on the assumption that a man who had endured front-line service in the First World War had had his life span shortened by 10 years, the act provided essentially an old age pension for veterans. Whereas the civilian was obliged to wait until age 70, the war veteran now became eligible for benefits 10 years earlier, or at 60 years of age.

● (1450)

Since 1930 the act has been broadened to include not only veterans, plus their widows and orphans, of the First World War, but also those of the Northwest Field Force, the South African War, the Second World War and the Korean conflict.

Before looking at the proposed amendments, it is worthwhile summarizing the general terms under which Canadian Armed Forces personnel are eligible for benefits today. Such persons are:

1. All those who saw action in any of the four conflicts mentioned;

2. All those who are in receipt of a disability pension for wartime service, but who did not necessarily see front-line service;

3. Those who served in both the First and Second World Wars and were honourably discharged, but who were not necessarily in a theatre of war. Many men who enlisted in the Veterans' Guard during the Second World War are in this category;

4. Those who served a minimum of one year in England during the First World War, prior to the Armistice in 1918;

5. Veterans of the South African War (1899-1902); and

6. All those who served in the United Nations' Forces in Korea.

It must also be noted that veterans of other Commonwealth and Allied forces are eligible, provided they were domiciled in Canada when they enlisted in such forces, or, alternatively, resided in Canada for at least ten years prior to applying for benefits. The eligibility of widows, dependent children and orphans is determined by the eligibility of the veteran—the guiding principle by which the War Veterans Allowance Act has operated over the years.

During the First World War, some 626,000 young Canadians enlisted in our expeditionary forces out of a population of roughly seven and a half million. Of that number, more than 61,000 were killed and 173,000 wounded. In the call to arms for the Second World War—our population having increased to 12 million— over one million men and women joined the colours. Of that number, 42,000 died and some 54,500 were wounded. Again, between 1950 and 1954, 25,500 of our young saw service in Korea, of whom 424 were killed and 1,200 wounded.

It can thus be seen that over the 40-year period spanning the years 1914 to 1954, roughly 1,650,000 of our youth enlisted in Canada's Armed Forces to fight for freedom's cause, of whom some 104,000 were killed and nearly 230,000 wounded.

Taking these figures at face value, one might think that the War Veterans Allowance Act provides financial assistance for a very large number of our population. What must be remembered, however, is that the great majority of those who would otherwise be eligible are financially better off than the ceilings provided under the act. Again, many men and women who saw service only in Canada, and who were not disabled, are not eligible for benefits. Finally, time has accomplished what the war did not, as

many veterans—particularly those of the First World War—have passed away.

To place things in perspective, the act, as Senator Lang explained a while ago, serves a "diminishing community" of 86,265 men and women. This figure includes 52,996 single men and women, 32,899 married veterans, and 370 orphans.

With the passage of this bill, the current ceilings will be raised and a few more veterans will likely become eligible to partake of the benefits, although their numbers are not expected to be large. This may momentarily increase the "diminishing community."

The main impetus of Bill C-4 is to increase the allowance payable to veterans, their wives and dependent children, and to align those increases on a quarterly basis with the consumer price index as published by Statistics Canada.

Under the present act, a married veteran residing with his spouse can receive a monthly allowance of $257.21 if he has no other source of income. However, no consideration is given to his dependent children, as relief was always felt to have been provided for under the Family Allowances Act.

Under Bill C-4, the married veteran living with his spouse will receive an increased monthly rate of $312.90 and, as we shall see later on, if he has two dependent children he will receive an additional $60 toward their support, giving him a total of approximately $375 per month.

There can be no argument with the general thrust of this legislation, and most of the particular objectives of the bill cannot be faulted. There are one or two proposals that cause concern, but, before I refer to them, let us examine a few of the more significant proposals. They are:

1. Provision of a new allowance for dependent children, commencing October 1, 1974, and an allowance for each orphan of a veteran rather that the lump sum payment for three or more orphans which is now paid. This new allowance provides $50 per month for each dependent child, less any amount payable under the Family Allowances Act. In a family with two children, in receipt of monthly family allowance cheques of $20 each, this will mean an additional income of $60 per month. Hitherto, if a veteran left three or more orphans, the maximum monthly rate was a lump sum payment of $203.60, but now each orphan will receive $125 per month less any amount payable under the Family Allowances Act.

2. Provision for changes in the determination of allowances payable to veterans married to each other. This amendment deletes the restriction on the amount of combined personal property and real property that can be held by veterans married to each other. For example, a couple will no longer be ineligible for benefits should they own a $50,000 house or home, it being appreciated they must live somewhere and that taxes, upkeep and repair will still be required on such a holding. This is a sound proposal.

3. Provision of an allowance for a widow who was maintaining a veteran. The War Veterans Allowance Act has been very progressive in dealing with situations where a woman has been living common-law with a veteran. In most cases, such couples have been prevented from marrying by reason of a previous marriage, where a costly divorce has not been possible. The act's humane treatment and understanding in such cases is laudable.

The amendment in this case removes the requirement that the woman must establish that she was maintaining, as well as living with, the veteran for a set period of time prior to his death. Either residence with the veteran or maintenance of or by him for a period of three years—rather than the seven years under the present act—is enough to make the woman eligible to be deemed the widow of the veteran.

● (1500)

4. Provision to increase from 21 to 25 years the age until which a child may receive an allowance while following an approved course of instruction. This amendment removes an old anachronism in that the expenses required to maintain a dependent child at a college or university are probably highest at the age of 21 years. Those honourable senators who have families will realize how true that is. By increasing the eligibility to age 25, the only stipulation is that the boy or girl make satisfactory progress in the studies which he or she is undertaking, and that the course of instruction meets with the approval of the authorities of the War Veterans Allowance Board.

This amendment also deletes the discrepancy between the ages of a male child and a female child who do not pursue a course of higher learning. As the act now stands, no allowance can be paid to a male child over 16 years or to a female child over 17 years, unless enrolled in a course of higher learning. In both cases, under the proposed amendment, benefits would be cut off at the age of 17 years.

I have no argument with the four proposals I have just reviewed, but I should like to turn to two amendments which give me cause for some concern. The intent of these two proposals appears to be very liberal and fair-minded, but one is not quite what it appears to be and the other makes way for a situation which, surely, was not envisaged originally.

The first amendment would provide equality of status for both male and female recipients, which is all very well, and the various clauses and subclauses of the bill reflect this new equality in all instances, save one, that being the minimum ages at which a female veteran and a male veteran are entitled to receive benefits. That deals with the question put to Senator Lang by Senator Hicks a few moments ago. The male veteran must still wait until age 60 to receive an allowance, whereas a female veteran or the widow of a veteran can begin receiving benefits on reaching the age of 55. This inequality is all the more glaring when it is remembered that veterans who had been in action in the First World War were once considered as having forfeited ten years of their lives. When the Old Age Pension Act reduced the age limit from age 70 to age 65, why was the age for male veterans not automatically reduced to age 55? Also, why is it today that the equalities propounded by this bill appear to be more in favour of the female by five years?

Honourable senators, may I be permitted at this point to make a side comment with respect to this legislation? I have noticed with great interest that the Department of Veterans Affairs—and this is also true of the Department

of National Health and Welfare in respect of Bill C-22, which Senator Carter introduced on Tuesday last—has enlarged its morality in that it now accepts a common-law wife after three years of so living as being eligible for benefits, and the children of such a common-law union as being eligible for at least $50 a month after deducting family allowance. So that a common-law wife—or, in the case of a female veteran, a common-law husband—or a veteran who served at least one year overseas will now be recognized as being eligible for benefits, and will be the recipient of a monthly allowance of $312.90. In addition, if there are two children of such a union, the monthly benefit will be $375.

I am a war veteran, having served three years, in Canada only, with the Military College of Inquiry. I am also a veteran of some 30 years of politics, comprising one year as councillor, two years as clerk controller, eight consecutive years as mayor, eight consecutive years as a member of the Ontario Legislature, and now some 12 years as a member of the Senate. I am informed by the Senate authorities that should I die tomorrow my widow would be the recipient of one-third of $8,000, which is $2,666.66, per year, or $222.22 per month, with no benefit accruing to any of my eight children. My question is this: After 34 years of happy marriage—with, I might add, only one bride—am I being penalized for serving my country at the municipal, provincial and federal levels in that I am not able to qualify on the same footing as a veteran qualifying under the War Veterans Allowance Act? In other words, am I to understand, bearing in mind the new morality the government exhibits in this bill and Bill C-22, to amend the Canada Pension Plan, that it would have been better for me to have had five children by my present wife and two or three by a common-law wife, so that, one way or the other, my family could qualify for a larger pension? I bring this fact to the attention of honourable senators to show that the Senate is not the gravy train the media would have people believe it is.

If we are required to continue serving with the same sincerity as we have in the past and if our indemnity is not increased, and if the pension benefits which accrue to our widows and children are not readjusted, I say to you, honourable senators, I will have to look for a job that will bring my family more in the event of my demise.

The second amendment that deserves attention deals with the creation of a new entitlement to an allowance for veterans' widowers who have attained the age of 60, the same age at which male veterans are now entitled to receive an allowance. In effect, this amendment means that a man who was never associated with the armed forces could, by virtue of having married a female veteran, receive benefits under this act. This amendment is in keeping with the already mentioned principle that, "all benefits flow from the veteran." But what if the widower in question had been a conscientious objector or a pacifist, and had refused to fight for his country? Should he then be receiving benefits under an act established for an entirely different purpose? The example I give is perhaps rare but, nevertheless, this proposal does open the door to such unwarranted recipients.

The second part of this bill amends the Civilian War Pensions and Allowances Act, which was established to provide benefits to former merchant seamen, firefighters, ferry pilots, welfare workers and others who performed meritorious service during either of the two World Wars or the Korean conflict. The objectives in relation to this act are similar to those proposed for the War Veterans Allowance Act, and they can be briefly stated as follows:

● (1510)

1. To provide equality of status for males and females;

2. To provide a new benefit for the former widow, of a civilian, who has remarried;

3. To create a new entitlement to an allowance for civilians' widowers who have attained the age of 60 years;

4. To provide for allowances to be based on the amounts set out in the schedule to the War Veterans Allowance Act; and

5. To provide entitlement to an allowance for a widow who had lived common-law with a civilian, and had maintained him.

There are two groups that Bill C-4 does not consider, but which are deserving of future attention. The first is the men and women who are in the armed forces today, but who were too young to have served in Korea of the Second World War. Many have been sent to remote and dangerous places such as the Congo, Cyprus, the Middle East and the India-Pakistan frontier under the auspices of the United Nations, while others have served with the international truce supervisory commission in Vietnam. While those who suffered injury and disease are provided with some protection under the Pension Act, the majority, who endured the same privations but returned whole in body and spirit, have no protection under the War Veterans Allowance Act. They are perhaps too young to qualify for financial assistance at this time, but for those who may be without means in the years to come the act should provide access to the same benefits enjoyed by older veterans of today.

In respect of the second group my observation concerns the omission of an equalization clause from the bill. Because of the minimum income laws of some of the richer provinces, those in receipt of a veteran's allowance do better in those provinces than in others. For example, in British Columbia the minimum income level is $220 per month, whereas the monthly ceiling for a man on war veterans allowance is presently $201, which, as Senator Lang just mentioned, will go to $211. This means that the veteran residing in Vancouver receives an additional $19 a month from his province to bring him up to the minimum income level, while the veteran in Sydney, Nova Scotia, whose war experiences may have been just the same, can receive no more than the act's maximum ceiling of $201. In the same way, Ontario's guaranteed annual income system provides resident veterans with a higher income than their compatriots in Quebec and other provinces.

While these disparities have been brought about through provincial legislation, the War Veterans Allowance Act should nevertheless aim at treating all recipients of its benefits on a national scale. In this regard, future legislation might be considered to allow for the automatic adjustment of the ceiling under the act to equate with the highest provincial minimum income legislation. In this

way, all veterans, wherever they may reside in their country, would receive exactly the same allowances.

Bill C-4 is a progressive piece of legislation and its passage should not be delayed at this time. Many recipients are in need of the additional allowances provided and, though certain retroactivity clauses ensure the new benefits from the summer of 1974, in my opinion it would be beneficial if royal assent could be granted before January 1, 1975, on which date the quarterly increases in respect of the consumer price index have been planned to take effect.

On motion of Senator Carter, debate adjourned.

## DISTINGUISHED VISITORS IN GALLERY

### DELEGATION OF PARLIAMENTARIANS AND THEIR WIVES FROM THE PROVINCE OF SASKATCHEWAN

**The Hon. the Speaker:** Honourable senators, I note with pleasure the presence in the gallery of a delegation of distinguished parliamentarians and their wives from the province of Saskatchewan.

**Hon. Senators:** Hear, hear.

## CUSTOMS TARIFF

### BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. W. M. Benidickson** moved the second reading of Bill C-27, to amend the Customs Tariff.

He said: Honourable senators, in view of the announcement made at the opening of this sitting by Madam Speaker that there will be a new budget on Monday next, interest in this financial bill and my remarks may be less than usual. In other words, anticipatory interest may exceed post-mortem interest, because the bill deals in part with some tidying up necessary after the defeat of the budget in May last—for the first time in Canadian history.

Honourable senators will remember that in his budget of February 19, 1973, the Minister of Finance temporarily reduced or eliminated the customs duties on a broad range of consumer goods. This, in conjunction with other commodity tax reductions, was designed to moderate upward pressures on prices directly by reducing the cost of imported products, and indirectly by increasing competition for Canadian producers, to ensure that they exercised moderation in their pricing in response to the increased demand. Those reductions were approved by the Senate, and given royal assent in July, 1973. The legislation provided that those reductions would remain in effect for only a one-year period, the minister having undertaken to carry out a thorough review before they expired in February of this year.

Relatively few complaints, I am informed, were received, and not all of them were well-founded. In some cases difficulties were resolved by reducing the duties on imported parts and materials. There were some complaints about the unilateral nature of those reductions. However, because the reductions were made for domestic reasons, and because they were temporary in nature, it was considered that they would not affect our bargaining position in multilateral trade negotiations.

In January 1974 the Minister of Finance proposed that most of those reductions be extended until June 30, 1974, and in the case of sugar, and sprinkler irrigation systems for farm and greenhouse use, until June 30, 1976. These proposals are covered in the present bill by Schedules I and II. These extensions apply to imports valued at $1.6 billion in 1973.

● (1520)

A few products such as some fresh fruits and vegetables, canned fruits and citrus fruit juices, were omitted from the extension. The proposed extension with respect to sugar is for a longer period, since the reductions in this case are based on recommendations made by the Tariff Board. The full reductions as recommended by the Tariff Board are not incorporated in this bill because of contractual obligations to maintain margins of preference on raw sugar for Commonwealth sugar producers.

Those proposals set out in Schedules I and II were still before the House of Commons when Parliament was dissolved. Also before the house was the proposal to eliminate the duty on petroleum products originally contained in a notice of Ways and Means motion tabled in the other house on October 23, 1973. These proposals are covered by Schedules III and IV of the present bill.

The duty rates in effect before October 23, 1973 varied between one-third of a cent and one cent per gallon. Considering current prices and the current supply-demand situation, the maintenance of tariffs on these products serves no useful purpose. Heavy fuel oils used by industry were already free, under a provision in the Customs Tariff which would have expired on June 30, 1974. This explains why it is being dealt with in a separate clause and schedule of this bill.

In summary, the tariff reductions set out in Schedule I of the bill expire on June 30 of this year. The reductions in Schedule II, which cover raw and refined sugar and related products, are to remain in effect until June 30, 1976. The reductions for petroleum products in Schedules III and IV are to remain in effect until October 23, 1975.

Honourable senators, to keep the record clear, and for those interested in the very large number of items referred to in the schedules, in my personal research I found that in *House of Commons Debates* of November 7, 1974, at page 1176, there seems to be an error in a reference to one of the Ways and Means resolutions tabled under rules that now apply there. Reference is made to a Ways and Means resolution tabled "on October 3, 1973." The House of Commons, I find, was not sitting on October 3, 1973. The reference probably should be to Ways and Means Motions noted in *Votes and Proceedings* of the House of Commons on October 1 and October 2, 1974.

I also want to point out that while in the other place this bill was not referred to a standing committee but was dealt with, also on November 7 last, in Committee of the Whole, I assume it will be our usual practice to refer a financial bill of this kind to the Standing Senate Committee on Banking, Trade and Commerce, before which officials of the Department of Finance will appear. In due course, I will move that this bill be so referred.

**Hon. John J. Connolly (Ottawa West):** Honourable senators, before the adjournment of this debate, may I draw the attention of the sponsor of the bill, and of the Senate, to a matter that has arisen several times in the

case of bills like this. I think it is fairly good practice for us to draw attention to instances where procedures that we advocated in other years have not been followed.

When Senator Benidickson was referring to the schedules, he indicated that in the *Votes and Proceedings* of the other place of October 1, 1974 the schedules were reproduced. Those schedules are much more helpful to the Senate than the schedules in the bill, because they give not only the proposed new rates for all of the items but also the rates which were in existence before this bill came to Parliament. For purposes of comparison, therefore, it is more convenient for senators and members of the committee to have both rates readily available. In that light, perhaps the sponsor would consider either circulating to the members of the committee that part of the *Votes and Proceedings* of the House of Commons containing the schedules, or having it printed in today's record so that the comparison will be available to all senators.

● (1530)

**Senator Benidickson:** Honourable senators, I shall take note of the comments of my experienced colleague. It will be remembered that I have complained in recent sessions that we frequently receive on our desks the text of bills as passed on third reading in the House of Commons. These copies of the bills frequently come without explanatory notes; they frequently come without having in the text on the left-hand side of the page the underlining which indicates the new phraseology which was passed in the other place. On the other hand, in the first reading edition of a bill there are usually both explanatory notes and these helpful, black underlinings indicating proposed changes.

I raised this matter with our own law clerk and with the Department of Justice last year but, despite some attempt at co-operation between the law clerks of the two houses and the printers, there was the requirement of speed in getting the legislation here, and no improvement has resulted, to my knowledge.

At any rate, perhaps Senator Connolly's remarks can be directed to Senator Hayden, the chairman of the committee, which I understand is meeting on Wednesday next. Copies of the original document in the other place, referred to by Senator Connolly, can be on the desks of members of the committee at that meeting.

**Senator Flynn:** If the bill passes second reading.

**Senator Benidickson:** If the bill passes second reading, yes, and if it is referred.

On motion of Senator Bélisle, debate adjourned.

## EXPLOSIVES ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Augustus Irvine Barrow** moved the second reading of Bill S-17, to amend the Explosives Act.

He said: Honourable senators, Bill S-17, of which I have the honour to move second reading today, has two purposes: first, to update the act with respect to the rapid technological changes in the industry; second, to extend greater control over explosives, especially in the areas of purchase and possession of explosives.

The high rate of accidents in the explosives industry in the early 1900s, many of them involving considerable numbers of fatalities, emphasized the need for control. As a result, the first Explosives Act was drafted and introduced into the House of Commons in 1911, although it was not passed until three years later. Proclamation was delayed owing to the First World War and t was not until 1919, when the Explosives Division of the Department of Mines came into being, that a department was vested with the responsibility of administering the Explosives Act.

This statute is primarily an act of public safety designed to control the manufacture, testing, storage, sale and importation of explosives, and their transportation. In the 50 years following the proclamation of the act numerous changes were made to the regulations by Order in Council. The act itself was amended in 1926, in 1946 and again in 1954. The amendment of 1946 brought the sale of explosives under the control of the act, and allowed the seizure of unauthorized explosives and of all explosives used to commit offences under the act. That amendment also authorized the minister to order the destruction of abandoned or deteriorated explosives.

The amendment of 1954 revised the whole act into the second consolidation of statutory orders and regulations. The same year an Order in Council revised the regulations dealing with the transportation of explosives. The major significance of this change was that it increased the amount of explosives that could be transported by road to a maximum of 10,000 pounds.

The value of the legislation has been clearly demonstrated during the last 50 years by a significant reduction in the number of accidents. For example, during the four years immediately prior to the introduction of the Explosives Act in 1911 there were 42 fatalities in the manufacture of an estimated 40,000 tons of explosives. By comparison, during the past four years there has been only one fatal accident in the manufacture of approximately 900,000 tons of commercial blasting explosives. The industry ranks among the top ten safest industries in Canada.

In addition, there has been a significant reduction in the number of accidents associated with the use of explosives in construction and mining due mainly to the power under the act to control the testing and authorization of explosives. In effect, all explosives, either manufactured or imported for use in Canada, undergo stringent authorization tests to ensure that only the safest possible explosives are available to the Canadian user.

At the present time there are some 68 factories licensed under the act to manufacture explosives. These fall into five major categories: those which manufacture commercial blasting explosives; those which manufacture blasting accessories; those which manufacture ammunition; those which manufacture fireworks; and those which manufacture military explosives and pyrotechnics.

In 1972, Bill C-7, to amend the Explosives Act, was introduced in the other place but recieved only first reading before Parliament was dissolved. As a result nothing further was done.

The bill before us today not only seeks to modernize the legislation, but also proposes certain changes to control more effectively the distribution of explosives. The bill

proposes to regulate the purchase and possession of blasting explosives, and to make the purchaser responsible for the explosives in his possession. This control will not apply, however, to the purchase of sporting ammunition, propellant powders and components, or other industrial explosives. The bill will also make it an offence to be in possession of explosives which were not legally manufactured, purchased or imported. It will make it an offence to abandon explosives. This year there have been at least 150 incidents of abandoned or deteriorated explosives, involving approximately 9,000 pounds of dynamite and 40,000 detonators, which it has been necessary to recover and destroy. All of these incidents have been the direct result of carelessness by some individual or company.

● (1540)

The bill also provides for the introduction of a uniform national standard for magazines in order to improve security against theft. In 1973 there were 27 incidents of theft from magazines of minimum security.

The bill proposes the introduction of regulations detailing methods and tests for the authorization of explosives, and for publishing a list of authorized explosives for the information of the public.

Finally, the bill seeks authority to regulate the use of fireworks and explosives in areas within the legislative authority of the Parliament of Canada, which will make possible the introduction of a uniform national "use" code for both fireworks and explosives.

Honourable senators, if the bill receives second reading, I shall move that it be referred to the Standing Senate Committee on Banking, Trade and Commerce.

On motion of Senator Macdonald, debate adjourned.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

### THIRD REPORT OF STANDING JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report of the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments.

**Hon. Eugene A. Forsey** moved that the report be adopted.

He said: Honourable senators, the reason why I have not proceeded with this earlier is that certain difficulties arose about the translation of the criteria which the committee proposed to use in its consideration of the regulations and statutory instruments submitted to it. Those difficulties have now been overcome, and I should like to ask that the revised French version of the criteria might be printed as an appendix to the French edition of the *Minutes of the Proceedings of the Senate* of this day, and the *Debates of the Senate* of this day. The changes are very small, I think, and quite technical matters. I do not think they involve any difference of principle, but when literary and legal experts get together, or rather, when they sometimes fail to get together, on these matters, you can have a certain amount of difficulty of a technical nature.

**Senator Flynn:** Agreed.

**Senator Forsey:** The other thing I want to mention at this time is simply a matter of a misprint—a small misprint—in the English version of the criteria at page 80 of our *Minutes of the Proceedings* of November 7, where criterion 5 (a) says, "tend directly," and it should be "tends," because there is a singular subject for all these. This is, therefore, a small misprint to which I thought I should draw attention.

I think that is all that it is necessary to say about this. I do not think there is any need to take up the time of the Senate further, unless someone has a question to ask about what is involved.

I should have added, perhaps, that I have the document here for the purposes of the Table.

Motion agreed to and report adopted.

The Senate adjourned until Tuesday, November 19, at 2 p.m.

# THE SENATE

Tuesday, November 19, 1974

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

Prayers.

## THE HONOURABLE JOSIE D. QUART

FELICITATIONS ON RETURN TO CHAMBER

**Senator Perrault:** Honourable senators, I know that we all join in welcoming back Senator Quart after her illness. We are delighted that she is here. She adds real presence to this Chamber.

**Hon. Senators:** Hear, hear.

**Senator Quart:** Thank you very much. I am delighted to be back with all my colleagues.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Munro (Esquimalt-Saanich) has been substituted for that of Mr. Alexander on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## PRIVATE BILL

INTERNATIONAL AIR TRANSPORT ASSOCIATION—FIRST READING

**Senator Macnaughton** presented Bill S-18, respecting International Air Transport Association.

Bill read first time.

**Senator Macnaughton** moved that the bill be placed on the Orders of the Day for second reading on Tuesday, November 26.

Motion agreed to.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Superintendent of Insurance for Canada, Volume II, Annual Statements of Fire and Casualty Insurance Companies, for the year ended December 31, 1973, pursuant to section 8 of the Department of Insurance Act, Chapter I-17, R.S.C., 1970.

Copy of Statement by the Secretary of State for External Affairs at the World Food Conference held in Rome, November 1974.

Statement showing Classification of Loans in Canadian Currency of the Chartered Banks of Canada as at September 30, 1974, pursuant to section 119(1) of the Bank Act, Chapter B-1, R.S.C., 1970.

Budget Papers, being Notices of Ways and Means Motions to (1) amend the Income Tax Act, (2) amend the Income Tax Application Rules, 1971, (3) amend Chapter 17 of the Statutes of Canada, 1960-61, (4) amend the Excise Tax Act and the Excise Act and (5) amend the Customs Tariff, together with supplementary tables relating thereto.

## BANKING, TRADE AND COMMERCE

CHANGE IN COMMITTEE MEMBERSHIP

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Barrow be substituted for that of the Honourable Senator Smith on the list of senators serving on the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

● (1410)

## ERSKINE CHILDERS

DEATH OF PRESIDENT OF THE REPUBLIC OF IRELAND—QUESTION

**Senator O'Leary:** Honourable senators, I should like to direct a question to the Leader of the Government. Can he tell the house why the flag was not half-masted on this building out of respect for the President of the Republic of Ireland, who died last Saturday and is being given a state funeral in Dublin today? I ask this question because we have been half-masting our flag from time to time, quite properly so, for the heads of state, including any "banana republic" in the world, but apparently we are not doing it now for the head of a nation with which we have had a long association and which actually gave one of her sons, Thomas D'Arcy McGee, as a martyr to make this nation possible.

**Senator Perrault:** I thank the honourable senator for his question. I want to assure him that, as is the custom on sad occasions of this kind, the flag will be at half-mast on the day of the funeral, which I understand will be Thursday, Canadian time.

**Senator O'Leary:** Thank you.

## CANADIAN WHEAT BOARD ACT

BILL TO AMEND—THIRD READING

**Senator Langlois** moved the third reading of Bill S-6, to amend the Canadian Wheat Board Act.

**Hon. Hazen Argue:** Honourable senators, I should like to make a few remarks on this bill on third reading. The bill came before the Standing Senate Committee on Agriculture, and we were delighted to have in attendance at one meeting the Honourable Otto Lang, who discussed the advantages of the bill. It is really a non-controversial bill. It received unanimous consent by our committee, and I am sure it will pass unanimously today.

As honourable senators will recall, it merely provides for an amendment to the Canadian Wheat Board Act so that a final payment on any one-year pool will always be made after January 1 in the year following the closing of that pool. In other words, it will not again be possible for the government and the Wheat Board to make two final payments in one calendar year. Because this bill was before our committee, we were able to have as witnesses representatives of the Malting Institute, who brought the attention of the committee to an important point to them, and recommended a change in the Canadian Wheat Board Act to provide for a separate grade for malting barley.

**Senator McNamara:** In the pool.

**Senator Argue:** In the pool. As the grading system and the pooling system by the Canadian Wheat Board operate at the present time, there is no separate accounting for the returns from malting barley so far as the producer is concerned. Malting barley carries a premium, but the producer will not get the whole premium; he will get a part of it, since it is paid into the total barley pool, in which most of the barley is not malting grade.

The producers of malting barley are not receiving the full price in today's market. They are losing about $1 per bushel because there is not a separate malting barley grade in the Canadian Wheat Board accounts. The premium on malting barley is paid into the Canadian Wheat Board pools and distributed to all barley producers. That is not the way to encourage the production of malting barley. The producer has a high-value quality product which is in continuous and growing demand both in Canada and in the export market. Indeed, it is in very short supply in today's market, and yet the farmer receives for it the same return from the Canadian Wheat Board pool accounts as he would have if it were sold as feed barley. This is unfair to the producers. It is also an unwise policy because it effectively discourages the production of malting barley.

The maltsters have for many years attempted to encourage the production and sale of malting barley by paying directly to the producers 15 cents a bushel over and above the price they pay to the Wheat Board. This was an incentive in the past when prices for barley for feed or malt were low and the markets were restricted. But now when feed barley on the open market is providing a cash price of around $2.50 a bushel, the extra 15 cents a bushel over the initial Canadian Wheat Board price of $1.65 is not that competitive, and it is certainly not an adequate incentive for producers to take the extra care required in producing and marketing malting barley.

Something has to be done. The Brewing and Malting Barley Research Institute, the spokesmen for the maltsters in Canada, appeared before the Standing Senate Committee on Agriculture on October 31 while we were considering this bill. They wanted to make this problem known to us—it is a problem for both the malting barley producers and the malting barley industry—and they wanted our help in solving this problem. I think that we wanted to help both the producers and the industry. I am personally convinced that it is necessary now to amend the Canadian Wheat Board Act to establish a separate grade for malting barley. I am further convinced that there is substantial and growing support for such action, and that our Committee on Agriculture can play a constructive role in helping to bring this about.

When the minister responsible for the Canadian Wheat Board, the Honourable Otto Lang, appeared before the committee on Wednesday last, we impressed upon him the need to do something and that, in the opinion of some of us, a malting barley grade should be established. I expect that our committee will be looking into this problem very seriously, hearing representations from the Canadian Wheat Board, the wheat pools and other farm organizations. I think it is good news for barley producers, for the malting industry, and for beer drinkers, that this problem has been raised before the Standing Senate Committee on Agriculture and that the committee is optimistic it can assist in helping to achieve a better grading system for malting barley, a just return to producers, and security of supply to maltsters and beer drinkers. I think that more and more organizations and individuals are supporting this position.

Honourable senators, before I conclude I should like to say a word about a somewhat companion bill to this legislation. Introduced in the other place, it provides for an increase in the total amount of the interest-free cash advances that can be made on farm-stored grain. Cash advances have been with us by law for about 17 years. The maximum a farmer can obtain now by way of cash advances in the fall is $6,000.

● (1420)

**Senator Grosart:** On a point of order, honourable senators, I wonder if Senator Argue would give us the designation of the bill to which he is referring and let us know if it is before us.

**Senator Argue:** No, it is not. It is Bill C-10.

**Senator Grosart:** Otherwise, I suggest that it cannot be discussed in this context.

Senator Argue: I quite admit that I was going somewhat beyond the scope of Bill S-6, to amend the Canadian Wheat Board Act, but one thing I have found about the Senate, except for perhaps a few senators, is that it is not quite as rigid as the other place in the application of the rules. If Senator Flynn were in his seat I think he would say that when bills dealing with the principle of an amendment to the Canadian Wheat Board Act were before the other place it was the custom—perhaps not a good custom, but at any rate the custom—to let the debate be somewhat far-ranging.

**Senator Grosart:** I must say in reply that the honourable senator is quite out of order in suggesting that another senator might take a position different from the one I have taken.

**Senator Argue:** That is not what I said.

**Senator Grosart:** Secondly, there is a good reason for the rule. Our rules are not put in the rule book merely for the fun of it. There are good reasons for these rules, and I might suggest to honourable senators that there is an excellent reason for having the rule that we do not discuss a bill which is in the Commons and has not yet come to us. I am not raising the point merely for the purpose of sticking to the rules. I am raising it for the purpose of sticking to a most important principle.

**Senator Argue:** The reason I referred to Senator Flynn was that he was a Deputy Speaker in the other place and, as a consequence of that, would certainly be aware that that was a practice.

At any rate, we have before us a particular amendment to the Canadian Wheat Board Act. Perhaps I went beyond the scope of this bill in discussing the question of malting barley and the special malting barley grade, but I submit that good service has been done to date and that raising this problem is the right thing to do, even though technically it may be beyond the rather limited provisions of the bill before us. I say this because I think we are performing a service if we say that this bill to amend the Canadian Wheat Board Act does certain commendable things, but perhaps certain other things should be done at the same time to amend the act.

If Senator Grosart will just bear with me, I can conclude what I want to say in a couple of sentences. With respect to the matter of cash advances, it is proposed to increase the total amount available from $6,000 to $15,000 a year. That is commendable in my opinion, but what has been overlooked to date—and I raise this now with the full intention of raising it in the Senate again if the other place continues to overlook it—is that in that measure there is no provision to increase the amount of cash advance per bushel. The bill merely provides that if a farmer has a large number of bushels he can get a large cash advance, but a small farmer cannot get more than $1.50 a bushel by way of a cash advance, even though the initial price for wheat is soon to go to $3.50 a bushel. I suggest that a small, niggardly cash advance of $1.50 a bushel is inadequate in this context.

I make these remarks hoping that somebody in the other place will be reading Senate *Hansard* and might get a good idea. I do suggest that it is a good idea and that, since it comes from us, instead of being just a place of sober second thought, the Senate might be a place which gives some effective leadership once in a while. I recommend this bill.

Motion agreed to and bill read third time and passed.

## STATUTE LAW (VETERANS AND CIVILIAN WAR ALLOWANCES) AMENDMENT BILL, 1974

### SECOND READING

The Senate resumed from Thursday, November 14, the debate on the motion of Senator Lang for the second reading of Bill C-4, to amend the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act.

**Hon. Chesley W. Carter:** Honourable senators, this is an excellent bill, and I do not want to delay its passage. I do, however, wish to make a few brief remarks on second reading.

We have come a long way since the War Veterans Allowance Act was introduced in 1930. At that time it was based on the assumption that veterans who served in the theatre of war, by reason of their battle experience, had pre-aged by a period of ten years. At that time old age pensions were available at age 70, and with that as a bench mark it was decided that war veterans' allowances would automatically be paid to war veterans at age 60, in accordance with a means test. Time has proved that that theory of aging was wrong. We veterans have fooled them on that one. The average age now of World War I veterans is around 79, while the average age of World War I pensioners is nearly 81. So the theory has proved wrong. The justification now, however, rests on a sounder basis. It rests on the basis of the invisible scars of battle, which, though not affecting the longevity of the group as a whole, have left marks on many individuals and have affected the course of their lives.

Over the years the War Veterans Allowance Act has been given many refinements and improvements. Supplementary benefits have been made available through the special assistance fund. Casual earnings have been introduced, and there has been a modification of the means test. Then came the cost-of-living escalation and the introduction of the Civilian War Pensions and Allowances Act, which made pensions available to civilians who served in a theatre of war—merchant seamen, foresters, fire fighters, Red Cross workers, auxiliary service workers, and the air crews of the Ferry Command.

Now we have a bill before us which extend these improvements still further by providing allowances for children, an escalation of payments based on the maximum permissible ceiling instead of on the maximum permissible allowance, as in the present legislation. Another escalation is to be calculated quarterly, based on the consumer price index instead of being calculated yearly, as at present.

The bill provides for the equality of status of women, putting the male and female veterans on an equal basis, and it recognizes up to the age of 25 a widow's or a widower's children who are attending school.

These are all tremendous benefits. Of these four benefits, in my opinion, the allowances for children are really the most important. Perhaps these allowances for children will not be of great interest to the majority of veterans, because the veterans of World War II now have reached the average age of 58.8 years, which is nearly 59 years, and most of their children have grown up and gone, and are making lives for themselves. But this provision will be a godsend to a certain group of veterans who, because they are under the age of 60, could not qualify for benefits under war veterans' allowances legislation unless they could provide a medical certificate to the effect that they were totally and permanently unemployable and incapable of supporting themselves. A person in that condition is incapable of making any casual earnings whatever, and consequently is limited totally to the income he receives as war veterans' allowance, with a possible supplement from the special assistance fund.

● (1430)

These younger veterans, and here I am referring to those under 60, are the ones most likely to have children attending school. But up until now they have received the smallest amount of benefit from this legislation, because heretofore the War Veterans Allowance Act has never made any provision for children. This is something that I personally have advocated for many years, not only here in the Senate but in the other place, and it makes me very happy to see that at long last such a provision has been included.

The method adopted to provide for escalation is worthy of note because it reverses the process which has been in effect and which will continue in effect until the passage of this legislation. In the past we have always escalated the war veterans allowance which is much smaller than the maximum permissible ceiling, in fact it is several hundred dollars smaller. Now, by escalating the larger figure and by adding that to the war veterans allowance we are providing a much greater benefit to the veteran. Furthermore, the quarterly escalation in accordance with the consumer price index will enable the veteran to benefit from this legislation much more frequently. Now he will receive the benefits of this provision every three months rather than having to wait until the end of the calendar year. It is also to be noted with respect to the escalation that this bill provides these particular benefits retroactively to October, 1973. I should like to point out here that there may be instances of veterans who have applied and have been disqualified under the act as it existed up to now but who will qualify when this bill becomes law. I hope that those applications already made will not be lost sight of and that action will be taken to ensure that all applications received, and dating back to October, 1973, will be reviewed.

Unfortunately there still remains some discrimination in the existing act which has not been removed by this bill. This discrimination affects mainly people under the age of 65. The reason is that veterans over 65 who are in receipt of the old age pension and the guaranteed annual income have had the old age security pensions escalated by the amount of the increase in the cost-of-living index over a period of years, by 5 per cent or 6 per cent as the case may be, and these escalations by legislation or by regulation have been made exempt. This means that while we are improving the legislation in some ways, there still will be circumstances where different payments will be made to veterans in similar circumstances. Veterans over 65 years of age, because of that exemption, will be subject to a total maximum permissible ceiling considerably greater than those veterans who are under 65 years of age, although the circumstances may be the same. I see no easy manner in which to correct this situation, except to overhaul the system completely. The suggestion on behalf of the Royal Canadian Legion is that this be done, and I support that recommendation.

I also had a hope that this new legislation would abolish the means test. This is another recommendation of the Royal Canadian Legion that I am very happy to support.

The veterans receiving the benefits provided in this legislation are now getting along in years. The oldest veterans of World War I are reaching 80 years of age and over, and those of World War II are now around the

[Senator Carter.]

60-year mark, and some are older. The application of the means test is still somewhat degrading and humiliating, and I hope that the time will soon come when we abolish it.

I have two other disappointments with respect to this bill. One is that it does not remove the 365-day qualification for veterans of World War I. Veterans who served overseas for 364 days cannot qualify for benefits, but those who served 365 days can. Veterans, members of the Merchant Navy and Foresters can qualify by having served overseas for six months during World War II. In view of the few old-timers who remain from World War I, it is time to remove this disqualification provision of 365 days.

My other disappointment is in relation to the residence requirements. Many Canadians living overseas need the benefits that would be available to them under this legislation if they resided in Canada. If they wish to qualify for these benefits they must return to Canada and take up residence here for one year. Then they can return to where they were living overseas and draw the benefits. It seems to me that the time has come when this residential requirement should be removed and we should recognize that all Canadian veterans are entitled to be treated equally. Since this legislation is intended to take care of need in the case of veterans, we should provide for needy Canadians whether they live in Canada or elsewhere. However, apart from those deficiencies to which I have drawn attention, this bill is excellent and will be a blessing to all recipients of war veterans' allowances and civilian war allowances. I give it my very strong support.

● (1440)

**Hon. John M. Macdonald:** Honourable senators, after hearing the fine speeches given by Senators Lang, Bélisle and Carter, there is no point in discussing the bill at any length. Those honourable senators explained fully the effect of the proposed amendments. I merely wish to say that I agree with everything they said.

The bill is a good one and will overcome, at least to some extent, the inequities which have existed until now in the Civilian War Pensions and Allowances Act. Its provisions will enable veterans to overcome to some extent the ever-increasing cost of living.

The 12 amendments contained in the bill will affect a great many people. It is interesting to note that the 1971 census indicated there were nearly one million veterans living in Canada, of whom more than 80 per cent were married, a great many with dependent children.

The Department of Veterans Affairs estimates that there are nearly two million Canadians who are potentially entitled to one or more benefits under veterans' legislation. I noticed that as of March 31 last the department had more than 300,000 active clients, if that is the proper term—including disability pensioners, War Veterans Allowance recipients, patients in veterans' hospials, widows, orphans, children receiving education assistance, and persons holding contracts under the Veterans Land Act.

It is also of interest to note that the Veterans Affairs portfolio includes four important agencies, which, while autonomous, report to Parliament through the minister. They are the Canadian Pension Commission, the War

Veterans Allowance Board, the Pension Review Board, and the Bureau of Pensions Advocates. So this is actually a very important department. I should like to pay tribute to the present minister. He not only understands and appreciates the problems of veterans, he has their trust and confidence. In my opinion, he is the right man in the right place. I do not say that simply because his name happens to be "MacDonald" or because he served with the Cape Breton Highlanders during World War II.

**Senator Argue:** It all helps.

**Senator Macdonald:** Of course. When Senator Lang sponsored an amendment to the War Veterans Allowance Act in March 1973, he made an observation which bears repeating. He said:

> The country's debt to these veterans can only be most inadequately recognized whatever may be the money's worth of these allowances.
>
> So may I express the hope that some day the government may completely overhaul this legislation, for the sake of simplicity, adequacy and generosity.

Honourable senators, I borrow that statement, and, indeed, make it my own. I believe it would be most beneficial if all legislation pertaining to veterans were combined under one act, and that the one piece of legislation should be so drafted that it could easily be understood by the ordinary veteran.

I do not think anyone would be bold enough to claim that the amendments contained in Bill C-4 are easily followed or understood. In it we find long, involved sentences, impossible to comprehend unless one has before him the explanatory notes. I have long been an advocate of having legislation drafted in a simpler, more easily understood manner. Surely there could be a better definition of a dependent child than the one given on page 2 of the bill. The explanatory note reads:

> The proposed definition of dependent child is for purposes of clarification and is consequential on the amendments contained in subclause 4(4) and clauses 5 and 12.

In order to clarify the term, the following is the definition in subsection 2 of clause 3:

> "dependent child" means a child described in paragraph 12(1)(a), (b) or (c) and a child to whom an allowance may be paid under subsection 12(2);

Honourable senators, I have grave doubts whether many veterans will be enlightened by that clarification. It would be well if all legislation for veterans were completely overhauled for the sake of "simplicity, adequacy, and generosity."

I should like to have seen the bill go further, particularly with regard to allowances. There should not be any qualifying time for service overseas in order to obtain an allowance. Indeed, I would go much further. I should like to see the act so amended that anyone who served in the armed forces anywhere would be eligible. I do not agree with the theory that the so-called "burnt-out" allowance should be considered as an early old age pension. My position is very clear. It is that the men and women who served in any of the wars in which Canada participated were called upon by the country to make an extraordinary sacrifice. Whether or not they returned to civilian life unharmed is beside the point. They were called upon to perform an extraordinary duty, an extraordinary task. They did so, and a grateful country should see to it that their wants are now taken care of. The country should be proud to do so.

Should there be any criticism of the way Canada treats its veterans—now long after the Second World War—such criticism should be because we are treating veterans too generously and not because we are not treating them generously enough. Those people deserve the best, and they should get it.

Honourable senators, there is one other matter that I should like to mention that is of concern to veterans, although it is not part of this bill. I understand the deadline for those holding qualification certificates under the Veterans Land Act is March 31, 1975. I believe this to be wholly wrong. The Veterans Land Act has been a beneficial piece of legislation. It has enabled thousands of veterans to build homes under very favourable conditions. It has worked well, and I cannot see why it should not be left in full force and effect until there are no longer any applications from those holding eligibility certificates.

**Hon. Senators:** Hear, hear.

**Senator Macdonald:** I know it has been stated that there will be new legislation with reference to veterans' housing. There may be new legislation, but I am doubtful if it will be as good as the present act from the point of view of the veteran.

I should like to say, in closing, that the action of the Minister of Veterans Affairs, in proposing to build a new veterans' hospital in Halifax, is most commendable and greatly appreciated. As I mentioned earlier, Bill C-4 is a good one, and we on this side of the house are happy to support it.

**Hon. W. M. Benidickson:** Honourable senators, I had not intended to participate in this debate, and am unprepared. The papers before me are misleading. They relate to the next item on the Order Paper, the bill that I sponsored last week, which I believe will be further debated later today.

However, I am prompted to speak on Bill C-4 because, in my opinion, we have just had in this debate a rather beautiful demonstration of the generosity and objectivity of honourable senators.

● (1450)

Senator Lang, as he has done in sponsoring other veterans legislation in this chamber in the past, made an excellent speech in moving second reading of this bill. He quite properly pointed out that the Liberal government for which he spoke has not forgotten the veteran, and this bill represents a further improvement in the position of the veterans.

Senator Lang's speech was followed by one of the best speeches I have heard for a long time in a review of veterans' benefits, that being the speech made on November 14 by Senator Bélisle of the Opposition party in this chamber. His was an eloquent and informative speech. In listening to his speech it occurred to me that if I myself could possibly forget the number of people from this relatively small nation who participated in either of the

two World Wars and the Korean conflict, and the diminishing number that is affected by the legislation before us, how many others who are not veterans have been forgetting.

More than anything else, I was prompted to speak at this time by the remarks made by Senator Macdonald, the Whip of the Official Opposition in this chamber. In his remarks, Senator Macdonald paid tribute to the present Minister of Veterans Affairs, Mr. MacDonald, who is a member of a different political party from Senator Macdonald's. This type of thing is not untypical of the debates which, fortunately, we have in the Senate. Through the weekly meetings that take place elsewhere on the Hill, I have come to know the Honourable Mr. MacDonald, and to appreciate his value to veterans as the current Minister of Veterans Affairs.

In my almost 30 years in Parliament I have been associated with a number of Ministers of Veterans Affairs. It would be, of course, a mistake to start mentioning former good ministers by name. One always gets in trouble by following such a course of particularization. However, on the last occasion that legislation was introduced in this chamber increasing veterans' benefits, it was sponsored by Senator Daniel Lang, and the excellent Minister of Veterans Affairs at that time was our colleague, Senator Arthur Laing who I deeply regret, due to illness, is unable to be with us today.

To illustrate some of the goodness of politics, I draw the attention of honourable senators to a letter I received a day or two ago from one of the most famed and kindly Ministers of Veterans Affairs, the Honourable Milton Gregg, V.C. Honourable senators may wonder what he was writing about. He was writing as sponsor of a fund to assist in a worthy charitable project of the wife of the Honourable Hugh John Flemming, a member of the Diefenbaker government and with opposite political views. Mr. Gregg and Mr. Flemming were leaders in New Brunswick of opposing political parties. Incidents such as this have not been unknown to me in the period I have been in Parliament, both in the other place and in this chamber. It is typical of many of the things not known about political life, and combatants in it.

I have enjoyed being Senator Croll's deskmate. We sat together for many years in the other place after World War II. We were elected to the other place after that war in 1945 and sat steadily, while we were members of the House of Commons, as interested members studying the Veterans Charter in the Veterans Affairs Committee. Another most active member of that committee during that period was Senator Carter, who has continued to be a constant friend of the veterans. He too, spoke eloquently in relation to this bill this afternoon. Relationships such as these are the rewards of public service.

Once again, I want to pay tribute to Senator Macdonald for the generosity he exhibited in his speech to another MacDonald, as well as to Senator Bélisle, Senator Lang, and all other honourable senators who have spoken in this debate.

Motion agreed to and bill read second time.

[Senator Benidickson.]

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Langlois:** Honourable senators, I move that the bill be referred to the Standing Senate Committee on Health, Welfare and Science. While I am on my feet, I should like to announce that the committee will be sitting, as soon as the house rises this afternoon in Room 260-N, to consider this bill.

Motion agreed to.

## CUSTOMS TARIFF

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, November 14, the debate on the motion of Senator Benidickson for the second reading of Bill C-27, to amend the Customs Tariff.

**Hon. Rhéal Bélisle:** Honourable senators, it gives me great pleasure to participate in this debate and to follow the brief but eloquent and very informative remarks of Senator Benidickson. He was most generous in his comments regarding my speech on Bill C-4. If Senator Forsey will permit, I should like to borrow a phrase he used some two or three years ago, which is as follows, "Il a l'habileté de laisser parler son cœur avec tant de générosité que je vous en suis très reconnaissant."

The purpose of Bill C-27 is to implement the proposed tariff reductions which were before the other place at the time of dissolution of the 29th Parliament. Since we on this side of the chamber are great believers in the liberalization of trade—and this is not a pun—we can do no more but to lend our wholehearted support to tariff reductions of any kind. We sincerely hope that the government is introducing this legislation because it has finally acquired a proper understanding of fundamental economic principles.

The reduction of trade barriers can have three beneficial effects. It can permit the Canadian economy to gain from specialization a comparative advantage in production for domestic as well as foreign markets; it can help the developing nations to help themselves by making it easier for them to trade with the richer, more industrialized countries; and it can help build friendly relations between Canada and other nations.

● (1500)

It is debatable whether tariff protection offers benefits to our domestic industry. At the outset the tariff will bring the domestic producer a price advantage and higher profits over his foreign competitor; it will not, on the other hand, protect the producer from domestic competition, and original gains from tariff advantage will tend to be lost.

The benefits of tariff protection are illusory. Domestic owners and workers are competing in an industry erected on a false base supported by the threat of force instead of by voluntary choices. The force is directed against consumers. Somebody has to pay for the privilege accorded the producer and his employees. That somebody is the consumer, and he gets it in the neck. He has to pay the prices inflated by protective tariffs.

Tariffs put the whole economy on an artifical foundation instead of a sound business foundation. To say that tariffs cannot be removed when an industry or nation has become adjusted to operating under trade restrictions is no different in principle from arguing against all technological change and advance.

Another myth is that tariffs should be removed gradually in order not to offend those who have a direct interest in the protected industry. What about the offence to the Canadian consumer? What about giving the consumer a break? Why not give the consumer the benefit of lower prices?

You know, honourable senators, governments grow strong and dictatorial by the granting of special favours. Trade restrictions are just another of the handouts which a government can grant, thereby increasing its power over individuals to the detriment of all. Just witness the current dispute with the United States over the quotas on imports of Canadian cattle and hogs. I am not going to debate that question today. Trade restrictions of this nature, imposed by governments, contribute to scarcity rather than abundance. And who suffers? Not governments, but you and I—the consumer, the producer, the small businessman.

We favour the abundance of goods and services that are widely distributed because it contributes to a high standard of living, and a high standard of living depends on the free trade of goods and services at competitive prices. There are great benefits to be gleaned from free trade; it removes the artificial barriers of tariffs, quotas and price increases which can be passed along to the consumer. We favour the removal of tariffs because it restores justice to consumers.

Honourable senators, last night it was refreshing to hear the Minister of Finance, the Honourable John Turner, continue his drive against inflation and restate the government's intentions to reduce tariffs. I am sure we shall have an opportunity to study this subject later, but suffice it to say that we welcome the extension of temporary tariff reductions on $1 billion worth of consumer goods annually to June 30, 1976, and the substantial exemptions, or duty-free allowances, for tourists returning to Canada.

Honourable senators, this bill is a step in the right direction, and, hesitant though that step may be, I would not want my words to be construed as anything but encouragement for further braver steps along these lines.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Benidickson, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

## EXPLOSIVES ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, November 14, the debate on the motion of Senator Barrow for the second reading of Bill S-17, to amend the Explosives Act.

**Hon. John M. Macdonald:** Honourable senators, before making a few brief comments on Bill S-17, I should like to congratulate Senator Barrow on his excellent introduction of it. As you know, this was the first time he addressed this chamber, and he certainly acquitted himself well. As a fellow Nova Scotian, I am pleased that he has already shown he will be making a fine and useful contribution to the work of the Senate.

**Hon. Senators:** Hear, hear.

**Senator Macdonald:** Of course, I was not surprised at this. While I did not know him personally before he came here, I did know him by reputation, and I can assure you, honourable senators, that over the years he has earned for himself a great reputation in Nova Scotia. He has earned for himself a reputation as a man of ability, of professional competence, skill and real integrity.

As was pointed out, the general purpose of these amendments is to provide for greater control over explosives, especially in those areas relating to the purchase, possession and transportation of such explosives. I am sure that this is a worthy objective. Personally, I feel that the stricter the regulations concerning explosives, the better.

I was interested to learn that there are in Canada 68 factories licensed to manufacture explosives. I was most gratified to know that the present act and the regulations made thereunder have been so effective that there has been only one fatal accident in the past four years, during which period about 900,000 tons of commercial blasting explosive have been manufactured in Canada. The record is good, and to keep it good it will be necessary to make amendments to the act and the regulations from time to time.

There is nothing controversial about the act, and I support all but one of the proposed amendments. I notice that the definition of "authorized explosives" is changed. Under the present act "authorized explosive" means "any explosive that is declared by the minister to be an authorized explosive." In other words, it is in the discretion of the minister. The proposed amendment is:

> "authorized explosive" means any explosive that is declared to be an authorized explosive in accordance with the regulations.

● (1510)

Why the change is made I do not know. In any event, it serves to narrow the definition, as the regulations must be made by the Governor in Council, whereas formerly an authorized explosive could be declared by the minister.

I notice also that mention is made in the act itself of what it calls "efficient inspection" by provincial authorities. Indeed, there are two places where I should like to make a short comment on this principle. For example, the act itself defines a magazine as follows:

> "magazine" means any building, storehouse, structure or place in which any explosive is kept or stored, but does not include (a) a place at or in and for the use of a mine or quarry in a province in which provision is made by the law of such province for the efficient inspection of mines and quarries and explosives used in connection therewith—

Further on in the section 16, dealing with inquiries into accidents, we find that the minister may direct an inquiry

to be made when an accident occurs, but then subsection (3) says:

> This section does not apply where an accident has been caused by an explosion of an explosive occurring in any mine or quarry or metallurgical work in any province in which provision is made by the law of such province for a proper and thorough investigation and inquiry into the cause of such accident.

The question I ask is: Who is to be the judge; who is to say that a province has such laws? I will not presume to say that the minister proposes to do this but it is a point which, while not too important, I would like to see clarified.

The bill also provides some increased penalties for offences under the act. I do not know how many prosecutions there are in an average year or how common such offences are, but I presume the increased penalties are to act as a deterrent. If not, then they must be just the result of inflation.

Honourable senators, I mentioned that there is one clause in the bill that I do not agree with. I direct your attention to clause 21(2). Clause 21 outlines offences under the act, but subclause (2) says this:

> No person shall be convicted under this section of having an explosive in his possession if he establishes that he manufactured, imported or purchased the explosive in accordance with the requirements of this Act and the regulations.

In other words, all that is saying is that a person will not be convicted of the offence if he can prove that he did not commit it. That is a direct violation of the great principle of our criminal law that a person is innocent until he is proven guilty. Another great principle is that the Crown must prove guilt beyond a reasonable doubt. This is something I would like to see eliminated by the committee when this bill goes before it.

Apart from that, I am in general agreement with the clauses contained in this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Barrow, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

**Senator Langlois:** Honourable senators, I move that the Senate do now adjourn, to re-assemble at the call of the bell at 8 o'clock this evening. I take this opportunity to remind honourable senators that the Standing Senate Committee on Health, Welfare and Science will be sitting in a few moments in room 260-N to consider Bill C-4, which has just received second reading.

The Senate adjourned during pleasure.

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At 8 p.m. the sitting was resumed.

[Senator Macdonald.]

## STATUTE LAW (VETERANS AND CIVILIAN WAR ALLOWANCES) AMENDMENT BILL, 1974

REPORT OF COMMITTEE

Leave having been given to revert to Reports of Committees:

**Senator Carter,** Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-4, to amend the War Veterans Allowances Act and the Civilian War Pensions and Allowances 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?

**Senator Langlois** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Douglas D. Everett** moved second reading of Bill S-15, to amend the Department of Industry, Trade and Commerce Act.

He said: Honourable senators, Bill S-15 is an act to amend the Department of Industry, Trade and Commerce Act. That act gives certain powers to the Minister of Industry, Trade and Commerce, and the ones that are relevant to the purposes of this bill amendment are in section 5 which begins:

> The Minister of Industry, Trade and Commerce shall
>
> (a) promote the establishment, growth and efficiency of manufacturing, processing and tourist industries in Canada, contribute to the sound development and productivity of Canadian industry generally and foster the expansion of Canadian trade.

This is followed by subsection (e), which requires the minister to "provide support services for industrial and trade development, including information, import analysis and traffic services."

Under section 6 of the act:

> The Minister of Industry, Trade and Commerce, in exercising his powers and carrying out his duties and functions under this Act,
>
> (a) shall, where appropriate, make use of the services and facilities of other departments, branches or agencies of the Government of Canada.

It is clear from the requirements of the Department of Industry, Trade and Commerce Act that one of the main duties of the Minister of Industry, Trade and Commerce is to encourage the growth of Canadian manufacturing and processing industries, for it is through this endeavour that Canada can improve its balance of trade by reducing imports and increasing exports. It is through the development of Canadian manufacturing and processing industries that we can develop Canadian business enterprises, and increase employment.

Clearly, as is well known to honourable senators, Canada imports an enormous amount of its annual consumption of goods. If it were possible to replace those imported goods by goods manufactured in Canada we would achieve one of the main objectives of the powers conferred on the Minister of Industry, Trade and Commerce.

In order to know what sort of industry should be developed to manufacture goods to replace imported goods, we must know what sort of goods we are bringing into Canada, and we must know what they are with some precision, for it is on that knowledge that we can develop the potential for new industries which can manufacture the goods to replace those imports. The analyzing of this sort of information is known as import analysis, and it is undertaken by the officials of the Department of Industry, Trade and Commerce. However, the Customs Act prohibits the examination of the material that goes to make up a sound import analysis.

Section 172(3) of the Customs Act says that in no case shall an invoice be shown, or a copy thereof given, to any person other than the importer or an officer, except upon an order or a subpoena of a court of justice. The act goes on to define an officer as a person employed in the administration or enforcement of the act, and includes any member of the Royal Canadian Mounted Police. However, this preclusion is overridden by section 23(2) of the Statistics Act, which does allow an examination of customs invoices by the chief statistician. Arising out of this power, Statistics Canada has entered into a departmental arrangement with Revenue Canada and with the Department of Industry, Trade and Commerce whereby members of the staff of the Department of Industry, Trade and Commerce have been sworn under the Statistics Act and have conducted import analyses and published the results.

Unfortunately, the classifications used by Statistics Canada are often too broad for proper import analysis.

I think it is probably clear to honourable senators that, if we intend to replace imported goods with Canadian manufactured goods, we must realize that before any businessman would be prepared to make the kind of investment involved, he would require precise information on the sort of goods being imported now, and precise information as to all the classifications of those goods. Otherwise he would be unable to make a proper investment decision.

The bill before us proposes that a new section 6.1 be added to the Department of Industry, Trade and Commerce Act to permit detailed import analyses by officials of the Department of Industry, Trade and Commerce. It will mean that copies of invoices and import entries concerning goods imported into Canada will be available to persons who have been designated by the Minister of Industry, Trade and Commerce, and who have taken an oath similar to that required under the Statistics Act. The amendment does outline certain prohibitions which are similar to those provided by section 16(1) of the Statistics Act. Only persons who have taken the oath can examine the customs invoices, and no disclosure of information is allowed which would make it possible to identify any importer or agent or customer of an importer.

● (2010)

Further, the minister is authorized to disclose information only when consent in writing has been given by the person to whom the information relates, or when it is available to the public by operation of law. In this respect this provision is similar to section 16(3) of the Statistics Act, and the penalties provided in this amendment are exactly the same as those penalties provided by the Statistics Act.

Honourable senators, when the appropriate time comes I am going to suggest that we refer this bill to the Standing Senate Committee on Banking, Trade and Commerce, because in passing it we are, in effect, granting to persons designated by the minister a right to examine the confidential information possessed by the Customs Branch of Revenue Canada. Nevertheless, I feel less apprehensive about this than about the power presently conferred in the Statistics Act, because that power is conferred in part by Order in Council, whereas this power is conferred directly by Parliament on conditions laid down in the amendment before you.

However, when we examine the bill in committee it is my hope that we will consider certain aspects of it to determine whether or not certain clauses should be added—clauses which are present in the Statistics Act now but which are not in this bill. I am thinking specifically of section 17(1) of the Statistics Act, which states that information derived from this sort of examination is privileged and is not compellable in court; section 33 of the Statistics Act, which states clearly that no person can use information derived from a confidential source, such as this, for speculative purposes; and section 36, which provides a two-year limitation of action for prosecution under the act.

I think that this amendment, though, taken in the whole, is useful, for it will contribute to the development of a sound import analysis system which, in turn, will contribute to the growth of Canadian manufacturing, increased employment, an improved balance of trade and an improved formulation of Canadian commercial policy. I am informed by officials of the Department of Industry, Trade and Commerce that, as a result of import analyses, over the last three or four years 11 manufacturing firms in Canada have expanded their operations, seven new establishments have been created, 3,000 jobs have been added to the economy, and the aggregate new investment is greater than $150 million. It is their opinion—and I am sure we will wish to ask them about their views in committee—that import analysis has played a large role in this growth of Canadian manufacturing.

**Senator Hayden:** Is my friend clear on the point that when this information has been conveyed to those who have been designated by the minister it is beyond the reach of a subpoena or an order for production of documents in any proceedings?

**Senator Everett:** I am not clear on that, honourable senators, and that is why I am suggesting that in the committee we examine, with the witnesses and, hopefully, the minister, the question of whether or not section 17(1) of the Statistics Act should be added to this bill. That would clearly make such information privileged, and not capable of being compelled in court.

**Senator Buckwold:** Would the honourable senator permit a question? It may be that this should be asked in committee, but I was wondering, when he brought to our attention the number of new manufacturing companies that have been established as a result of what is called "import analysis," how the information was obtained if this amendment is needed. I should also like to know how this amendment would improve matters.

**Senator Everett:** The Statistics Act already provides the power to obtain information on which import analysis can be done. Import analysis has been carried out, and is being carried out. However, it is carried out under Section 23(2) of the Statistics Act. What is being suggested in this bill is that that power lie directly with the Department of Industry, Trade and Commerce; that it not be the subject of either an order in council or an interdepartmental agreement but, rather, that the whole matter be on the table as it is under this amendment with clear powers, stating what the officials and the Minister of Industry, Trade and Commerce can do with respect to getting import analysis information.

**Senator Grosart:** I wonder if I could ask the honourable senator who has introduced the bill if he would give us a little more information on the "notwithstanding" aspect. This new access to invoices and other customs documents is to be made available to the Minister of Industry, Trade and Commerce "notwithstanding subsection 172(3) of the Customs Act." Would he be good enough to give us the import of that section, and indicate to the Senate what is the essential protection that is provided by that section of the Customs Act?

**Senator Everett:** Section 172 of the Customs Act says that no invoice shall be shown to any person other than an officer, and that is the protection provided all importers.

**Senator Grosart:** An officer of National Revenue?

**Senator Everett:** An officer employed in the administration or enforcement of the Customs Act, as such. So it would preclude an officer of Revenue Canada, who is involved in the enforcement of the Income Tax Act.

On motion of Senator Beaubien, debate adjourned.

● (2020)

## STATUTES OF CANADA

### BILL TO REVISE REFERENCES TO THE COURT OF QUEEN'S BENCH OF THE PROVINCE OF QUEBEC—SECOND READING—DEBATE ADJOURNED

**Hon. Léopold Langlois** moved the second reading of Bill S-16, to revise references to the Court of Queen's Bench of the Province of Quebec.

[*Translation*]

He said: Honourable senators, this bill is of relative importance, but in order to enable honourable senators to fully understand its thrust, I believe I shall have to recall the history of the Court of Queen's Bench in the Province of Quebec.

Please forgive me, then, for taking up your time to go back one hundred and twenty-five years, in order to give you an historical outline which strikes me as of prime importance.

[Senator Everett.]

**Senator Flynn:** Why not go back to the deluge right away?

**Senator Langlois:** No, 125 years is far from the deluge. My honourable friend is perhaps alluding to the time he has been in the Opposition, but that is only by analogy.

One hundred and twenty-five years ago, the Parliament of Canada proceeded to reorganize the whole administration of justice in Lower Canada as it was then, and put in place the structures by which, basically, we are still governed today. In this regard, I am referring to Statute 12 Victoria, chapters 37 and 38 of 1849.

Section 2 of chapter 37 created the Court of Queen's Bench. This act gave this court double jurisdiction, namely, through section 5, jurisdiction in appeal in civil matters, and, through section 24, jurisdiction in the first instance in criminal matters.

In fact, the same judges exercised this double competence. On the other hand, the fact that the court had jurisdiction in appeal in criminal cases at that time is not clearly indicated.

Chapter 38 created the Superior Court. It gave the latter general civil competence in the first instance, through section 6, and set it up as a collegial court—and I underline the term "collegial court"—of at least two and no more than three judges, through section 15. The same chapter created the Circuit Court which, however, does not interest us for the time being.

Those two acts came into force, through proclamation on December 24, 1849, see *The Canada Gazette*, No. 441, December 8, 1949, pages 9 and 10.

In the following years changes were brought to this system.

In 1857, there were three provisions in chapter 44 which are of interest for our discussion.

First, under section 21, the jurisdiction of the Court of Queen's Bench in appeal was clearly recognized for civil and criminal matters.

Under section 30, it was provided that the judges of the Superior Court could preside over the Court of Queen's Bench sitting as a court of first instance in criminal matters.

Under section 37, the quorum of the Superior Court was re-established as being one judge, therefore the disappearance of the principle of collegiality to which I referred earlier.

In 1861, chapters 77 and 78 were used to reorganize the two courts but without altering their basic principles.

Chapter 77 established the Court of Queen's Bench.

It was given an appeal jurisdiction in civil matters—and I stress "in civil matters"—and an appeal jurisdiction in criminal matters and it was also given jurisdiction of first instance in criminal matters. Finally, Superior Court judges were allowed to sit in this court.

By chapter 78, the same bill established the Superior Court and gave it civil jurisdiction of first instance.

The same situation is to be found in the *Revised Statutes of Quebec* of 1888 and 1909.

However, the situation changed in 1920 with Act 10, Geo. V., ch. 79, sec. 50. The legislature then decreed that Supe-

rior Court judges would hereafter sit, and not only be allowed to sit, in the Court of Queen's Bench acting as a court of first instance in criminal matters.

Since then, we find the same clause in the *Revised Statutes* of 1925 and 1964. An amendment subsequently brought in 1969 does not affect my statement up to now.

I understand, honourable senators, that Quebec is the only Canadian province where two superior courts of first instance coexist, one with civil jurisdiction and the other with criminal jurisdiction, entirely independent one from the other, but presided over by the same judges. Such a situation does give rise to serious difficulties which I will state rather briefly.

Originally, the judges of the Court of Queen's Bench did sit on appeal for civil cases and in first instance for criminal cases.

Later on, they were also given the appeal jurisdiction for criminal cases.

Then their replacement in courts of first instance by judges of the Superior Court became optional. This is a summary of the situation and its development.

Finally, they were restricted to the jurisdiction on appeal and were excluded from courts of first instance which no longer had designated judges, but were presided over by the judges of the Superior Court.

Such a situation had two disadvantages: the ambiguity of appellations and, in the second place, the ambiguity of jurisdictions.

First let us examine the ambiguity resulting from the appellations.

There was, on the one hand, and there will still be until the legislation before us is passed—the situation will remain—appeals from the Court of Queen's Bench, criminal jurisdiction of first instance, to the Court of Queen's Bench, appellate jurisdiction in criminal matters.

On the other hand, there are appeals from the Superior Court to the Court of Queen's Bench, appellate jurisdiction in civil matters.

Finally, the judges of the Superior Court with jurisdiction in civil matters are the ones who preside over the Court of Queen's Bench, criminal jurisdiction of first instance.

All this may seem rather confusing, because the same terms are used and at times they have different meanings.

A layman could find this very confusing and, in my opinion, this useless complication works against the interests of justice.

Let us now look at the ambiguous powers.

Since the *Storgoff* judgment, 1945, R.C.S. 526, it is recognized that the writ of *Habeas Corpus* and, in general, the prerogative writs are either civil or criminal according to the nature of the original proceedings to which they relate. Experience however shows that it is often difficult to determine whether a case falls clearly under civil or criminal jurisdiction.

Now, the existence in Quebec of two distinct courts for those two areas compel the suitors, often in great haste and within a short delay, to make a choice which is sometimes contentious and on which there might be some divergence of opinions.

That situation is in my opinion contrary to a sound administration of justice. It subdues the right of citizens to the hazards of a procedural choice which should not be imposed upon them.

Specially—and this really is the ridiculous aspect of the situation—since the same judges are presiding over both courts, so that a judge may reject today a petition because it has been submitted to him in his capacity of judge of the Court of Queen's Bench, Criminal Jurisdiction, Trial Division, and the same judge may accept on the following day the same petition when it is submitted to him in his capacity as judge of the Superior Court.

Those are not just theories, but true facts which are included in the casebooks of our province.

In the *Lafleur* case—and I would like to quote some of those key decisions—1964 S.C.R. 412, the Supreme Court of Canada decided that for the issuance of a writ of prohibition in criminal matters, only the Court of Queen's Bench Criminal Jurisdiction, Trial Division, had competence and it quashed a writ issued under the authority of the Superior Court whose presiding judge was nevertheless *ex-officio* a judge of the Queen's Bench Court, Trial Division.

In the *Faber* case, 1969 Q.B. 1017, the Quebec Appeal Court confirmed the rejection of a petition for a writ of prohibition submitted to the Court of Queen's Bench, Criminal Jurisdiction, Trial Division, against the coroner of the district of Montreal on the ground that it was not a criminal matter and that only the Superior Court had competence. In that case, the Court of Queen's Bench was presided by no other than the Deputy Chief Justice of the Superior Court of that time, the late Honourable George S. Challies.

In the *Cuddihy* case of 1972 A.C. 514 the Appeal Court quashed the judgment of the Superior Court and stated it had competence to issue a writ of *certiorari* against a judgment by a judge of the Provincial Court acting under a penal statute since it was not, contrary to what the Superior Court had decided, a criminal matter.

Finally, during the inquiry into organized crime in Montreal by the Quebec Police Commission several judgments were rendered in 1973, and here are the main ones.

In the *Di Iorio* case, Q.B.C. No. 27-3120-73 of March 6, 1973, Justice Bisson, sitting in Court of Queen's Bench Criminal Jurisdiction, Trial Division, stated he had no jurisdiction to issue a writ of prohibition against the Quebec Police Commission since its action did not come under criminal law.

In the *Fontaine* case, C.Q.B. No. 274-103-73, March 1, 1973, Mr. Justice Hugessen agreed in principle with the previous judgment of Mr. Justice Bisson. However, he stated that application had been made before him for a writ of *Habeas Corpus* subsequent to a charge of contempt of court, and that this act of contempt that had been committed before the Quebec Police Commission had taken the proportions of criminal contempt. Mr. Justice Hugessen held that the Court of the Queen's Bench, criminal jurisdiction of first instance, was competent.

In the *Fontaine* case, *ibidem*, March 14, 1973, Mr. Justice Hugessen, then presiding over the Court of Queen's Bench, authorized a writ of *Habeas Corpus*.

Dealing with the *Rollin & Pearson* case, C.Q.B. No. 27-004406-73, of March 21st, 1973, Mr. Justice Hugessen stated again that the Court of Queen's Bench was competent, but basically rejected the request for a writ of *Habeas Corpus*.

Dealing with another case, the *Di Iorio* case, No. 27-4866-73, of March 30th, 1973, Mr. Justice Hugessen followed the same philosophy and basically ordered the issue of a writ of *Habeas Corpus*.

● (2030)

On April 3rd, 1973, that same Mr. Justice Hugessen, sitting in the Court of Queen's Bench ordered that the plaintiff be immediately released.

Finally, in the *Garry Ball* case, No. 27-008 227-73, on June 6th, 1973, Mr. Justice Bisson held that the Court of Queen's Bench, Criminal Jurisdiction of first instance, was not competent to authorize a writ of *certiorari* in respect of a charge for contempt of court laid by the Quebec Police Commission, and that only the Superior Court was competent in that respect. The wording of his conclusion was quite significant considering that he could chair both courts, and I quote, for the information of honourable senators:

> "Therefore, for all those reasons, I have to uphold the defendant's request for inadmissibility and to state that I have no jurisdiction, as a judge of the Court of Queen's Bench, criminal jurisdiction, to hear the claimant's appeal by certiorari against the Police Commission's decision on May eight (8), nineteen seventy-three (1973)."

Honourable senators, I apologize for having taken too much of your time for the purpose of my long demonstration. However, I admit it seems conclusive enough to warrant no further explanations. In my opinion, public interest commanded that an end be put to such a situation where the ordinary man wondered which of both concurrent courts chaired by the same judges would receive him favourably.

Furthermore, the artificial nature of all this legal structure appears clearly on every occasion—and they are many—a judge allows, at a hearing, the words "Court of Queen's Bench" to be used instead of "Superior Court", or vice versa. Normally, a suitor should not be allowed to change forum so easily. These judicial acrobatics are made possible due to the identification of the same judge in both courts at the same time.

It was therefore necessary to clear this mess. The remedy chosen by Quebec's National Assembly was simply to abolish the Court of Queen's Bench and transfer its jurisdiction to the Appeal Court on the one hand and to the Superior Court on the other.

The Quebec National Assembly started working in that direction by passing Bill 36 entitled "An act to amend the Judicial Courts Act and other provisions concerning the administration of justice", which was assented to on July 31, 1974. And here, I want to refer to page 2276 of *Hansard* of the Quebec National Assembly and more particularly to two paragraphs from the speech of the Quebec Minister of Justice, the Hon. Mr. Choquette, when he moved the second reading of Bill 36 and I quote:

> However important it is to simplify our legal system—I would like to recall at this time the intention of the government, which I have expressed several times, to simplify the Quebec court system so that it is perfectly simple, discernible and understandable for the ordinary men and citizens—whatever our intention to substantially amend our legal system, intention which will be outlined in a white paper to be published next fall, it would not be unprofitable to simplify immediately this system by eliminating a court which is now obsolete, the Court of Queen's Bench established 125 years ago, and to replace it by Court of Appeal for Quebec, called simply the Court of Appeal which would make judgments on all appeals in civil and criminal matters, and at the same time, to confer to the Superior Court the jurisdiction previously exercised by the Court of Queen's Bench in criminal matters in first instance so that the Superior Court and its judges may hold from now on jurisdiction in first instance, both for common criminal and civil matters. I believe that this would simplify our system and contribute to a better understanding of the administration of justice.

I should now say that before the introduction of Bill 36 in the National Assembly of Quebec, Section 1 of Chapter 18 of the Statutes of 1966-67 had added to Section 1 of the Courts of Justice Act of 1964, R.S.Q., Chapter 20, the following subparagraph:

> "The Court of Queen's Bench shall also be called the Court of Appeal when it exercises its appellate jurisdiction whether in civil or in criminal matters."

This provision has been in effect since September 1st, 1966. The change that has been just completed in July 1974, at the National Assembly of Quebec was initiated in 1966. And, on September 1st 1966, there was put into effect the new Civil Procedure Code of Quebec in which section 22 mentions only the Court of Appeal with no reference to the Court of Queen's Bench, the appeal jurisdiction. There was then a fait accompli in this respect as early as 1966. But, in the federal legislation, the 1970 Judges Act, R.S. Chap. J-1, Section 9 refers only to the Court of Queen's Bench, as well as the Supreme Court of Canada Act, Chapter S-19, Section 6 and 30, subsection 2.

An analysis of the Revised Statutes of Canada of 1970 indicates that the following acts are affected by the change made by the National Assembly of Quebec in July this year. I will simply refer honourable senators to the schedule of the legislation before us where we find a complete list of all federal statutes that are amended by the bill before us.

Furthermore, if the status of Superior Court judges does not present any problem, that of judges of the Appeal Court, all appointed judges of the Court of Queen's Bench, must be explicitly confirmed.

Lastly, I shall point out a provision that I earnestly consider as erroneous—the Winding-up Act, R.S., c. W-10, subsection 137(2) that is also included in the list contained in the schedule of the bill before us.

In fact, clause 2 of chapter W-10 defines the Superior Court as a "court" of Quebec.

Clauses 10 and following give to the Superior Court jurisdiction on winding-up orders.

Subsection 137(1) empowers the judges of the various courts throughout Canada,—therefore, in Quebec, of the Superior Court—to adopt practice rules.

Subsection 137(2) makes this power an obligation in the provinces of Quebec and Ontario.

In the case of Ontario, it imposes that obligation upon the judges of the Ontario Supreme Court, which corresponds to the definition of the word "court" in section 2 for Ontario.

But when it deals with Quebec, the same paragraph imposes the obligation to establish practice rules—and I wish to draw the honourable senators' attention to this—upon the judges, not of the Quebec Superior Court but of the Court of Queen's Bench, that is, the Court of Appeal for the Province of Quebec. To me that seems utterly inconceivable.

Therefore, it seems to me incongruous that Parliament should empower the judges of the Court of Appeal and even impose upon them the duty to approve practice rules within an act, the Winding-up Act, the administration of which comes under the jurisdiction of another Court, namely, the Superior Court.

Should there be a mistake, as it seems obvious to me, it should be corrected through the amendments now before us. Besides, judges of the Court of Appeal never approved practice rules under the Winding-up Act, for it was the Superior Court which did it.

Now, as I just said, this bill affects several federal laws and if I may, I will continue in English for this part of my speech.

● (2040)

[*English*]

As the long title of this bill indicates, its purpose is to revise all references in federal statutes to the Court of Queen's Bench of the Province of Quebec. In July 1974 the National Assembly of the Province of Quebec abolished the Court of Queen's Bench in that province, and transferred its appellate functions to the Court of Appeal, and its functions as a court of first instance in criminal matters to the Superior Court of Quebec. The Quebec legislation amending the Courts of Justice Act and other legislative provisions relating to the administration of justice and to registry offices, Bill 36, was assented to on July 31, 1974, and will come into force on a date to be fixed by proclamation. The federal statutes referred to in the bill before us contain references to the Quebec Court of Queen's Bench, and, as a result, Quebec is effectively precluded from bringing its legislation into force until the amendments in this bill are enacted.

The amendments proposed in this bill will effect the necessary changes in the federal statutes by substituting the expression "Superior Court" or "Court of Appeal," as the case may be, for the expression "Court of Queen's Bench," or "Court of Queen's Bench (Crown side)," or "Court of Queen's Bench, appeal side."

The transitional provisions in the bill ensure, first, that judges of the Court of Queen's Bench continue as judges of the Court of Appeal and are deemed to have been appointed to the Court of Appeal; secondly, that the new court designations are deemed to replace the former court designations in every proceeding commenced prior to the commencement of this act; and, thirdly, that a reference to the old designations in any other act, or document, instrument, regulation, proclamation or order in council is held to be a reference to the new designations with respect to any matter subsequent to the commencement of this act.

I beg honourable senators' pardon for having been so long in my presentation, but I deemed these explanations necessary for a better comprehension of this bill, especially for those who are not versed in legal matters. I would summarize by saying that the proposed amendments are simply companion amendments in order that the federal statutes conform with the provincial statutes in respect of the Court of Queen's Bench of the Province of Quebec.

I thank you, honourable senators, for your kind attention, and I commend this bill to your favourable consideration.

On motion of Senator Flynn, debate adjourned.

● (2050)

## CANADA PENSION PLAN

### BILL TO AMEND—SECOND READING

The Senate resumed from Tuesday, November 12, the debate on the motion of Senator Carter for the second reading of Bill C-22, to amend the Canada Pension Plan.

**Hon. John M. Macdonald:** Honourable senators, as mentioned by the sponsor, this bill is not a short one. It is 46 pages in length, and it contains 56 clauses. However, many of these clauses are technical in nature and are consequential on some of the major changes made in the Canada Pension Plan by the bill. It is with these major changes that we are concerned.

I think the sponsor followed the proper course when in his explanation he broke the bill down into its component parts, and dealt very effectively with each of the major objectives. Since he gave such an effective presentation, there is little which needs to be discussed further at this time. Certainly, I believe there is general agreement with the aims the bill seeks to achieve.

No one will object to those provisions, for example, that will make the surviving spouse and children of a deceased or disabled female contributor entitled to benefits under the same conditions as the surviving spouse and children of a male contributor. Indeed, this is so reasonable and so fair that one wonders why it was not provided in the original act. I notice, though, that while in such cases retroactive entitlement is provided for, retroactive payment is not provided for. I do not understand why this should be so, since the female contributor made contributions just as the male contributor did. It was an injustice that these contributors were not treated in the same manner as male contributors. While the amending bill will remedy that injustice, I believe there is at least a moral obligation to make the benefit payments retroactive. If retroactive payments are not to be made, then the dis-

crimination against the female contributors is given a permanent place in our legislation.

Speaking of retroactive payments, there is another case dealt with by the act itself which I find very confusing. I do not understand why it is that, if a person is late in applying for the Canada pension after he or she becomes qualified, retroactive payment will be made for only one year prior to the application. To me it is absolutely incredible that, for example, a person who becomes, say, 70 years of age and does not make application for the pension until two years later, will be paid for only one year retroactively, although that same person and his employer have made the required contributions. To my mind, he is not receiving what is rightfully his, but section 66 of the Canada Pension Plan makes legal what I call this misappropriation of funds.

Honourable senators, there are two cases—there may be others—where I fail to see what principle is being followed in not making retroactive payments. If the pension fund was in poor shape the ground of expediency might be invoked, but the fund is in excellent condition and its assets are now almost $7 billion. I would urge the government to amend the Canada Pension Plan further so as to cure such injustices.

I expect there is general agreement with the provision whereby contributions will not be collected from persons whose religion forbids them to participate in the Canada Pension Plan and with the provision which will allow persons to collect the Canada pension at age 65 and to continue working if they so wish and have the opportunity to do so. And I may say here that I hope the contributions made by—or, rather, collected from—those persons whose religion does not allow them to participate in the plan will be returned to them.

Honourable senators, there is one clause of the bill to which I am opposed, and that is clause 32 which adds a subsection (2) to section 64 of the Canada Pension Plan. The existing section 64 itself is a very good section. It provides that a benefit shall not be assigned, charged, attached, anticipated or given as security, and any transaction purporting to assign, charge, attach, anticipate or give as security a benefit is void. In effect, the insertion of subsection (2) will mean that this fine existing provision will not apply in cases where welfare is given to a person who has qualified but has not received his or her Canada pension.

The purpose of subsection (2) is to permit the minister to repay from the person's pension amounts paid as welfare in that period. In other words, if a person is in such poor financial condition that he must have welfare assistance while awaiting his Canada pension, he can be forced to sign an authority to have those payments deducted from his pension. Of course, it would not be put so bluntly to the person; it would just be intimated to him that if he did not give the authority he would not get the welfare assistance. If, after qualifying for a pension, he were to receive welfare for, say, three months, then the pension for those three months could go to the provincial welfare authorities.

● (2100)

I understand that this obnoxious provision is inserted at the request of the provinces. I am glad the federal authorities had nothing to do with it. I do not know what province requested it, but I cannot believe that Nova Scotia, or any of the Atlantic provinces, would ask for it. Here is some poor fellow who has to have welfare in order to live; he is poor—he must be—and this new subsection is going to make sure that he stays poor. It appears to me to be a sort of legalized oppression of the poor or near-poor.

I would say here that I think wide use should be made of the amendment in clause 33, because under it the minister will be able to remit overpayments when the cost of collection is out of proportion to the amount of the overpayment, or in circumstances where such repayment would cause undue hardship. It is my understanding that this discretion, as a general rule, will be used only when amounts of $50 or less are involved. If that is so, I believe a more generous policy should be followed.

Honourable senators, while expressing general approval of the bill in principle, I would not wish to give the impression that no further major amendments are necessary or desirable. I hope the minister will continue to study until an acceptable formula or method is found to bring housewives under the provisions of the Canada Pension Plan. I have read the discussion paper, *Housewives and the Canada Pension Plan*, which was presented by the minister to the House of Commons Standing Committee on Health, Welfare and Social Affairs on April 4 last. I found it an interesting and informative document. It does, I think, show why the proposals advanced so far to bring housewives under the plan are either not workable or are not beneficial enough to be acceptable.

At various times in the past I have mentioned that it should be possible to draft legislation that can be understood by the ordinary people whom it is going to affect. This bill is a perfect example of unnecessary complication. It is exactly the sort of thing I had in mind. It contains many long, involved sentences which, even for those used to legislation, are difficult to understand, and which, for the ordinary man or woman, are impossible to follow. Let me refer, for example, to clauses 9 and 11. You will find there sentences containing more than 100 words. Surely we can do better than that.

Nevertheless, since the bill contains so many worthwhile amendments, we on this side of the house are happy to support it.

**Hon. Chesley W. Carter:** Honourable senators—

**The Hon. the Speaker:** I wish to inform the Senate that if the honourable Senator Carter speaks now his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Carter:** Honourable senators, I thank my honourable friend for his remarks on this bill. I shall not take up much of the time of the house tonight, because I quite agree with what he has said.

When I studied the bill I, too, felt that female contributors should receive some consideration because, while they become entitled retroactively, the payment is not retroactive but comes into force only upon the proclamation of the bill. I must confess that I never received a proper explanation for that, so I quite agree with what Senator Macdonald said about female contributors, and also about people aged 65 and 70.

With respect to the refunding to the provinces of payments made to welfare recipients when they become eligible for Canada Pension Plan benefits, I must say that this is also a matter I questioned when I read the bill. Like Senator Macdonald, I discovered that this was a provision included at the request of the provinces. Like him, I understood that clause 33 of the bill would give to the minister the authority to remit payments in the case of welfare recipients who in his opinion should receive special consideration, but I never heard anything about a $50 limit on such refunding. The impression I was given, when I inquired about this measure, was that there was no limit on what the minister might remit.

As an aside to that, I recall hearing that the Minister of Veterans Affairs often wished that his legislation contained a similar provision, because veterans are often faced with the necessity of repaying overpayments which are required to be recovered by law, and the recovery of these benefit payments most often places a tremendous hardship on the veteran.

In any event, these are matters which can be pursued in committee, and I intend to move that the bill be sent to committee if it receives second reading.

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?

**Senator Carter:** Honourable senators, I intend to move that the bill be referred to committee, but before the motion is put I should like to say that there is a certain amount of difficulty in finding a time for the committee to meet. I understand that tomorrow afternoon is out of the question, and that Thursday morning is equally impossible. However, if there is not to be royal assent this week, I would suggest that we would be just as far ahead by having the committee meet on Tuesday. I do not know what the plans are for next Tuesday, but if the house is to sit in the afternoon the committee could meet in the morning, or if the house is to sit in the evening the committee could meet in the afternoon.

On motion of Senator Carter, bill referred to the Standing Senate Committee on Health, Welfare and Science.

## PARLIAMENT BUILDINGS

EAST BLOCK—INQUIRY WITHDRAWN

On the Inquiry of Senator Forsey:

1. What is the estimated cost of the proposed renovations to the East Block?

2. Will the Privy Council Chamber be preserved?

**Senator Forsey:** Honourable senators, I have reason to believe that no answer to this inquiry can be given at present, for perfectly adequate reasons. I think it might be dropped from the Order Paper, and I make that suggestion.

**Hon. Senators:** Agreed.

Inquiry withdrawn.

● (2110)

## MIGRATORY BIRD SANCTUARIES

CONTRACTS FOR WARDEN SERVICES IN MARITIME PROVINCES

Leave having been given to revert to Motions:

On the Motion of Senator Smith:

That there be laid before this house copies of all contracts for warden services respecting migratory bird sanctuaries in the Maritime provinces entered into between any government department and any person or persons on behalf of the Canadian Wildlife Service during the period between 1970 and 1974 inclusive.

**The Hon. the Speaker:** Ordered, That an Order of the Senate do issue for a Return for:—

Copies of all contracts for Warden services respecting Migratory Bird Sanctuaries in the Maritime provinces entered into between any government department and any person or persons on behalf of the Canadian Wildlife Service during the period between 1970 and 1974 inclusive.

**Senator Perrault:** I table the required documents.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, November 20, 1974

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

Prayers.

## ARMY BENEVOLENT FUND ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate a message had been received from the House of Commons with Bill C-17, to amend the Army Benevolent Fund Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday, November 26.

Motion agreed to.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Department of the Secretary of State of Canada for the fiscal year ended March 31, 1973, pursuant to section 6 of the Department of State Act, Chapter S-15, R.S.C., 1970.

Report to the Minister of Veterans Affairs of a Study on Canadians who were prisoners of war in Europe during World War II.

Report of Information Canada for the fiscal year ended March 31, 1974.

Copy of an announcement on initial price increases relating to basic grades of wheat, barley and oats, made by the Minister responsible for The Canadian Wheat Board on November 18, 1974.

Copy of Agreement in Principle with respect to certain territories in the Province of Quebec and to the James Bay project, executed at Montreal, November 15, 1974, together with copies of documents relating thereto.

## EXPLOSIVES ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Hayden,** Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-17, to amend the Explosives 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?

**Senator Barrow** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## CUSTOMS TARIFF

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Hayden,** Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-27, to amend the Customs Tariff, 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?

**Senator Benidickson** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

● (1410)

## INCOME TAX

MOTION TO AUTHORIZE BANKING, TRADE AND COMMERCE COMMITTEE TO STUDY LEGISLATION

**Senator 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 bill based on the Budget Resolutions relating to income tax in advance of any such bill coming before the Senate, or any matter relating thereto; 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:** Honourable senators, is it your pleasure to adopt the motion?

**Senator Croll:** Next sitting.

**Senator Flynn:** It is a question of leave, but no leave is granted because of Senator Croll's objection.

**The Hon. the Speaker:** Next sitting.

## BANKING, TRADE AND COMMERCE

CHANGE IN COMMITTEE MEMBERSHIP

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Everett be added to the list of senators serving on the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

## STATUTE LAW (VETERANS AND CIVILIAN WAR ALLOWANCES) AMENDMENT BILL, 1974

THIRD READING

**Senator Langlois** moved the third reading of Bill C-4, to amend the War Veterans Allowances Act and the Civilian War Pensions and Allowances Act.

Motion agreed to and bill read third time and passed.

## DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the debate on the motion of Senator Everett for the second reading of Bill S-15, to amend the Department of Industry, Trade and Commerce Act.

**Hon. L. P. Beaubien:** Honourable senators, Bill S-15 is what Senator Laird would describe as a simple bill. It consists of only two pages, and its purpose is to make certain information available to the Minister of Industry, Trade and Commerce and designated officers of his department.

● (1420)

The Minister of Industry, Trade and Commerce feels that he could prepare more meaningful import analyses, mostly in the manufacturing and processing industries, if he had access to the information which is held by the Department of National Revenue. This information has been classified as confidential, and under subsection 172(3) of the Customs Act it is not allowed to be given to any other departments of the government, or anyone else, for that matter.

Honourable senators, what we are really looking at is this: Many manufacturing and processing people have trade secrets and confidential information in the hands of the Department of National Revenue, and they may not want that information disclosed to their competitors. If the Department of Industry, Trade and Commerce, in using these files to make certain reports, gives away trade secrets of the manufacturers and processors, perhaps the bill will do more harm than good. I think that Senator Buckwold had this in mind when he said that the manufacturing companies seemed to be doing pretty well now, and wondered if this additional information was needed.

Senator Everett, who explained the purposes of this bill so well, suggested that if it receives second reading it should be referred to our Standing Committee on Banking, Trade and Commerce so that people who might be affected could come and state their case. Therefore, I am perfectly prepared to suggest that the bill be given second reading, provided that it is sent to the Banking, Trade and Commerce Committee.

On motion of Senator Flynn, for Senator Grosart, debate adjourned.

## THE WORK ETHIC IN CANADA

PROPOSED SPECIAL COMMITTEE—DEBATE ADJOURNED

On the Inquiry of the Honourable Senator Croll:

That he will call the attention of the Senate to the status of the "work ethic" in Canada today, and the need for the establishment of a Senate Committee to examine and report thereon.

**Hon. David A. Croll:** Honourable senators, may I ask that the inquiry which stands in my name for Tuesday, the 26th November, be brought forward now?

**Hon. Senators:** Agreed.

**Senator Croll:** Honourable senators, let me give you some background on the need for a study of the work ethic in Canada and its implications. I asked for the opportunity to speak today—and I am grateful that the Leader of the Opposition and the Leader of the Government agreed—because of a very significant report which appeared in the Toronto *Globe and Mail* this morning and which will appear in other newspapers later in the day. The report reads in part:

> Federal and provincial ministers of welfare took a major step yesterday toward transforming Canada's welfare system into a guaranteed minimum income system.

Senator Grattan O'Leary, when making one of his memorable speeches recently, said, "When Senator Croll gets up the next time he will tell us about the guaranteed income." He was right in that, the more so because this becomes a significant day. I say that because the fact that the guaranteed income principle has now been accepted rings a bell in this place. I might add that today I looked up the names of the 14 senators who served on the Special Committee on Poverty and only one passed on. I can only presume that the rest of us are being rewarded for the good work by being allowed to stay here. But it occurred to me that it would be a good idea to let those who are still here smell the roses.

We have had a special interest in the poor and the poverty-stricken, and our contribution to the solution of their problems has been a significant one. It is from this Chamber that the suggestion came forward about a guaranteed minimum income. Even when that suggestion was made, it was an idea whose time had come. But you may recall that there was cynicism at that time. Yet today we find that not only are those who are out of the labour force receiving basic guaranteed incomes, but the federal and the provincial governments have agreed in principle and are now working out the details for bringing this into effect. I shall deal with this in greater detail later.

The Senate can take a great deal of credit for the work that has been done in this field, and I would add that it was not by any means marginal work. In the future whenever there is a discussion concerning questions of poverty and the guaranteed minimum income, the contribution of the Senate must be considered as being significant. We have shown here as we have shown in other inquiries we have made that we are interested in the condition of the poor and the unfortunate of this country, and this interest has become evident to the people of Canada. We have also shown that when the need arises the Senate is prepared to do its share of what has to be done.

I want to pass on another piece of information of which senators may not be aware. This book which I have in my hand, *Poverty in Canada—A Report of the Special Senate*

*Committee*, is the runaway best seller in the parliamentary history of Canada. Twenty thousand copies have been sold to date and it is now in its fourth printing. In addition, I am told that it has been xeroxed many thousands of times in whole or in part.

**Senator Flynn:** It's a steal.

**Senator Perrault:** No guaranteed income there.

**Senator Croll:** It represents an unprecedented contribution to the social security of this land, for therein is contained, as I shall later indicate, the foundation, the blueprint, the guidelines for the Canadian social security system in the twenty-first century. For once, having accepted the principle of the basic guaranteed income, we have commenced to phase out the old and bring in the new. Welfare is being phased out and the new policy is a floor under family income with work incentive. As a matter of fact, it is very simple. It is an economic floor below which no person is allowed to fall, with an established ceiling. It is uniform and universal, with incentives covering the working poor, the welfare poor, the aged and those out of the labour force.

● (1430)

First, it consolidates some 200 programs into one. Second, it can establish a real work requirement. Third, it can establish clear lines of eligibility. The system is based on the proposition that it will not work unless you work, and if you do not work the system will not work. It is as simple as that. All that must be remembered are these three principles: First, there is a guaranteed income for those not in the labour force. Second, there is a guaranteed income for those in the labour force by way of negative income tax—that is, particularly for the working poor. Third, the unemployment insurance looks after everyone else, except for the categorical programs, which remain until such time as they fit into the system.

The report has had a positive impact on government thinking. This, of course, was a principal recommendation. So now the guaranteed annual income is not a pipe dream or pie in the sky, but an achievable goal. However, all Canadians who can will have to work for it, for work is indeed the essential ingredient for the formula to succeed. It will be well for me to indicate to you that since the government has been considering the guaranteed income there have been no new welfare programs anywhere in Canada. There have been new income programs in various provinces, which have contained work incentives.

Some time ago I sent every member of the Senate a copy of the Senate Report on Poverty, updated November 1, 1974. I would like permission to have that included in today's proceedings. It consists of one page.

**Hon. Senators:** Agreed.

SENATE REPORT ON POVERTY

Updated—Nov. 1, 1974*

| Family Size | Poverty Line 1971 (nearest $10) | Poverty Line 1972 (nearest $10) | Poverty Line 1973 | Statistics Canada Poverty Line 1973 |
|---|---|---|---|---|
| 1 | $2,430 | $2,700 | $2,990 | $2,270 |
| 2 | 4,040 | 4,500 | 4,990 | 3,783 |
| 3 | 4,860 | 5,390 | 5,990 | 4,539 |
| 4 | 5,660 | 6,290 | 6,990 | 5,295 |
| 5 | 6,470 | 7,190 | 7,970 | 6,053 |
| 6 | 7,270 | 8,090 | 8,970 | 6,053 |
| 7 | 8,090 | 8,990 | 9,970 | 6,053 |
| 8 | | | | |
| 9 | | | | |
| 10 | 10,510 | 11,690 | 12,960 | 6,053 |

SENATE REPORT: Poverty level set at 50% of average Canadian family income adjusted to family size, making provision for inflation and gross national product.

STATISTICS CANADA: Minimum income needed by a family which has to spend 70% or more of its income or basic necessities: food, shelter and clothing.

**Note:* Average Canadian family income for year 1975 did not become available until October 1974.

**Senator Croll:** Senator Bélisle, speaking in the house the other day, brought to our attention the fact that there are 15—he did not give the number, but I have it—widows of deceased senators receiving an annual allowance of $2,660.66. That is quite apart from those who receive nothing at all.

That is very significant, because the poverty-line figure for 1973 was $2,990, and in 1974—this is guesswork—it will be approximately another $300 on top of that. The husbands made it to the Senate, but their widows did not even make it to the poverty line. They are $600 behind.

**Senator Bélisle:** And nothing for the children.

**Senator Croll:** That is a fact. It is well that we, who look after everyone else's business, should take a look at our own. I raise this only for the point—

**Senator Flynn:** Cordonnier mal chaussé.

**Senator Croll:** —that we should implement the guaranteed income for those not in the labour force. I recommend seriously to honourable senators one of the best speeches I have read in many years. It is that of the Honourable Marc Lalonde, speaking before the Empire Club in Toronto.

**Senator Flynn:** Is he back?

**Senator Croll:** He spoke on October 31. I recommend that you read that speech. In it he clearly sets out the policy. He said, in effect, that there was no longer any question of implementing policy. He spoke only about when, how and by what method. It was a speech worth remembering.

We have the blind, aged, crippled, widowed, separated, and divorced. We also have new legislation dealing with wives or recipients who are 60 years of age. That legislation may later eliminate a means test. The concept here may well be that with the Old Age Security supplement and the Canada Pension Plan, and with the wife receiving a pension at 60, the old folk will be well looked after. When we add the figures of $118, $80, $157, and $180, the

total sum provides them with a reasonable opportunity of looking forward to a decent life. That is the ultimate aim and objective.

In addition, there is talk of providing community employment for those within the community, which means an employer of last resort. Until now that was not possible because the federal government would not provide the needed capital. If that money is provided, local employment will be possible for those who occasionally require it.

● (1440)

Those who are suffering most are the working poor. These people, in the main, are working for the minimum wage. The obvious solution is to raise the minimum wage, but it is not so easy to do that. There are many industries that simply cannot pay more than the minimum wage. There are many marginal industries, under-capitalized industries, inefficient industries, which carry on operations in various parts of this country, and although they cannot pay more than the minimum wage, they provide steady employment. I do not know how this problem can be resolved except by raising the minimum wage to about 60 per cent of the average wage across the country.

In a speech I made in this chamber not long ago, I suggested that the wages of the working poor should be supplemented by way of fringe benefits. This was tried but proved unworkable. The government thought it would help the working poor by supplementing their incomes by welfare. The fact is, the poor would not take it. Thousands and thousands of those who were eligible simply refused to take it. A few did take advantage of it, but because of the small number who did participate, the government decided to discontinue that program.

The Honourable Marc Lalonde deals with this in his speech to the Empire Club of Canada, and suggests that some other way must be found. I suggested that we supplement their wages by way of fringe benefits. Perhaps honourable senators and others will take the position that to subsidize the working poor by way of fringe benefits would be to subsidize these inefficient industries. To an extent, that is true. But we would be doing something more important—we would be redistributing the wealth in this country, which is something about which we have done nothing for 25 years. Mr. Lalonde put great emphasis on this in his speech, when he said:

> Twenty per cent of the families in this country were living on less than $5,516 in 1972. This figure was 49 per cent of average family income in Canada, which means that one-fifth of all Canadian families were required to live on incomes of less than one-half of the national average family income. Even more striking is the fact that the share of total Canadian family income being received by this bottom 20 per cent of families was less than 6 per cent: 20 per cent of our families received less than 6 per cent of all family income. Compare this with the fact that the top 20 per cent of Canadian families in 1972 received 39 per cent of all family income.

He said one of the things we must do is redistribute wealth in this country. How well we agree with him.

When one talks of a program such as this, the first thought that comes to mind is the cost involved. When you consolidate hundreds of programs into one, there is bound to be some saving. I have no idea what it is likely to cost, and no one to whom I have spoken has any idea. However, our American friends conducted a study which indicated there are tremendous savings to be achieved when one consolidates a number of programs into one. The cost, surely, will not be anything of the order that has been suggested in the past. I well remember the fantastic figures which were thrown about by the finance people when we first brought forward the proposal for a guaranteed annual income. The committee delved into the cost of such a program in great detail, discussing it with competent people at all levels, so they had some idea of what it would cost, and it in no way resembled the figures being thrown about in order to cool it off. Now that they no longer wish to cool it off, they are embracing it as being a viable proposal. Well, it is only about two years since that proposal was brought forward, and things have not changed that much.

What we are doing is emphasizing a change from welfare to income and work, and people who have the capacity to work will not be permitted to jeopardize the new system. The middle class feel they are being ripped off by having to pay for those who can and should work. Reforming welfare by phasing it out, and replacing it with a policy of income and work, is the most imaginative and effective human initiative that has come along in many years.

Just think of the full effect of what I am saying. Fifty years of welfare is being phased out, and a new social security program is being put into effect. Honourable senators are going to see that change come about, and they will have helped establish it. That is a very important thing for this country. We have all heard complaint after complaint about welfare in all its forms. For years people have been asking how to get rid of it. How do you get rid of welfare? What do you put in its place? We did not have answers to those questions. Now we think we have found something much better than welfare, and certainly in the democratic world this is the most progressive system yet to be introduced. As I have said before, we have to get it across to the people that in order to make this policy work, they must work. If they do not, it simply will not work.

Honourable senators may wonder what my purpose is in speaking on the work ethic in Canada today. It is simply this: many Canadians have the idea in their minds—and you are not going to change it by saying, "it ain't necessarily so"—that there are a lot of bums, as they put it, on welfare and unemployment insurance. Well, they are wrong on one and right on the other. Nevertheless, you cannot tell them they are wrong. Certainly, the welfare roles in this country were never so pure, the reason being that those who have been on welfare long enough are smart enough to know that they are now better off on unemployment insurance, and that is where they are. They are not on welfare at all.

There is no doubt that we have a problem. Everyone knows we have a problem. The question is how to deal with that problem. To put this proposed program into effect is going to take some time once it has been accepted

in principle, and how and when it is put into effect will make a difference.

What is bothering the Canadian people today is the work ethic. For the most part, they have no argument with the benefits. They are willing to pay the shot for such a program. However, they want to be assured that the people will work; that those who are ripping off on unemployment insurance will not be permitted to continue to do so. They want to know how the program will be organized and implemented. They want some idea of how efficient Parliament will be in putting it into effect.

Well, what does it involve? What are we worried about? The questions in the minds of the Canadian people arise out of such headings as that in one of the largest evening newspapers in Canada recently: "522,000 out of work but 130,900 jobs go begging." That is a scandalous sort of thing when you consider it. If this is the situation, surely there is something wrong somewhere. I do not know what the answer is at this particular time.

● (1450)

On the other hand, we import indentured labour, which is something new in Canada. Last year we brought in people to pick berries, tomatoes and tobacco—about 6,000 persons. We have been doing that for some years. Last week we brought 50 Spaniards into north Saskatchewan to do bush work.

**Senator Benidickson:** And Mexicans for hotel work.

**Senator Flynn:** Spaniards or Mexicans?

**Senator Croll:** Both. We have got problems. We have collective bargaining, which I will cover later, but for some reason suddenly the process we thought was an excellent one is starting to limp. We talk about the work ethic, but we find a very competent, able and outstanding jurist in the Province of Quebec saying, "This is an antiquated law. I cannot enforce this sort of thing. It is an anti-social law." In the Province of Ontario schoolteachers are on strike; they have a contract and then say, "You know what you can do with that." Ontario civil servants say, "Next December 31 we will walk out, despite our contract." Perhaps we are making a mistake in having these closed contracts, and not allowing them to be opened up at various times; perhaps something ought to be done about it. Management-labour relations need to be looked at and given some consideration.

With unemployment insurance it is time we got to the point of saying, "No more fooling or holds barred. If you are entitled to benefit, you get it to the full; if you are not entitled, your are not going to get it. Since a basic income is provided you will have to come under that, so you will not be left out in the cold."

Alberta needs 20,000 persons for jobs available there, and within two years they will need 100,000 more workers. In Manitoba the need is for 5,000 to 6,000, and Saskatchewan needs 5,000. In British Columbia they need carpenters; in Ontario, service personnel and skilled workers; in Quebec, service personnel; and in Nova Scotia they need all sorts of workers. One wonders why this question has not been looked into long ago, to find out what all this is about.

I agree we have some people, but very few, who rip off the system. It always happens that way. There is no mass



defection from the idea of work. Is it job satisfaction? Is it security? Is it achievement? Is it human treatment? Is it management-labour relations? What is happening? We knew what the difficulty was with welfare. There was a lack of incentive; that was the vital flaw, and we finally got around to starting to correct it. We knew that years ago, yet we did not get around to correcting it for some time. For a long time, whenever we found that some welfare program did not work, we just loaded another one on top of it and thought that would work, but we found it did not. At least, now we can start afresh and know what we are doing.

I have got to my main theme, although some honourable senators may have expected I had already passed it.

**Senator Smith:** It is a measure of your enthusiasm.

**Senator Croll:** My own feeling is that there is a challenge in the land today, and that we cannot ignore it, except at our peril. The challenge is a new one and it deals with the quality of life, the disenchantment of the blue collar workers, women searching for new identities, the aged reaching out for respect and continuity, youth for a voice that will be heard and heeded, and with mass society it is frustration. We sometimes ask ourselves, "Where have all the workers gone?" There are thousands of jobs begging for thousands of workers. Why do Canadians refuse to do manual work? We tolerate indentured labour or, worse still, Canadian okies.

My proposal, on which the Senate will have to pass judgment, is that the Senate should investigate the work ethic in Canada. If I have not sufficiently defined it for you, you can define it in any other way you wish, although I thought I had given a pretty fair definition. A hard public look at this question is necessary. While everybody in the country is an expert on the subject, one rather gets the feeling that we really do not know much about it. What we are talking about is a very important matter.

Is unemployment insurance and welfare turning us into a nation of loafers and lazy "bums"? Do we all want more in wages than we are prepared to give in work? Does mass production have to use men like machines? Since work takes up a third of our life, can work be made more satisfying? These questions affect all of us, and they affect business and government, from inflation policy to social welfare and collective bargaining. It is time we found out what we have been talking about for all these years.

I know there are more than a few of my colleagues here who would say that any examination of the work ethic today would have to be an autopsy. According to them, the spirit of work has departed. The idea that work is good, that man ought to work, that man needs to work—and when I say "man" I, of course, include "woman"—all such notions have been hauled off to eternal rest in the graveyeard of ideas—or at least, they say so. Some also say that the spirit of work was destroyed by well-intentioned but simple-minded liberals who have made society too soft.

● (1500)

**Senator Flynn:** I agree with you.

**Senator Croll:** I thought you were looking at me.

**Senator Langlois:** Le conservateur.

**Senator Croll:** Men do not have to work to survive. If necessary, they can live off the rest of us.

There is another, entirely different approach to this question but which agrees at the same time that "the work ethic is dead." This approach is made by those who proclaim the coming of the "leisure society," who think of work as a form of slavery, the pursuit of money by meaningless and mindless production—at least, until they need it. For the first time in history, so they say, we are approaching the freedom to do what we want, when we want and as we want.

**Senator Walker:** As long as they get welfare.

**Senator Croll:** No. Welfare is something that is hard to get—almost as hard as getting into the Senate.

**Senator Walker:** You should know.

**Senator Croll:** I do. That is how I got here.

**Senator Walker:** You studied it.

**Senator Croll:** These two opposite points of view have done much to promote the idea that work is a passing phenomenon, even though there are at the present time more than half a million men and women working for wages—part time, full time, whatever it may be—when they could get much more money on welfare.

I should like to quote from the *Financial Post*. You will have to excuse me for coming back to this, but it is an ordinary example:

> An Ontario worker with a family of five to support, for instance, would earn $2.25 per hour, or $90 for a 40-hour week, at the minimum-wage level. The same worker could collect about $133 in unemployment benefits, so there could be an actual incentive for the person *not* to take a job.
>
> The same situation obtains to a lesser degree for unemployed persons with smaller families.

That applies across the country, not in Ontario alone. These people are working. They are seeking help in any possible way we can give it to them, for they want to succeed.

These reports of the "death of the work ethic" are greatly exaggerated. It is certainly true that work is changing and what men and women expect of work, by way of specific rewards and conditions, is changing. But to say what I have said is not to say that work is dead. On the contrary, it is to say that work is alive and, therefore, subject, as other things are, to forces of change.

Those who condemn all changes in work believe that if work is not what it has always been—a plain necessity—then it is not work at all. Their theory is that for men or women to have any choice about what they will do or not do is a fatal weakness in society, and if a migrant farm labourer chooses not to live like an animal or be treated like one, that is evidence of the softening of society. If a man on the assembly line complains of boredom, they say he is a lazy dreamer, and if one of the hundreds of thousands of white-collar workers should speak of dignity, equality or responsibility in the work place, he is simply spoiled.

If the hardliners on work are stuck in the past—what was, is and must always be—then the progressives, the prophets of leisure, are infatuated with some imaginary future. They are caught up in the cult of change. Nothing at all will be as it was, whether in society, politics or people. The fault here, and it is a very dangerous fault, is that the slowness of change and the ordinary needs of men and women are ignored. To hear some of those prophets speak, you would think that the millennium of leisure had arrived.

Speaking for myself, and I am sure I speak for the members of the Senate and for most people I know, work is still a very large part of life. It takes up a large part of most days, and often a larger part of our thoughts. Perhaps we do not work as hard as our grandparents—at least, physically—but we still work hard. Talk to the construction worker doing a double shift, or the truck driver who has to do two jobs; talk to the farm labourer who gets $2.50 an hour, and whose working day is 10 hours; talk to a doctor. Tell them about the leisure society. We still work hard, and we still need to work for the coin of the realm.

There are "welfare bums," no doubt, but they have not discovered an easy or sure route to security, and moreover they are insignificant in number. Our need to work goes a long way beyond money. It has to do with finding order and purpose in our lives. The suggestion is that work remains what it has always been, a basic need of individuals and society.

Work, like everything else, must change. Mr. Reuben Baetz, executive director of the Canadian Council on Social Development, has summarized the situation very well:

> In North America and Western Europe, we have sensed in recent years a slow but inexorable change in the concept of work. However no one has been able to describe with certainty the nature of this change and, above all, no one has been able to tell us precisely what its social and economic implications are for the future.

As to the studies of attitudes towards work, there have been many in the United States and a few in Canada. Those studies have produced conclusions which the average man will hardly find surprising. Men want to work, but they also want satisfaction from their work. Men want to work, but they prefer good pay to lousy pay. Survey after survey over the past 25 years has reported that the vast majority of workers say they want work, and have a need to work. Only 4 per cent admitted they would prefer to "work for a while and then get by on unemployment insurance."

So far, those surveys reveal that the same general truth applies to the young and to the poor. Despite all the common assumptions that the young are out to rip off the system and that the poor are lazy, there is little evidence of this.

One American study of the poor and work concluded that they value work as highly as do the rest of us:

> They express as much willingness to take job training if unable to earn a living and to work even if they were to have an adequate income. They have, moreover, as high life aspirations as do the non-poor and want the same things, among them a good education and a nice place to live.

● (1510)

The idea that the poor are strange creatures, essentially different from us, is blatant nonsense. The reasoning is that the young today are the first pampered generation, that they have never had to work so they cannot work for a living. The actual truth is far less threatening. It is certain that the young question more. Until they acquire the responsibilities of a family they feel freer than the rest of us to complain, and to pack up their bags and go.

Studies show that they change their jobs more often than the rest of us, that they are less tolerant of much of the nonsense which passes for authority in work; but these differences, generally, are familiar. Many surveys show that the poor and the young all want what we want—satisfaction in return for work. There is no evidence of wholesale rejection of work.

However, research and common sense tell us that there is considerable and growing dissatisfaction with certain specific characterizations of work. First of all, men and women are becoming less tolerant of managements that fail to treat them like human beings. Human beings have always preferred interesting work to boring work, leaving aside a few exceptional individuals. The difference is that we really do expect more from work, and so we demand more.

One of the common complaints is about the repetitiveness and triviality of some work—stuffing or unstuffing envelopes all day; inserting a plug a thousand times; turning a nut a million times—there are numerous examples of jobs which have been deliberately designed to provide as little interest and satisfaction to the worker as possible. Closely related to this grievance is—and we often use scientific jargon for it, what we call the "mechanization of people"—the management style which presumes from the start that people are best, and most safely, reduced to the status of machinery helpers. On the top is wisdom and devotion; on the bottom is emotion and lethargy.

The United States Task Force on Work reported:

> The most consistent complaint reported to our Task Force has been the failure of bosses to listen to workers who wish to propose better ways of doing things. Workers feel that bosses demonstrate little respect for their intelligence.

There are some old-fashioned grievances about work still kicking around in our society. The most common, and perhaps the most important for policy-makers, is that many of the dirtiest, hardest and most severe jobs are also the worst paying.

I want to talk for a minute about farm labour. In 1969, we imported 2,363 Americans, Mexicans and West Indians to pick tomatoes and tobacco. By 1973 the number had risen to 5,600. While that is still a small percentage of the total placement of 80,000, it is a pretty hefty increase. Why is this so? Are Canadians too lazy to do the work? Must we now import a helot class from the poor countries of the world to do our menial jobs? Are we going to depend on indentured labour and 'Canadian okies'?

The 1973 Task Force on "the Seasonal Farm Labour Situation in Southwestern Ontario" had this to say:

> In every case where we discovered that later in the season there may be a "shortfall" in farm labour in the area, i.e., an excess of demand over supply, we found—and every responsible grower and grower's representative we spoke to confirmed this—the simple, basic fact that lack of suitable accommodations is the key to the problem. Low or uncertain wage rates was a significant factor also, as the size of a seasonal farm worker's earnings is tied to his production from the fields, and several days' wages lost due to rain or unforeseeable factors can be a strong incentive to the worker to leave the job to return home or to take other employment.

This suggests that one should begin to deal with the problem not by worrying about the work ethic but by trying to make these jobs more attractive. The Ontario Federation of Labour has called for a new deal for farm labourers by extending to them laws now covering industrial workers. However, to date it has been unsatisfactory. When you see the literature, when you read what has been said and realize what the conditions are, you find it all adds up—or at least to me it seems to add up—to the conclusion that there are some jobs, at some kinds of pay, under some conditions, which Canadians will not accept. Nevertheless, as I said before, there are some Canadians ripping off the system, and they should be stopped—both the big ones and the little.

But what of this question of choice? Should Canadians, after years of education and increasing income, still be willing to accept any job, anywhere, any time? Should a skilled electrician in Kitchener be willing to dig ditches for half the pay in Fort McMurray? What are the limits? Who should enjoy them? Should the well-educated be free to pick and choose their jobs, but the common labourer be bound to take any work that comes along? The fact, of course, is that we have a double standard in these matters. We, the privileged, who rarely face such choices, think it an easy, the right and proper, thing for a man to pack up his bags, his family, and sometimes his life, and leave for work elsewhere.

We ask ourselves, therefore, why we have such a poor record in collective bargaining. Between 1960 and 1969 the number of working days lost because of industrial disputes rose tenfold from 738,700 to 7,751,880. Certainly, there are many factors that go into such an increase, but one of the most important may be job conditions and job satisfaction. There is plenty of evidence that labour and management, in both Canada and the United States, have seriously underestimated these things in assuming that all a worker cares about is the money. The American Task Force on Work said plainly:

> Unions have assumed too long that they could prevent workers from being exposed to unreasonable hazards or physical strains, but not from being bored to death.

We then ask ourselves whether the incentives to work are rapidly vanishing. The Conservatives say yes; the Liberals say no, with a little doubt in their voices. In the past ten years or so, this issue has grown until it has become a major preoccupation of policy-makers. The predominant question in the minds of the Canadian people is: What will the guaranteed annual income do to the work ethic? This uncertainty is the great stumbling block to the immediate introduction of the guaranteed annual income.

It is not a matter of whether we can afford it in economic or fiscal terms, but a fear of what it will do to the work ethic.

● (1520)

Many Alberta farmers blame the unemployment insurance system for the disappearance of labourers. As one farmer put it, "They work long enough to become eligible for benefits, then disappear into the city where they get a cheap room and sit around on their butts eating, drinking and doing nothing. Unemployment insurance is the ruination of the country." I do not agree with him, but that was his statement.

Are we going to create a class of indentured labour in this country? Are we Canadians prepared to do our own jobs, or are we going to import, and then export, every year a desperately poor mass of people to do them for us? We have already started down the road towards this end. I have indicated to you that every year there are more migrant labourers picking tobacco, beets and tomatoes. There is talk of bringing in more people to work on the wheat farms, the cattle ranches, and in the textile mills. We have seen the huge problems of the European countries, and the way in which they have had to deal with indentured labour. You will remember that Switzerland recently had a national referendum on setting a limit to the number of workers who would be allowed to come in. Is that what we are aiming at? If not, then we shall have to do something pretty drastic to improve these jobs, and to find Canadians to take them.

There are other good reasons for a Senate investigation. I hope there will be one, because this is a bread and butter issue in this country at the present time. When we devote ourselves to it, I think we will find that we do not know very much about Canadians at work. I know we all consider ourselves experts, and we all have some common-sense ideas on the subject, but no one will be amazed to discover that some of us, some of the time, hate our jobs. There is no mystery in that. What we need to understand better than we do is why the discontent and the bad conditions exist, and how we should go about changing them. Why are organizations and managers so devoted to controlling employees? Why not more power sharing and trust? Why are certain jobs so miserable and so poorly paid? Or conversely, have we educated young people to expect the impossible of jobs? If these questions sound to you as though they are about work itself and not about attitudes to work, so be it. We go where the problem leads.

Secondly, we need a Senate investigation, with a full public discussion, because Canadians need to talk and argue openly about these matters. We cannot come to any conclusions about welfare, unemployment or unemployment insurance, without it. We have to find the facts and present them to the people.

We are not now recommending an antiseptic survey of public opinion where people say, "Yes," "No," or, "I don't know." We have had many of those and we will have many more. Our purpose should be not merely to get reactions, but to join Canadians in thinking and arguing about work. This is essential. Work is one of those major facts of life that do not receive the attention they deserve from policitians.

We require an investigation into the work ethic in Canada because work is, and in the foreseeable future will remain, a basic condition and requirement of human life; because job satisfaction is an increasingly important determinant of social and economic well-being; and because there is much disagreement about the degree and breadth of alienation from work, since we know far less than we need to know about how Canadians view their jobs, and act upon those views.

The function of a Senate investigative committee, if it is decided to establish one, would be to encourage research, public discussion, experimentation and reform, with meaningful and practical recommendations.

Finally, the whole point of the exercise is to open up a system to promote justice in poor jobs, and satisfaction in all jobs. It is to lure and entice Canadians into the work force in order to produce. No matter what they produce, it will be to the benefit of the country. There are far too many Canadians who are rigidly stuck in place, viewing any change as a threat to the old order. We have a great deal to learn about that large zone of change between inertia and catastrophe. Work needs changing, but men need work.

Senator Lamontagne has on the Order Paper a motion for the appointment of a committee, to be known as the Special Committee of the Senate on Science Policy, to organize and hold a conference for the purpose of determining the feasibility of establishing a commission on the future. I am not here to oppose that motion, but I have asked the honourable senator to hold off at least until I have spoken, and until the Senate has made up its mind with regard to the committee I am suggesting.

My view respecting this matter is that we have got to fix our priorities. Our first priority is the work of the Senate—second sober thought. That work must be done above everything else. The composition of a special committee on science policy as envisaged by Senator Lamontagne, would take about a third of the Senate and, in my view, 70 per cent of the working senators. We cannot possibly name all those senators to one committee, and expect an issue as important as the one I have been talking about all afternoon to be dealt with properly by the remainder. If we decide to proceed with a committee on the work ethic—and I do not see how we can do otherwise—we must have a committee of talent. Senators cannot be allotted to that committee; they will have to be designated because of their expertise, their competence and their dedication, and they must constitute a cross section of the Senate. This is certainly not going to be an easy committee to establish, especially if those senators suggested in Senator Lamontagne's motion are taken out of circulation.

It may be said, "Well, that committee will sit only four or five weeks," but I know Senator Lamontagne. Once he gets going, four or five weeks will be only the first day. After that, he will get going with a real number of meetings, and goodness knows where he will wind up. He and the members of the committee will be very busy. A study of the work ethic, however, will be a full-time job for at

least one year. I make the suggestion, therefore, that until such time as we establish our priorities the motion of Senator Lamontagne not be proceeded with. After that, if we decide to go ahead, such changes as are appropriate can be made.

Honourable senators, that is my presentation with regard to this committee.

On motion of Senator Asselin, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, November 21, 1974

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of a Note from the Government of Canada to the Government of the United States, dated November 19, 1974, concerning the Presidential Proclamation imposing a temporary quantitative limitation on imports into the United States of certain cattle, beef, swine and pork from Canada.

Revised Capital Budget of Atomic Energy of Canada Limited for the fiscal year ending March 31, 1975, 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. 1974-2455, dated November 8, 1974, approving same.

## BUSINESS OF THE SENATE

**Senator 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, November 26, at 8 o'clock in the evening.

Before the question is put, I should like, as usual, to give a brief outline of the work program for next week. As honourable senators know, we have several legislative measures on the Order Paper which will come up for second reading and which will probably be referred to some of our standing committees. I cannot at this stage inform the house as to the sequence in which they will be referred back to us, but I can say that these bills will be considered by the Senate in the order in which they are returned from our committees.

I should also inform honourable senators that the committee schedule for next week is already heavy. On Tuesday afternoon—remember that the Senate will not be sitting—the Joint Committee on Employer-Employee Relations in the Public Service will meet. The Banking, Trade and Commerce Committee will continue with its study of competition in Canada and it will also consider Bill S-15, to amend the Department of Industry, Trade and Commerce Act.

**Senator Flynn:** If the bill is referred.

**Senator Langlois:** Yes. It is possible that the Agriculture Committee will meet Tuesday afternoon to complete its examination of Bill S-10, to amend the Feeds Act. The Standing Committee on Health, Welfare and Science will consider Bill C-22, to amend the Canada Pension Plan.

On Thursday the Joint Committee on Regulations and other Statutory Instruments will hold a meeting. The Committee on Transport and Communications will commence its study of the controversial CBC French network program "Les Beaux Dimanches." The Foreign Affairs Committee will continue its study of Canadian relations with the United States. The Joint Committee on Employer-Employee Relations in the Public Service will hold another meeting. Of course, should the bills referred to those committees be received back here, they will also be considered in this house during the week.

In addition, I should say it is expected that we will receive some bills from the House of Commons and that we will have another bill for introduction in the Senate.

● (1410)

**Senator Argue:** Honourable senators, just to keep the record straight with regard to the Standing Senate Committee on Agriculture, did I understand the deputy leader to say that that committee would probably meet on Tuesday afternoon to complete its study of Bill S-10?

**Senator Langlois:** Yes, I said the committee would meet on Tuesday, and hopefully it will complete its work.

**Senator Argue:** It is quite conceivable it will not complete its work, because there are certain highly important witnesses to come before that committee. It is my intention that the committee will do a thorough job on the bill and we will not complete our work until we have done what we consider to be an effective study of the bill.

**Senator Langlois:** I had no intention whatsoever, Senator Argue, to curtail the excellent work of that committee.

**Senator Walker:** Touché.

**Senator Flynn:** You just used the formula from the previous session, when Senator Martin was leader.

**Senator Langlois:** You have a very good memory, senator.

Motion agreed to.

## OFFICIAL LANGUAGES

### IMPLEMENTATION OF RESOLUTION—REPORT TO PARLIAMENT TABLED

**Hon. Raymond J. Perrault:** Honourable senators, I have the privilege of tabling the report to Parliament on the implementation of the official languages resolution adopted by Parliament in June, 1973, dated November 21 of 1974. I would request the opportunity to make a brief statement in connection with the tabling of this document.

**Hon. Senators:** Agreed.

**Senator Perrault:** Honourable senators, in June 1973, my predecessor, the Honourable Paul Martin, introduced in this chamber a resolution recognizing and approving principles for achieving the equality of status of English

and French as the official languages in the Public Service of Canada.

[*Translation*]

I take great pleasure today in tabling, on behalf of the government, a report on the steps which have been taken to implement this resolution.

[*English*]

The report contains the results of the process of identifying the language requirements of all positions in the Public Service of Canada for which the Treasury Board is the employer. Information is provided on the number of bilingual employees occupying positions identified as bilingual, as well as data related to language training for public servants.

When the resolution to which this report refers was introduced in this chamber, the Honourable Leader of the Opposition, the Honourable Senator Flynn, asked how many positions in the National Capital Region would be identified as bilingual. This report shows that the number of bilingual positions identified in this region is 35,611. Honourable senators will also learn in reading this report that 53 per cent of incumbents of bilingual positions are bilingual, leaving an estimated training load of some 19,000 persons.

The number of positions identified as bilingual in the whole of the Public Service is 53,600, compared to the estimate of 25,000 made in December 1972. The main reasons for this are that the number of bilingual positions required to serve the public as well as to provide internal services to other public servants was underestimated. In addition, to allow public servants to work in the official language of their choice, the number of supervisory positions is higher than estimated.

[*Translation*]

The government wishes to enable the largest possible number of civil servants to gain some knowledge of the other official language. To that effect, linguists of renown will conduct a study with a view to finding out why some people seem unable to learn the other language, and whether present teaching methods cannot be improved.

[*English*]

In addition, at the request of the government, the Public Service Commission has agreed that effective immediately, unilingual employees, age 60 or over, will automatically be exempted from language training while retaining the right to occupy or be appointed to bilingual positions. This means that a unilingual employee, age 60 or over, who has all the other qualifications for a bilingual position, can be appointed to the position without having to become bilingual.

**Senator Walker:** How generous.

[*Translation*]

**Senator Perrault:** The resolution adopted by Parliament in June 1973 provided for measures to increase the use of the French language in the public service and to ensure full representation of both the English-speaking and the French-speaking groups. The statistics contained in this report give the linguistic profile of the public service and show that some progress has been made in that area. I strongly believe that honourable senators wish that this progress continue.

● (1420)

[*English*]

The government wishes to express its appreciation to the certified bargaining agents who were consulted during the process of implementing the resolution adopted by Parliament. The fruitfulness of these consultations with the employee representatives deserves special mention, particularly the work of the Official Languages Committee of the National Joint Council.

**Senator Walker:** Would the honourable Leader tell me how many employees there are in the National Capital Commission at the present time?

**Senator Perrault:** I am unable to give the exact figure. I think that information will be contained in the report, but if it is not then I shall undertake to get it for you.

**Senator Flynn:** Honourable senators, because I was given notice of this statement by the leader of the Government only a few minutes ago, it is very difficult for me to comment to any extent at this time. However, I will say that I am happy that we have this report and I hope that we will have occasion to consider it, if not to debate it.

I realize, and it is clear from this report, as was indicated in the statement made by the Leader of the Government, that it is rather a difficult task to implement the Official Languages Act in the Public Service. But a desirable objective it is, and everything that is being done to achieve it is welcome on this side of the house.

I shall only add as a footnote that I notice that the Leader of the Government has been practising his French and has improved very much and very quickly.

**Hon. Senators:** Hear, hear.

[*Translation*]

**Senator Flynn:** I would simply like to tell him that his accent is as good as his predecessor's, Senator Martin.

**Senator Perrault:** I have a western accent.

[*English*]

## MANITOBA INDIAN BROTHERHOOD

### MEETING WITH SENATORS

**Senator Argue:** Honourable senators, before the Orders of the Day are called, I should like to draw the attention of the Senate to a meeting which was held this morning between honourable senators and the President of the Manitoba Indian Brotherhood, members of that executive and certain chiefs of the Indian Brotherhood.

It was a very important meeting, and in my view the results were excellent. I particularly noted the statement of one Indian representative that this was the most impressive and the most satisfactory meeting they have attended since coming to Ottawa. They had endeavoured to meet with the Committee on Indian Affairs of the other place but because of the schedule for that committee it was found that they could not meet with the Indian representatives until January next.

My main reason for raising this point is to suggest that the method by which we met the Indian representatives

this morning could be greatly improved upon. I suggest that when an important organization like that wishes to meet with senators, the preferable way of doing it is to have the organization appear before one of our standing committees. In this instance it would be our Committee on Health, Welfare and Science, which normally deals with matters connected with Indians.

Such an arrangement would carry with it great advantages, in that we would have a public hearing, there would be a public record and the press could be invited to be present. The country would benefit by having available the record of the Senate standing committee and would know that in this situation, as in so many others, the Senate is doing its job. I think we should try in the future to meet organizations like this in committee, because it would assure adequate representation of the Senate, the making of a public record and the attendance of the press.

**Senator Langlois:** Honourable senators, if I may be permitted to add a brief comment to what has just been said by Senator Argue, I am in perfect accord with his remarks in connection with this morning's meeting. I should add that the attendance of senators was excellent, as was their participation. I agree with his suggestion that the next meeting with this group of Canadians should be arranged to take place before a standing Senate committee. As I understand it, this morning's meeting was at the request of the Indian group, who wished to have an informal meeting with senators. I am sure that they were satisfied with the attendance and participation of our colleagues.

**Senator Benidickson:** I believe there were approximately 30 senators present.

**Senator Langlois:** I did not count them.

**Senator Molson:** Honourable senators, I did not intend to raise this matter, but as the meeting with the Indians has been brought up I would like to say that sometimes our communications in the Senate fall down. This is certainly not because of any dereliction of duty on the part of anyone, but just by accident. Today, for instance, I heard of the meeting with the Indians when the meeting was just about over. I inquired as to how one might have been informed and was told that the Whips had notified the members of their respective caucus. In my opinion this is a fine method of dealing with it, except that the Whip in my party was not on duty today. I received no notice of the meeting with the Indians and I suspect there are a few other members of the Senate who are not members of one of the caucuses. I do not make these remarks in any spirit of criticism. I just feel that we can do better than we did in this particular matter this morning.

**Senator Riel:** What about your own Whip?

**Senator Molson:** I will deal with my Whip, but I am dealing now with the procedure in the Senate. In a matter of this nature, when a group attends to talk with senators, it should be dealt with as a Senate matter. It is no reflection at all on the method of dealing with these matters through the caucuses. That is a most efficient and probably the best method of transmitting a notice, but it does not take in every one of us, and some of our parties which are a little removed from the centre of affairs.

I would suggest that in connection with this and similar matters, the responsibility should be placed upon the staff of the Senate to make known the activities which will occur.

**Senator Langlois:** You need a deputy leader.

**Senator Walker:** May I ask the leader whether it is true that the Indians this morning, as a result of the wonderful reception led by Senator Argue, have in mind making him an honorary chief?

**Senator Perrault:** I do not know whether that action is contemplated, but I believe that all of us were very much gratified by the superb attendance of senators at the meeting this morning.

● (1430)

## EXPLOSIVES ACT

### BILL TO AMEND—THIRD READING

**Senator Barrow** moved the third reading of Bill S-17, to amend the Explosives Act.

Motion agreed to and bill read third time and passed.

## CUSTOMS TARIFF

### BILL TO AMEND—THIRD READING

**Senator Benidickson** moved the third reading of Bill C-27, to amend the Customs Tariff.

He said: Honourable senators, when this bill received second reading on November 14, Senator Connolly (Ottawa West) raised a question relating to the inadequacy of certain information in the schedules to this bill which came to us from the House of Commons. His question appears at page 262 of the *Debates of the Senate* for November 14.

I have pursued the point. I have communicated with our Law Clerk and Parliamentary Counsel, Mr. Hopkins, and have sent copies of correspondence that has ensued to the Leader of the Government, Madam Speaker, the Speaker of the House of Commons, and Senator Goldenberg, Chairman of the Standing Committee on Legal and Constitutional Affairs.

Since then it has seemed more appropriate that this matter of adequate printing for Senate purposes of bills originating and passed in the House of Commons should probably be referred to the Chairmen of the Joint Committee on Printing of Parliament, and that will be done.

Motion agreed to and bill read third time and passed.

## STATUTES OF CANADA

### BILL TO REVISE REFERENCES TO THE COURT OF QUEEN'S BENCH OF THE PROVINCE OF QUEBEC—SECOND READING

The Senate resumed from Tuesday, November 19, the debate on the motion of Senator Langlois for the second reading of Bill S-16, to revise references to the Court of Queen's Bench of the Province of Quebec.

[*Translation*]

**Hon. Jacques Flynn:** Honourable senators, I listened very carefully and with a lot of interest to Senator Lan-

glois when he moved last Tuesday night that Bill S-16 be passed on second reading. He will admit that I interrupted him only once and, since he did not appreciate this interruption, I then remained completely silent.

**Senator Langlois:** I even pointed that out.

**Senator Flynn:** I adjourned the debate to be able to read the speech in *Hansard*. He gave us, or he told us, the history of the Court of Queen's Bench, that will have survived for 125 years.

He indicated the problems caused by having two superior courts, one having jurisdiction in civil matters and the other in criminal matters, while both are presided over by the same judges.

The lengthy jurisprudence that he quoted showed that sometimes the judge wonders if he is competent because, when he sits on the Court of Queen's Bench, he can be told that a case is a civil matter and when he sits on the Superior Court of Quebec he may have to try a case that could be considered a criminal matter.

Senator Langlois should be congratulated for having placed on the record such detailed research which undeniably supports Bill S-16.

When I was reading his speech, I told myself that this was a work of laborious scholarship and that Senator Langlois must certainly have spent a very long weekend, if not two, on its preparation.

Senator Langlois mentioned that, unless he was mistaken, Quebec was the only province with two superior courts of first instance, one for civil matters and the other for criminal matters, which are completely independent of one another even though they are presided over by the same judges. He is absolutely right, because the Judges Act, chapter J-1, Revised Statutes of Canada, provides that in Ontario the Supreme Court is the only superior court with double jurisdiction, civil and criminal. The same in Nova Scotia, New Brunswick, British Columbia, Prince Edward Island, Alberta and Saskatchewan, where the only court of first instance with civil and criminal jurisdiction is the Supreme Court.

In Manitoba, there is also one court which is called the Court of Queen's Bench.

Also in Saskatchewan, one court, also called the Court of Queen's Bench.

When the Quebec National Assembly abolished the Court of Queen's Bench to grant to the Quebec Superior Court the double jurisdiction of first instance, it was under the provisions of the British North America Act which gives power to provincial legislatures to pass legislation concerning the application of justice, including the setting up, organization, maintenance and administration of courts with both civil and criminal jurisdiction. I refer here to paragraph 14, section 92, of the British North America Act.

It seems to me that the Quebec National Assembly had good reasons to do so as it is evident from the facts reported by the sponsor of the bill. However it is more a procedural matter. In some cases, not only did the problem derive from the fact that the justiciables erroneously appeared before the Court of Queen's Bench instead of the Superior Court or conversely, but recently, in a ruling given by the Superior Court in Montreal, a judge dismissed petition for contempt of court based on the refusal to comply with an injunction of a judge in the same court, alleging that the nature of the offence was criminal rather than civil. However, the injunction had been pronounced by the Superior Court in civil matters. But the judge of the Superior Court alleged that it had been wrong to go to Superior Court instead of the Court of Queen's Bench.

In this particular case, it is clear that the judge was looking for a reason not to apply the law, because his decision was based for that matter on motives which he himself described as social and political ones, motives which I feel should never affect the basis of a decision.

As a matter of fact, the separation of the legislative from the judiciary remains a principle both essential and necessary. Judges are not appointed to make laws but to apply them. They should keep away from the legislators' responsibilities. They are free to recommend changes to the law, but it is not because they do not agree with a particular piece of legislation that they can take upon themselves not to apply it. Jack of all trades, master of none.

However, in view of the fact that Bill 36 was adopted by the Quebec National Assembly and then given royal assent on July 31, 1974, it is imperative, to clarify the related federal statutes, that the federal Parliament eliminate all references to the Court of Queen's Bench to leave only references to the Superior Court as the court of first instance which now exercises all jurisdiction both in civil and criminal matters.

● (1440)

[*English*]

Honourable senators, you will understand that in supporting this bill it is essential to appreciate the problems that have been experienced in the province of Quebec. Until the new law was adopted by the National Assembly of Quebec, there had been a court of first instance, the Court of Queen's Bench, having jurisdiction in only criminal matters, and another, the Superior Court, having jurisdiction in only civil matters. That created many difficulties, some of which I hope will be avoided in the future as a result of this bill, and for these reasons I support the motion moved by Senator Langlois.

[*Translation*]

**Senator Robichaud:** Honourable senators, I would like to put a question which may be overly simplistic, but as a lawyer who has always practised in provinces with no civil code, what is the subtle difference, if any, between the Superior Court of Quebec and the Court of Queen's Bench?

**Senator Flynn:** Obviously I thought I had explained it. The Quebec law stated that the court of first instance in criminal cases should be called the Court of Queen's Bench and that the court of first instance authorized to deal in civil cases should be named the Superior Court.

So there were two names, if you prefer, one for the court having jurisdiction in civil cases and the other for the court exercising it in criminal cases. Because of the confusion which may sometimes arise between what may be considered of a criminal or of a civil nature, the Superior Court said: I have no jurisdiction, the other has it. The

Court of Queen's Bench replied: I have no jurisdiction, it is the Superior Court which has it.

So Quebec has just passed legislation providing for the situation now existing in all the other provinces, where the court of first instance has double authority, in criminal and civil matters, so that it will no longer be possible to pass the buck.

[*English*]

**Senator Langlois:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, I wish to inform the Senate that if the honourable senator speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

[*Translation*]

**Hon. Léopold Langlois:** Honourable senators, I do not believe I have much to add to the rather lengthy and detailed remarks I made Tuesday evening as mover of this bill.

I shall limit myself to merely adding a brief comment on the question put by Senator Robichaud and the reply given to it by my colleague, the Leader of the Opposition, Senator Flynn.

I should like to add, to clarify the situation, that I believe Senator Robichaud studied at Laval University, possibly not at its law school, but I do know that he is a former student of that university.

In any event, I should not have too much trouble making him understand fully the reply Senator Flynn has just given him although, to my mind, the answer is crystal clear. The Quebec imbroglio results from the fact that our Superior Court, which is a court of first instance, has two jurisdictions: one, jurisdiction of first instance in civil matters, and two, jurisdiction of first instance in criminal law. However, in addition to that, the judicial structure had a second level. There was duplication at the first level, as I have just pointed out, that is to say that the Court of Queen's Bench had appeal jurisdiction; it was primarily a court of appeal with added jurisdiction of first instance in criminal matters. The result of this was that this appeal Court of Queen's Bench, which was also a court of first instance in criminal matters, was presided over, in its criminal jurisdiction, by the same judges, those of the Superior Court. That is where the whole confusion was coming from. When a justiciable person turned to this court of first instance in criminal matters, he or she had to decide whether the case should be taken before the Court of Queen's Bench or the Superior Court. That is where all this imbroglio, all this mess, all this procedural duplication was stemming from. As I said Tuesday evening, it forced the justiciable to take in a short time a quick decision on a matter of precedure which was confusing and which gave birth to different views. It ensured that a judge of the Superior Court, acting as a judge of the Court of Queen's Bench in criminal matters, could reject a request simply because the applicant turned to a judge of the Superior Court rather than to a judge of the Court of Queen's Bench.

The contradiction, the mess I mentioned, derived from this false situation.

Now, as Senator Flynn added, after 125 years of many judicial errors, after 125 years of mess, Quebec is adopting exactly the same judicial structure which exists in the other provinces of the country—only one Superior Court of first instance, with twin jurisdictions, criminal and civil. The appeal court is simply left with jurisdiction over appeals in both areas too. Thus confusion and mess are removed at the same time.

I think this supplementary explanation will make Senator Robichaud and all my colleagues understand the necessity of passing the legislation before us today.

[*English*]

Motion agreed to and bill read second time.

**Senator Langlois:** Honourable senators, although I do not press the motion, I move that this bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs. As I say, I do not insist. I am in the hands of the Senate.

**Senator Flynn:** As far as I am concerned, I would not insist. After all, we have all the facts. I do not see what the committee could add to what is already on the record.

**Senator Goldenberg:** Honourable senators, I agree. I see no reason for referring this bill to the committee.

**Senator Langlois:** May I be permitted to withdraw my motion?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Langlois, bill placed on the Orders of the Day for third reading at the next sitting.

● (1450)

## CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

### BILL TO AMEND—SECOND READING

**Hon. Donald Cameron** moved second reading of Bill S-14, to amend the Criminal Code (control of weapons and firearms).

He said: Honourable senators, Bill S-14 represents the introduction, for the third time, of the legislation I introduced in the Senate on February 5, 1973, and which died on the Order Paper with the close of that particular session. At that time it was known as Bill S-2. It was re-introduced as Bill S-4 on April 2, 1974. There followed a very good debate. For this reason, in my judgment, we do not need a lengthy debate on the present bill, Bill S-14, but I would hope to move that it be referred to the Standing Committee on Legal and Constitutional Affairs as soon as it is convenient to do so.

In this respect, I suggest that the hearings of that committee should be set sufficiently far ahead so that interested people who may wish to appear will have ample time to make arrangements. I have had letters from people as far away as Halifax in the east and Edmonton in the west who have indicated they would like to appear before this committee. This should be kept in mind by the Standing Committee on Legal and Constitutional Affairs.

Honourable senators, it is not my purpose to repeat the arguments made in the previous debate in favour of more strict gun control. In order to refresh your memories, I should like to emphasize a few of the main points, and to quote from the statistics, which are becoming more horrendous all the time. When this subject was debated on the last occasion, I put statistics on the record as of that date and I want to bring them up now to the current date.

In the United States, the country for which the most complete statistics are available, in the year 1971 alone there were 11,300 murders, 2,400 gun accidents, 10,000 suicides, 20,000 accidental woundings, 92,000 aggravated assaults by use of guns, 160,000 robberies at gunpoint, for a grand total of 295,900, almost 300,000, assaults with guns. These figures are shocking and the record indicates they are increasing year by year. They are increasing also in Canada, where there were 292 murders in 1972. In the United Kingdom, in the same period, these crimes were increasing at an annual rate of 17 to 24 per cent.

I received some figures this morning to show that in Canada in 1972 there were 478 victims of murderous assault, of whom 199 were shot, that is, 41.6 per cent. In 1973 there were 474 victims, of whom 214 were shot, that is, 45.1 per cent. These figures include only cases where charges were laid of capital or non-capital murder; they do not include incidents of manslaughter.

Honourable senators, I know that many people have attacked this bill because they do not want to see any form of gun control legislation, and they cite a number of grounds for that attitude, of which the following are the most typical. Preliminary cost analyses prepared for the National Commission on the Causes and Prevention of Violence in the United States by the Research Associates Incorporated of Washington, D.C. in December, 1968, show first year costs estimated for the national firearms registration system to be $25,500,000, and the second year and continuing costs to be $22,500,000. In addition, there are indirect costs involved in the sale of hunting licences, tags, permits, and so on, to hunters. These have brought in a revenue of $81.5 million in the United States. This puts a different complexion on the total cost of $22,500,000 and the $28 million brought in from excise and sales taxes on ammunition.

The argument, therefore, is that the annual revenue of $100 million would be lost to the federal treasury if hunting was curtailed or prohibited. Then they raise the argument that there are heavy indirect costs of maintaining the bureaucracy needed to enforce the legislation. To put it in other words, and these are United States figures, they estimate that the cost in personnel, time, inconvenience and so on would be around $450 million per year. That seems a large amount of money, but when spread over the entire United States it is not so large.

Recently, we have seen an increase in crime associated with the use of drugs. The incidence of drug use in association with crimes of violence has increased markedly. However, it seems that the curve is beginning to dip and we can only hope that it will continue to do so.

● (1500)

There are those in the United States who suggest that the United States should set about disarming itself by 1983. It might be said that Canada should follow that example. However, while a 1970 amendment to the Canadian Criminal Code restricted the sale and ownership of handguns, automatic weapons and rifles to persons granted permits by the police or by a provincial attorney general, it provided no restriction on the sale or ownership of shotguns and rifles for hunting purposes. That means that, practically speaking, any person 16 years of age or over can purchase a shotgun or a rifle in any sporting goods shop without having to give his name or address.

As honourable senators are aware, the proposed anti-gun legislation has evoked considerable correspondence and discussion. Numerous organizations, such as women's institutes, missionary societies, and so on, have begun discussing the matter. Only yesterday I received a letter from an organization in the St. John's Presbyterian Church in Medicine Hat. The letter, which in part is an excerpt from a recently passed "resolution" concerning programs of radio, television, theatre and movies, in my opinion states the case rather well. It says in part:

> The world of tomorrow depends on our children and grandchildren, who are our most precious heritage. What they see and hear has a tremendous influence on young minds.
>
> 1. Plays (more often than not) portray the immoral as the natural and normal way of life.
>
> 2. Radio and TV pour out thousands of suggestive songs that keep sex constantly in the minds of young listeners, thus lowering their ideals.

I did not know they had to listen to the radio to keep that in their minds.

> 3. Some plays are geared to cause people to lose respect for policemen and the law.

That is true and it is serious.

> 4. Plays on crime and violence are too numerous, teaching all the intricacies of crime. Most of us would never see a murder in our lifetime but by TV our children and grandchildren can see one or more each day.
>
> 5. Many producers make more money out of undesirable shows, caring nothing for the good of our young people.
>
> 6. There is much that subtly scoffs at faith in God, undermining values of right and wrong in impressionable young minds.

The authors of this letter have sent copies of it to sponsors of programs, to television and radio stations, to theatre managers, to Members of the House of Commons and the Senate, to censorship boards, to the CRTC and the Canadian Broadcasting Corporation. I wish them luck in their campaign. It is worthy of support.

No sensible person pretends that stricter gun laws will eliminate the use of guns by criminals. In other words, the professional criminal will obtain guns in one way or another. However, if we enacted more restrictive legislation it might help to cut down the accessibility of guns in several ways. First, restricting the availability of guns would make it harder for guns to be obtained for the commission of crimes, thus reducing the amount of crime in which guns are used. Secondly, if more complete records of gun sales were kept, it would be easier to trace

guns used in the commission of crimes. Thirdly, if we had stricter gun licensing, then known criminals, the insane and the irresponsible would not be able to procure guns legally. The point is that there must be a stiffening of the penalties for all kinds of crimes. The mollycoddling of criminals must be brought to an end. It should be made more difficult to obtain parole—and in my opinion a careful re-examination of the laws in that respect is long overdue. The penalties for breach of parole should be made more severe.

Those are only some of the points that should be kept in mind when looking at the matter of more effective gun control. I wonder how many senators are aware that one of the common rights of initiation in certain young people's organizations, a right which is regarded with a certain amount of pride, is that the initiate, in order to prove his manhood, must steal a car or commit some crime of the kind. This reveals a rather sick attitude towards society and towards the law. Surely, we should look carefully at those voluntary agencies in society which would have the effect of encouraging such an approach to life or attitude towards society.

For those reasons I commend this bill, honourable senators, and suggest that in putting forward such a measure we are producing legislation which is timely, which is in the public interest and which, as soon as it is implemented, will help to cut down the growing incidence of serious crime in this country. That the incidence of serious crime is increasing there can be no doubt. The increase in the number of murders in Canada over the last few years is shocking. From 1972 to 1973 alone there was an increase from 41.6 per cent to 45.1 in the number of murders committed—a substantial increase in just one year.

I suggest that if Bill S-14 becomes law, although it may not eliminate the use of guns in serious crimes, it will help to reduce the incidence of crimes involving the use of guns.

If this bill receives second reading today, I intend to move that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs. I would suggest that provision be made sufficiently far in advance to enable people who have expressed an interest in appearing before the committee to have ample time to arrange to do so. I think there is no need for me to take time to discuss it more fully here. It should receive ample study before that committee, and people who have arguments pro and con should have an opportunity to express their views. Out of that hearing, I hope, will come some amendments to the bill as it stands now, and that the result of the discussions will be a much more effective and practical bill than we have at the present time. I therefore recommend this bill to your favourable consideration.

● (1510)

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?

On motion of Senator Cameron, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## SCIENCE POLICY

COMMITTEE APPOINTED TO ORGANIZE AND HOLD CONFERENCE TO ESTABLISH COMMISSION ON THE FUTURE

**Hon. Maurice Lamontagne** moved pursuant to notice:

That a Special Committee of the Senate, to be known as the Special Committee of the Senate on Science Policy, be appointed to organize and hold a Conference for the purpose of determining the feasibility 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 2 of the Report of the Special Committee of the Senate on Science Policy;

That the committee have power to engage the services of such counsel, staff and technical advisers and to incur such other special expenses as may be necessary for the purpose of organizing and holding the said Conference; and

That the committee be composed of the Honourable Senators Asselin, Bélisle, Blois, Bonnell, Bourget, Buckwold, Cameron, Carter, Giguère, Godfrey, Goldenberg, Grosart, Haig, Hastings, Heath, Hicks, Lamontagne, Lang, Manning, Neiman, Phillips, Riel, Robichaud, Rowe, Stanbury, Thompson, van Roggen and Yuzyk.

[*Translation*]

He said: Honourable senators, since this is the first time I take part in the debates of this House during this session, I hope that you will allow me to offer my most sincere congratulations to Madam Speaker for the honour and great responsibility that have been conferred upon her recently. I am convinced that her great modesty will not hide for long her other great qualities.

Since this motion had been approved by this House on March 27 of last year, I certainly do not intend to take up much of your time to justify it all over again.

I would however like to remind you that this conference would have two main purposes. First, to determine the feasibility of creating in Canada a research system on the future with a centre which could, at least temporarily, be within the Economic Council. Second, to determine the feasibility of creating an information system on the future with a central relay station which could be called the Commission on the Future or better still in my opinion, Futures Canada.

This information centre, which would create a link between researchers and decision-makers, would be a private non-profit organization which could have four main functions: First, to convince as many private and public organizations as possible to establish a future research service and help these organizations establish such services.

Second, to create a data bank containing the valid results of future research in Canada and in the rest of the world and transmit this information in a usable form to the research services of private and public organizations linked with the centre.

Third, to maintain, in co-operation with management schools and futurists, a training program which would

help managers better understand the various forecasting techniques and use them in such a way that the decision-making could be more oriented towards the long-term future.

Fourth, to organize annual meetings, on a regional and national level, between private and public organizations linked to the information system and representing various segments of the Canadian society, so that they may have a better mutual understanding and that they may eventually come to a consensus as concerns the problems and challenges of the future, which would set the foundations of the future-oriented democracy.

[*English*]

The proposed conference would be attended by about 150 top Canadian decision-makers representing the various segments of Canadian society and the best futurists in the world. It would be called to consider why there is a need for a Canadian Centre of Futures Studies and for Futures Canada, what these two institutions should do to meet that need and how they could do it.

Last March, I said in this chamber that I was preparing, in collaboration with our small staff, an extensive working paper covering these various topics for the consideration of the members of the Special Committee on Science Policy. The first draft of that paper, entitled "Futures Studies and Futures Information in Canada," which I have here, was made available to the members of the committee in April, but unfortunately our committee died before we were able to discuss it. I remember very clearly that the Leader of the Opposition, at the end of the last session, deplored the fact that our committee would cease to exist if Parliament were dissolved, and that this would delay the preparation of the conference. Of course, he was completely right, but as I noted at that time, there was no way to avoid this difficulty.

Fortunately, Mr. Pocock and Mr. Ostiguy have been able to go on with their work. They have gathered information on the organization of futures studies in other countries. They have sought the views of experts both in Canada and abroad on the structure, the role and the activities that we have in mind for the proposed Commission on the Future, or Futures Canada, as I now prefer to call it. Detailed background information has been obtained on more than 80 Canadian organizations and individuals having a declared interest and capability in the field of futures research. A report has been prepared, listing more than 7,000 Canadian associations and organizations which would constitute the potential market of the proposed commission. Finally, a second draft of our working paper will be ready in the next few weeks.

The contacts I have had with a great number of people during the last few months, including groups of teachers at the secondary school level, have convinced me that a rapidly increasing number of Canadians are deeply interested in the problems and opportunities raised by the future. World events, including the oil crisis, the population explosion and the food problem, have greatly contributed to this increasing interest. We realize more and more that mankind has reached a turning point and that if collective action based on a broad consensus is not taken soon, we will face a crisis of unprecedented proportions. We have made considerable progress in developing such a consensus since the special Senate committee issued its first warning in Volume 2 of its report, published in January 1972.



● (1520)

Senator Perrault, before he became the Leader of the Government in the Senate, expressed this new awareness in a speech made in Vancouver in May 1974. He stated:

> The oil crisis . . . the energy crisis . . . the food production problem . . . environmental preservation and now . . . competition for the riches and the resources of the world's oceans . . . are problems which must be faced by this generation. There appear to be two alternatives . . . The path to what has been described as a "viable planetary society" or the path to anarchy and the ultimate collapse of world order.

He went on to say:

> The problem is that today's dilemmas appear to dwarf anything we have known before and they will require proportionately more effective solutions.

And he added:

> If we do not take care, through reflection and collective planning, our society and the whole of humanity will face even more numerous and more serious crises while the era of exceptional quantitative growth will go on during the next few decades.

At the time Senator Perrault was making these observations, he did not know that he was practising cabinet solidarity even before becoming a minister. Indeed, at about the same time as the leader was speaking in Vancouver, the Prime Minister of Canada was making a similar and most remarkable speech at Duke University on May 12, 1974, which unfortunately attracted very little attention in Canada. He said:

> One need not be a neo-Malthusian, or a subscriber to any of the pessimistic theories now abounding, to have learned that there are limits to the rate at which the earth's resources can be exploited, that there are limits to the ability of our biosphere to absorb pollution, that there are limits to the capacity of the globe to support human life. These truths we now know and accept.

The Prime Minister continued:

> But until that knowledge is made manifest in an extended sense of responsibility, it will be of little use to mankind. The classical scope of responsibility—to one's self, to one's family, to one's community and nation—must be broadened. Not even the biblical admonition of responsibility to all men is sufficiently broad. The new responsibility must be more. It must extend to all space and through all time. It must be inclusive of persons far beyond our own national frontiers; it must encompass the physical planet and all its ingredients—water and air, non-renewable resources, living organisms; it must extend into the future, not just for months or years, but for decades.

This much needed extended concept of responsibility is precisely what we hope the proposed Commission on the Future, or Futures Canada, would help to spread. The Prime Minister called for a new "community ethic" which would require "an understanding that no individual, no

government, no nation is capable of living in isolation, or of pursuing policies inconsistent with the interests—both present and future—of others." But he warned that we could not expect the development of such a new ethic, based on the concept of interdependence and on a broad future-oriented consensus, solely from governments. He said:

> The direction in which a nation is to move may be fixed by its leaders, but the speed with which the nation responds depends upon the influence of others. And especially is this so in the democracies where Siren-like appeals originate from so many sources and interests. No single political leader, no group of political leaders, is capable of changing the values and attitudes of a whole society.

This is precisely why I believe that an institution like Futures Canada is so much needed, not only here but in other countries as well, to help change the values and attitudes of society. As I said earlier, there is a growing recognition in the world today that mankind is reaching a turning point. Some people still believe that this transition will be smooth because it will generate its own moral conversion. Few people today would accept this optimistic view. At the other extreme there are those who see the future as a storm of crises and problems that will be overcome not by the wisdom and foresight of man, but by the saving intervention of nature.

This second message of despair can hardly be viewed by mankind as an acceptable scenario for the future. As far as I am concerned, I am much more inclined to agree with the Prime Minister's assessment of the turning point as a great challenge to be met positively. He said in his speech at Duke University:

> The challenge is immense, and I am glad that it is, for only the greatest of challenges are able to capture the imagination of men and women everywhere.
>
> The challenge is at once both basic and sophisticated and I am glad that it is, for only a challenge of many parts is able to stimulate simultaneously the response of theologians, philosophers, scientists, and politicians.
>
> The challenge is not a gloomy one of avoiding doomsday; it is a joyous one of introducing into the world a dynamic equilibrium between man and nature, between man and man.

The Senate will make a great contribution toward meeting this immense, basic, sophisticated and joyous challenge if it sponsors a successful conference which it is hoped will serve as a launching pad for the establishment of two national networks of research and information on the future, designed to improve the decision-making process of as many private and public organizations as possible, and to gradually develop a broad future-oriented consensus in our society. My participation in the last meeting of the Club of Rome in West Berlin at the beginning of October leads me to believe that several other nations are closely watching what we in the Senate are trying to do, and will soon begin, in my view, to imitate our experiment if it is successful.

● (1530)

Yesterday Senator Croll expressed the view that too many members were assigned to the committee proposed in this motion, and that this might prevent other committees from functioning properly. I must indicate, however, that the proposed committee will not wish to meet very often. Unlike others, it is not asked to make a long and complicated inquiry, but to prepare a conference. Its main responsibility will be to approve a working paper which will serve as background information to guide the conference, and to determine the date and the format of that meeting. Once the preliminary work has been carried out by the steering committee and the staff, the full committee will be able to make the major decisions fairly quickly.

The reason for inviting a large number of senators to join the proposed committee is that a good public relations job must be mounted throughout the country to make it known that the Senate is sponsoring a conference on the future, to explain the nature and purpose of such a meeting, and to persuade the top decision-makers of the country to attend the conference. It will be expected that the members of the committee will participate actively in these public relations activities. This is the reason why an adequate regional representation is being sought, but most of this work will be carried on when the Senate is not sitting.

In such circumstances I hope that the membership of the committee will be as set out in the motion, and as it was approved by the Senate when I moved the same motion last March.

[*Translation*]

**Senator Asselin:** There is a question I should like to put to the honourable senator. If I understood his remarks correctly concerning the responsibilities of the members of the committee, their main function would be to draw the attention of various groups throughout Canada to the possibilities of participating in the conference he suggests. Will this committee be expected to complete the studies already under way, or will its main function be to call the attention of the public to it and make an attempt to sell to the public of Canada this idea of a conference for the future?

**Senator Lamontagne:** As I have just explained, I believe the first responsibility of the members of the committee will be to approve the contents and orientation of the working paper which I feel will be very useful to us, not only to guide the conference but also to plan it so that the meeting is not like all others, so that the group does manage to study the agenda submitted to it and deal with it efficiently.

I do believe the first function of the members of the committee will be very important, but it should not take up too much of their time seeing that, after having read the document, two or three meetings should be enough to discuss its contents. As I said, the second function of the members of the committee, as I see it, should be to decide on the date and the format of the conference, and to give instructions to the organization committee and the staff of the various segments of society which should be represented at the conference. This will be a very complicated problem, difficult to solve, because we would very much

like the main sectors of society, the churches, industry, universities, labour unions, and so on, to be adequately represented.

It will be a very difficult problem for us to choose the main leaders in those various sectors.

Finally, as I said earlier, it will be essential, I think, for the members of the committee when they have the opportunity to deliver speeches and make contact with the main policy makers of their respective areas, to let them know that the Senate intends to organize that conference, to convince those who will be invited to accept the invitation and not to send a representative who would not have the authority to speak on behalf of his organization or association.

[*English*]

**Hon. Allister Grosart:** Honourable senators, I need hardly say that as a member of Senator Lamontagne's committee, the Senate Special Committee on Science Policy, my inclination is to make some fairly extended comments on the motion. However, I believe there are good reasons why it might be in the interests of the expediting of this very important proposal that, if it is the wish of the Senate, it be approved as soon as possible. For that reason I shall merely say that I am in the fullest concord with the motion. I believe it is something upon which we are already well launched, or upon which the committee—which, of course, has not yet been reappointed—was launched.

I realize why there is so much emphasis at the present time on discussion of futures, and the recent recognition of the crises which appear to face mankind. One accepts the fact that there is a new awareness in the world of problems of the ecology generally, the depletion of resources, the great question of food supply, with a third of the world population faced possibly with starvation in the next year or so, the great problem of the spread of pollution, and so on. However, I sometimes regret that so much emphasis is placed on the crisis nature of discussions on the future.

We use the term "futures" today in the plural, as Senator Lamontagne has done throughout his explanation of the motion, for the very good reason that we have gone far beyond the old concept of merely forecasting or predicting *the* future. We are looking today to the development of what are sometimes known as normative values, to set up targets of good behaviour for mankind as a whole. We use the term in the plural to avoid any suggestion that a group or conference of this type will produce a general conclusion, "this is the one proper future for mankind". Clearly we do not know, and will never know. We say "futures" because in my view—and I think in that of others who have studied this matter much more than I—the essence of the approach to the problem is that we must always think of it in terms of alternatives. We are thinking, first of all, of what futures are available—what futures are likely to happen—because there is no single future. Tragedies or successes may take many different forms, which means that we must consider solutions which will take many different forms. I am sure that this is something that will come out of the discussions of the committee, and particularly of the conference which we hope will follow.

[Senator Lamontagne.]

● (1540)

We still hear once in a while from those who are not in favour of these kinds of studies that this is just crystal gazing, mere forecasting. Of course, there must always be, in any approach to this important subject, a degree of prediction. We must try to say, "Given present facts and present data, this is likely to happen or that is likely to happen." That is why such studies become so complicated, because we have moved so far away from the old concept of looking to a single future.

I would also hope that we will remember that the study of futures—it has become a science in recent years—is concerned with many other aspects of human progress, whatever it might be, than merely the avoidance of certain disasters.

There is the positive side to it. I know, from discussions that have already taken place, that we will not be concentrating merely on the crises which have been brought to our attention most spectacularly in the last few years. We shall be looking at the whole set of futures.

As Senator Lamontagne said in reply to Senator Asselin, we shall ask church people to come before us. As an example of what comes to mind, we might look at organizations such as the YMCA, the YMHA, and the YWCA—I see Senator Fergusson expecting me to add that—and see what their future might be. Will such organizations always be concerned with young people? Will they always be concerned with Christian or Hebrew people? Will they always be associations? We do not know. We would hope that as we bring people together in the preliminary studies, and in the conference itself, we shall be able to provide the impetus, the motivation, for Canadians in almost every activity—farmers, teachers, the labour movement, the business community—to think in terms of their own futures, and then, at some time, perhaps in the conference, to bring this data, this input, together to draw a set of viable futures for Canada and Canadians.

Honourable senators, that is all I shall say at this time. I can assure Senator Lamontagne that the members of the committee with whom I have spoken—I have spoken to most of them—are looking forward to renewing this very interesting activity. I therefore commend the motion and hope it will have reasonably speedy passage through the Senate.

Motion agreed to.

## INCOME TAX

### BANKING, TRADE AND COMMERCE COMMITTEE AUTHORIZED TO STUDY LEGISLATION

**Senator Everett,** for Senator Hayden, moved pursuant to notice:

> That the Standing Senate Committee on Banking, Trade and Commerce be authorized to examine and consider any bill based on the Budget Resolutions relating to income tax in advance of any such bill coming before the Senate, or any matter relating thereto; 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.

He said: Honourable senators, by way of a short explanation, this is a motion that has been used before in the Senate on behalf of the Standing Senate Committee on Banking, Trade and Commerce to expedite the hearing of a very complicated bill. In this case, we are asking for permission to consider the Budget Resolutions relating to income tax in advance of a bill coming before the Senate. This is a device that we used with respect to the 1971 income tax amendments. It permits the Senate to take the appropriate and proper amount of time to consider a bill as complicated as an income tax bill, instead of having to meet a deadline later in the session.

Motion agreed to.

## DISTINGUISHED VISITOR IN GALLERY

MR. YASUNAGA OHARA, NATIONAL DIET LIBRARY OF JAPAN

**The Hon. the Speaker:** Honourable senators, I should like to call your attention to the presence in the gallery of Mr. Yasunaga Ohara, who is with the National Diet Library of Japan.

## SCIENCE POLICY

CHANGE IN COMMITTEE MEMBERSHIP

**Senator Macdonald,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Sullivan be substituted for that of the Honourable Senator Phillips on the list of senators serving on the Special Committee of the Senate on Science Policy.

Motion agreed to.

The Senate adjourned until Tuesday, November 26, at 8 p.m.

28299—24½

# THE SENATE

Tuesday, November 26, 1974

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Superintendent of Insurance for Canada on Trust and Loan Companies for the year ended December 31, 1973, pursuant to section 8 of the *Department of Insurance Act*, Chapter I-17, R.S.C., 1970.

Supplementary Estimates (B) for the fiscal year ending March 31, 1975.

Report of the Department of the Secretary of State of Canada for the fiscal year ended March 31, 1974, pursuant to section 6 of the *Department of State Act*, Chapter S-15, R.S.C., 1970.

Report of the Canada Post Office for the fiscal year ended March 31, 1974, pursuant to section 80(2) of the *Post Office Act*, Chapter P-14, R.S.C., 1970.

Copy of the text of a Resolution adopted by the Parliament of Israel (the Knesset) on October 28, 1974, concerning certain Arab organizations (English text).

Copies of an amendment to By-law No. 1 of the Export Development Corporation, pursuant to section 16(3) of the *Export Development Act*, Chapter E-18, R.S.C., 1970.

Report of the National Energy Board in the matter of the Exportation of Oil, dated October 1974.

Copies of correspondence between the Prime Minister of Canada and the Premiers of the Provinces of Alberta and Saskatchewan concerning resource policy.

Copies of Environment Canada Comments relating to documents comprising the Syncrude Environmental Impact Assessment, dated August 19, 1974 (English text).

## FOOD AND DRUGS ACT
## NARCOTIC CONTROL ACT
## CRIMINAL CODE

BILL TO AMEND—FIRST READING

**Senator Perrault** presented Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Thursday, December 5, 1974.

Motion agreed to.

## CANADA PENSION PLAN

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Carter**, Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-22, to amend the Canada Pension Plan, 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?

**Senator Carter** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## THE ESTIMATES

SUPPLEMENTARY ESTIMATES (B) REFERRED TO NATIONAL FINANCE COMMITTEE

**Senator Langlois**, 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, 1975.

● (2010)

**Senator Flynn:** Honourable senators, I would like to know when the committee is going to meet.

**Senator Langlois:** The chairman of the committee would be in a better position than I to answer that question. I have nothing to do with the scheduling of meetings. However, I hope the committee will start its hearings as soon as possible.

**Senator Flynn:** I hope we will not receive a notice after 11 o'clock tonight.

**Senator Langlois:** You will receive ample notice. There is no rush.

**Senator Flynn:** No, but it has happened before that we have been given short notice.

Motion agreed to.

## THE GREY CUP

NATIONAL FOOTBALL FINAL IN VANCOUVER—QUESTION

**Senator Asselin:** Honourable senators, we heard that during the weekend the Leader of the Government in the Senate was the Prime Minister's representative in Vancouver at the football game between the Edmonton Eskimos and the Montreal Alouettes. Could he give the Senate a very brief resumé of the game?

**Senator Perrault:** Honourable senators, I have analyzed the outcome of the game very carefully, and it is my well-considered theory that the Montreal Alouettes won because their quarterback was far more adept in the backstroke than was the Edmonton quarterback.

**Hon. Senators:** Hear, hear!

**Senator Asselin:** Is it in order that the honourable Leader of the Government send a telegram, on behalf of the Senate, to the Montreal Alouettes congratulating them on the national championship they won in Vancouver?

**Senator Perrault:** That proposal will be given careful consideration. There was no doubt about the superiority of the Alouettes on Saturday afternoon.

**Senator Langlois:** The Alouettes could swim.

## STATUTES OF CANADA

### BILL TO REVISE REFERENCES TO THE COURT OF QUEEN'S BENCH OF THE PROVINCE OF QUEBEC—THIRD READING

**Senator Langlois** moved the third reading of Bill S-16, to revise references to the Court of Queen's Bench of the Province of Quebec.

Motion agreed to and bill read third time and passed.

## PRIVATE BILL

### INTERNATIONAL AIR TRANSPORT ASSOCIATION—SECOND READING

**Hon. Alan A. Macnaughton** moved the second reading of Bill S-18, respecting International Air Transport Association.

He said: Honourable senators, as this is a private bill originating in the Senate, and as its title is fairly long, I thought I should give the Senate some explanation of what the association is, what it does and why this bill is before us. I think an explanation should be on the record in case the bill is sent to committee, because the association is rather an interesting one.

The International Air Transport Association—IATA—is a non-profit organization incorporated in 1945 by a special act of the Parliament of Canada being Statutes of Canada, 9-10 George VI, chapter 51.

IATA is an association of 111 of the world's scheduled air carriers. It is a voluntary and non-political organization of airlines flying the flags of more than eighty states, and the majority of its member enterprises are either fully government-owned or at least government-controlled.

The purposes, aims and objectives of IATA, as set out in its existing act of incorporation are:

> (a) to promote safe, regular and economical air transport for the benefit of the peoples of the world, to foster air commerce and to study the problems connected therewith;
>
> (b) to provide means for collaboration among the air transport enterprises engaged directly or indirectly in international air transport service;
>
> (c) to co-operate with the International Civil Aviation Organization and other international organizations.

In pursuing these objectives, IATA provides the forum for technical, legal, security, commercial, financial and other co-operation among its members. It acts as a spokesman of the international air transport industry to governments and international organizations.

The ultimate authority of the association is vested in the general meeting. Such meetings are held annually throughout the world at specified places on specified dates.

An executive committee of 21 presidents and/or chief executives is elected by the annual general meeting. The committee is vested with the general management and control of the association and, subject to the general meeting, fixes its policy and supervises its activities. The chief executive is the director general, Mr. K. Hammarskjold, who is responsible for implementing that policy of the association. The work of the association is largely carried out through a number of committees made up of senior industry executives.

IATA is, of course, a purely non-profit organization. It derives its revenues entirely from its members. Its budget for 1975 is $12 million, and its full-time staff totals 470. The head office is located in Montreal, and the association's other principal office is in Geneva. Branch offices and compliance staff are maintained in more than 30 cities around the world.

Probably the best known aspect of IATA's work is in the field of rates and fares. The IATA traffic conferences consider and act upon all international air traffic matters involving passengers, cargo and mail, including fares, rates, schedules and agency matters. The traffic conferences function by authority vested in them by governments in an estimated 1,500 bilateral air transport agreements. The resolutions formulated by the traffic conferences are then subject to government approval. In the absence of an inter-governmental organization to accomplish these objectives, IATA provides the recognized framework for setting international air fares and charges.

In 1945, when the association was incorporated, virtually all public air services were provided on a scheduled basis. Therefore, it was natural that membership in the association should be open to air transport enterprises operating scheduled services. In fact, membership in the association was, and is still, limited to air transport enterprises as defined in the act of incorporation which operate an air service as defined in the act between the territories of two or more states—active membership—or to any such air transport enterprise operating scheduled air services—associate membership.

● (2020)

A definition of "air service" and "air transport enterprise" is contained in paragraphs (a) and (b) of section 1 of the act of incorporation. The said paragraphs now read as follows:

> (a) "air service" means, any scheduled air service performed by aircraft for the public transport of passengers, mail or cargo;
>
> (b) "air transport enterprise" includes those persons, corporate bodies and unincorporated bodies, companies, firms, partnerships, societies and associations, now or hereafter operating a scheduled air ser-

vice for public hire, under proper authority, in the transport of passengers, mail or cargo under the flag of a State eligible to membership in the International Civil Aviation Organization.

However, over the years since 1945 the distinction between scheduled and non-scheduled services has been progressively eroded, and now a significant proportion of the public demand for international air transport is met by charter operators. For example, in 1973, 22.6 per cent of international passenger traffic was carried by charter operators. IATA has, therefore, gradually become less representative than it was in 1945. If the objectives of the association, particularly in the field of rates and fares and its role as spokesman for the international air transport industry, are to be fulfilled, the association must be able to represent all air carriers.

More specifically, the worldwide increase in charter traffic has been most pronounced in respect of travel over the North Atlantic, between points in North America and points in Europe. During the last five years the net effect of this change was that in 1973 26 per cent of the North Atlantic traffic was carried in the form of charters. While a large portion of this charter traffic was carried by IATA members, the fact remains that this large segment of the market remained entirely outside the rate-making responsibility of IATA. The IATA traffic conferences experienced increased difficulty in agreeing on scheduled fares in the absence of any form of agreement regarding charters which occupied more than one-quarter of the total North Atlantic market.

Over the last six months the governments of the United States and Canada, and the European Civil Aviation Conference have recognized this vacuum, and both scheduled and non-scheduled carriers have felt the need to fill it. Negotiations have been initiated between IATA members and non-IATA carriers in an attempt to establish minimum charter rates and related conditions through the medium of ad hoc separate inter-carrier meetings. Although these meetings have not yet produced results, they have brought home to IATA members the need to eliminate the administrative difficulties involved in carrying on parallel negotiations in their own traffic conferences and, at the same time, conducting similar talks in a separate forum with charter carriers.

The admission to IATA of non-scheduled carriers will, therefore, enable IATA to create a single forum to negotiate fares and rates covering the total market, both scheduled and charter. More important, any agreement achieved through these negotiations would be subjected to the efficient compliance organization of IATA.

With respect to the enhancement of IATA's role as the authoritative spokesman for the international air transport industry, the extension of membership in IATA to charter carriers will not only benefit IATA members, but will also be in the interest of charter carriers and the public. The variety of facilities designed to help IATA members through the association activities will, of course, automatically be available to them. These include the IATA clearing house, the agency program, compliance machinery, other traffic, legal and technical activities and, finally, participation in formulating the common industry position.

[Senator Macnaughton.]

In brief, it is in the realization that if the aims and objectives of IATA are to be met in the modern world, it is necessary for all air carriers to have the opportunity to become members of the association. Thus, the purpose of this bill is to authorize the association to admit into its membership air transport enterprises which are not designated airlines operating scheduled air services under inter-governmental agreements. This would enable supplemental and charter carriers operating air charters to participate in furthering the association's objectives in the total air transport system, as it has developed since the act of incorporation was passed.

To accomplish this, it is proposed that the word "scheduled" in paragraphs (a) and (b) of section 1 of the act of incorporation, be deleted.

That, honourable senators, is the purpose of the bill, which, on the surface, looks rather simple. It simply eliminates the word "scheduled," thus opening the association to both charter carriers and designated carriers.

**Senator Heath:** I wonder if the honourable senator would mind repeating the percentage of traffic carried by unscheduled air carriers at the present time, and explain whether that percentage takes into account cargo, mail and passengers?

**Senator Macnaughton:** The figure I gave was 26 per cent for the North Atlantic. I think it refers to passenger traffic, not cargo. That is subject to correction, because I do not pretend to be a super-authority.

**Senator Grosart:** Honourable senators, I understand this bill, under our rules, will automatically go to a committee, and will no doubt be examined carefully there. However, I would ask the sponsor one or two questions which may be of general interest.

First, what is the position of the Canadian Transport Commission vis-à-vis the application for these amendments to the IATA act? Has the matter been discussed with the Canadian Transport Commission? Are they aware of it? Have they given their blessing?

**Senator Macnaughton:** I cannot say yes or no to that, but I do know that this is a special act of the Canadian Parliament, and that the association deals with commercial matters relating to international airlines. That was the original purpose in giving them the special charter.

If they were operating inside Canada only, there is no doubt that they would be subject to the Canadian Transport Commission. This is an association; it is a non-profit organization. It has obviously been cleared with all government authorities—not only those in this country but in the other countries of the various airlines. Thus, for example, they have to be very careful not to conflict with the Sherman anti-trust act in the United States, where they have been advocating that the charter and designated airlines should get together to settle this issue and agree on rates. This has the blessing of the CAB, the American aviation set-up.

● (2030)

The association will, in effect, fix rates—and not without reason, when one bears in mind the political and monetary conditions prevailing today, as well as the cost of fuel. I believe I am correct in saying that the cost of fuel

has been increased on five different occasions over the last two years. These things make conditions very difficult for the airlines. The overall loss of the world airlines, I think I am correct in saying, will be approximately $300 million this year. It is essential, therefore, bearing in mind the present economic, political and energy situations, that there be some organization whose purpose it is to arrive at some agreement to ensure that not all of the world airlines go down the drain, or lose tremendous amounts of money.

**Senator Grosart:** Perhaps I should make it clear that I am not questioning the usefulness of the association. However, because we are dealing with a bill to amend an act of incorporation under the laws of Canada, I think I should ask whether the Canadian Transport Commission has been advised of, has commented on, has approved or objected to, this expansion of the membership of the IATA.

Canadians generally are concerned about the setting of rates where airlines get together for that purpose. I am not suggesting that this may not be the best way of handling the situation, but it is always a matter of concern to Canadians that the rates are set by agreement within an association. As I say, I am not objecting to that, but I am surprised that we do not have information as to whether this matter has been referred to the Canadian Transport Commission which, obviously, has a vital interest in this expansion of the membership of IATA.

I would ask the sponsor of the bill whether any scheduled airlines presently covered by this act of incorporation have ever been refused membership in IATA? Also, supplementary to that, if the membership is now thrown open to the charter and supplemental airlines, will the membership or any recognized charter or supplemental airline be automatic, or will it be subject to the decision of the present members of IATA?

**Senator Macnaughton:** In answer to your latter question, Senator Grosart, since this is an association, I should think the members of the association will decide the question of who should be admitted. The director general, Mr. Hammarskjold, will appear as a witness before the committee, as will legal counsel for the association, and perhaps those gentlemen can give more precise answers to your questions.

To clear up one small point, Senator Grosart used the word "supplemental." I myself did not know what this referred to until I went into it. The word "supplemental" is an American adjective given to surplus aircraft. As a result of the Vietnam war they had a great many surplus aircraft which they used for transporting the troops back to the United States, and for various other purposes in the Pacific. They simply wanted to distinguish those aircraft from regular aircraft or military aircraft, so they called them "supplementals." I do not think there is any real distinction between a supplemental aircraft and a charter aircraft, which is a free-flying craft, except that there are a great many supplemental aircraft in the United States system.

**Senator Grosart:** Honourable senators, in view of the fact that it is proposed that this bill be referred to a committee of the Senate, we will defer further questions until study of this bill by the committee.

**Senator Walker:** Perhaps Senator Macnaughton could tell us to what committee he would like this bill referred.

**Senator Macnaughton:** It has been suggested to me that it should be referred to the Standing Senate Committee on Transport and Communications.

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?

On motion of Senator Macnaughton, bill referred to the Standing Senate Committee on Transport and Communications.

## ARMY BENEVOLENT FUND ACT

BILL TO AMEND—SECOND READING

**Hon. Alan A. Macnaughton** moved the second reading of Bill C-17, to amend the Army Benevolent Fund Act.

He said: Honourable senators, before giving you a brief background of the proposed amendment to the Army Benevolent Fund Act, may I say that I am standing in for Senator McElman, who at the moment is snowbound.

When the Army Benevolent Fund Act was promulgated in 1947, provision was made for assistance only to those Canadian Army veterans who served during World War II. No provision was made to assist personnel still serving in the Canadian Army who did not have wartime service. In 1952, senior officers of the Canadian Army felt that there was a need for a fund to provide assistance to personnel serving in the postwar Canadian Army, and for this purpose the Canadian Army Welfare Fund was established.

Because the Army Benevolent Fund had considerable experience in providing financial assistance, and had an organization all across Canada, the board of directors of the Canadian Army Welfare Fund recommended that the Army Benevolent Fund be given the responsibility for management of the Canadian Army Welfare Fund. A joint cabinet submission was prepared by the Minister of National Defence and the Minister of Veterans Affairs, requesting authority for the Army Benevolent Fund to manage the Canadian Army Welfare Fund on the understanding that all costs associated with this management would be borne by the Canadian Army Welfare Fund. On March 12, 1953, Lieutenant General Murchie, Chairman of the Army Benevolent Fund Board, was advised that the cabinet had approved, on February 6, 1953, the recommendation that the Army Benevolent Fund be authorized to administer the Canadian Army Welfare Fund.

So, for over twenty years the Army Benevolent Fund has been administering the Canadian Army Welfare Fund, and since 1971 the fund has administered the Canadian Forces Personnel Assistance Fund, a fund similar to the Canadian Army Welfare Fund and providing financial assistance to personnel in the Canadian forces today. In recent years the Auditor General has recommended that the Army Benevolent Fund should have statutory authority rather than just cabinet authority to manage these funds.

Honourable senators, the amendment under consideration today will provide statutory authority for the Army Benevolent Fund to continue to manage the Canadian Army Welfare Fund, and the Canadian Forces Personnel Assistance Fund, the administration of which they have been carrying out for over twenty years under cabinet authority.

I am prepared in due course to refer this bill to the Standing Senate Committee on Health, Welfare and Science but I wonder if in the circumstances it really is necessary.

● (2040)

**Hon. Allister Grosart:** Honourable senators, I seem to be paired with Senator Macnaughton tonight.

**An Hon. Senator:** Why tonight?

**Senator Grosart:** We had dinner together earlier. As Senator Macnaughton has pointed out, this is a very simple bill. It merely transfers the administration of this important fund that goes back to World War I from administration by the cabinet to administration by a board which would be set up by order in council and the majority of which would obviously consist of veterans.

Senator Macnaughton has wondered whether it is necessary to send the bill to a committee. It did go to committee in the other place, the Committee on Veterans Affairs. Unfortunately, the printed proceedings of that committee are not yet available, so I am not in a position to know just what issues might have been raised. However, when the report of the committee was received in the House of Commons, the house leader there then moved that the bill, as reported by the committee, be concurred in and the House of Commons acceded to this and third reading was given to it immediately. I therefore assume that it is a completely non-controversial bill and, unless there are other views, we on this side would not feel it necessary to send it to committee.

Motion agreed to and bill read second time.

**Senator Macnaughton** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

### BILL TO AMEND—SECOND READING

The Senate resumed from Wednesday, November 20, the debate on the motion of Senator Everett for second reading of Bill S-15, to amend the Department of Industry, Trade and Commerce Act.

**Hon. Allister Grosart:** Honourable senators, I congratulate Senator Everett on the introduction of the bill and the explanation he gave. I am sorry that for unavoidable reasons he is not with us this evening but I feel I should go ahead now so as not to hold up this bill any longer.

I might say that I found myself somewhat concerned about the bill and also about the explanation given by Senator Everett. As honourable senators will recall, the essence of this bill is to make it possible for certain members of the staff of the Department of Industry, Trade and Commerce to have access to customs import invoices which are normally in the exclusive possession of the customs collectors who are required by the Customs Act to retain those invoices on file. The Customs Act itself is very specific in providing for complete secrecy of this very important information. Its section 172(3) reads:

> In no case shall an invoice be shown or a copy thereof given to any person other than the importer, or an officer, except upon the order or subpoena of a court of justice.

Senator Everett explained that this very peremptory provision for privacy of this information was enlarged by an amendment to the Statistics Act which provided that certain officials of Statistics Canada would have access to this information. In this case there are many safeguards. It requires the consent of the importer or his agent, and it requires the taking of an oath that the information will not be disclosed, and so on. Unfortunately, we find that this extension of access to this information to Statistics Canada was then, by departmental arrangement—those were the exact words used by Senator Everett—extended to the Department of Industry, Trade and Commerce. I certainly have grave doubts about this kind of extension.

One wonders why these amendments were not put into the Customs Act. As you read the Customs Act, it is a very clear statement of the extreme privacy required. One would have to be aware that there was an extension of this in the Statistics Act. Now, when this bill passes, one would have to be aware that there is a further extension in the Department of Industry, Trade and Commerce Act. On top of that, one would have to know that it is possible, apparently, by some kind of interdepartmental arrangement among the officials, to extend this further.

If it can be extended by interdepartmental arrangements from Statistics Canada to the Department of Industry, Trade and Commerce, surely it can be extended, by the same kind of an arrangement, from the Department of Industry, Trade and Commerce to any other department, or perhaps to any other entity. It seems to me that this is the kind of extension of bureaucratic invasion of privacy that we in the Senate should be concerned about.

One wonders why the officials in the Department of Industry, Trade and Commerce require this special access. They made it very clear in the explanation given that they require detailed access. They want all the details. Senator Everett—speaking for the department, I presume—gave the reason. He said it is very important for the Department of Industry, Trade and Commerce to be able to make import analyses, to discover what we are importing, and then, presumably, to do something about it. Senator Everett placed great stress on the possible job of the Department of Industry, Trade and Commerce under what is generally known around the world—though he did not use the phrase—as import substitution. One can well understand that the developing nations should feel from time to time that it was necessary to substitute some domestic production or manufacture for an import. Amongst the major trading nations, however, those nations that do 70 to 80 per cent of all the world trade, this is recognized as a great danger.

In Canada we are always talking about that and saying we are on the side of the liberalization of trade. We cite

the importance of export trade to us and say that, in international conferences, in GATT, in our dealings with the European Community, we insist that we are the country that stands for liberalization of trade. Yet over and over again one runs across this kind of thing, which is anything but conducive to the liberalization of trade.

Taking the bill and Senator Everett's explanation together, what this seems to mean is that the Department of Industry, Trade and Commerce now feels it has an obligation to conduct a kind of witch-hunt or a fine toothcomb examination of all imports coming into Canada and then ask could not some of these goods be made in Canada and, if so, should the government not do something about it. The logical sequence would be that the Department of Industry, Trade and Commerce would segregate some of these items, would find Canadian manufacturers and say, "Here is an opportunity for you to substitute a domestic product for this imported product." One can see that in due course, by the recommendation of the Department of Industry, Trade and Commerce, this operation would become subsidized by one or other of the government agencies that are in a position to subsidize a new operation of this kind.

● (2050)

This sounds on the surface like an excellent thing, unless one remembers that trade is very much a two-way street. The ideal position for any country, particularly Canada, is a reasonable balance between imports and exports, because you simply do not, in the modern multilateral trade world, continue to exist if you insist that you are just going to export and not import. We have over the years been reasonably fortunate in maintaining at least a stabilized balance of international trade; sometimes we have had a commodity trade deficit, but it is invariably made up in invisible trade.

What concerns me most about this bill is that this kind of operation could become, and would appear to some to contemplate, the setting up of another non-tariff barrier, if the Canadian government were to scrutinize these imports and then consciously subsidize Canadian import substitution. One would have to think what we in Canada would feel if, for example, we were told tomorrow or read in tomorrow's papers that the United States Department of Commerce had decided to examine every single component they import from Canada and had decided that, on a broad plan, they would substitute domestic American production for these Canadian exports. I suggest that we would scream to high heaven if we were faced with that situation; and yet this is exactly what the countries which export to us now may feel they are being faced with with this legislation. For that reason I hope that some of these questions I have raised will be carefully examined in committee.

It would be unfair to say that I know that this is the intent of the legislation or that this is the intent of the Department of Industry, Trade and Commerce. However, this is the way it will be taken around the world, and I am sorry to say that Canada has, or is beginning to get, a reputation for non-liberalization of international trade. We have some examples, as honourable senators well know, in some meat imports and exports, and in one case massive retaliation from the United States to an action on our part—a situation which could easily obtain once again if the changes that are suggested in this bill have certain effects. We should ask in committee just what the exact intentions are. On surface it may be quite simple. They may merely say that they want more analysis of imports in depth, that they want it for statistical purposes. But I think they would have some difficulty in substantiating that position, because Statistics Canada already has that power under an amendment to the Statistics Canada Act. And, as Senator Everett told us, there is a complaint about access, the spin-off access of the officials of the Department of Industry, Trade and Commerce. Their problem is that the terms of their access are too broad. They want to be more specific. They want to get down and examine, it would appear, every single import, and we have to realize that this does not mean finished goods, either fully or partly processed goods, but would mean components of manufacturing. If we look to a possible set of retaliations from other countries, we would have to remember that the most important area in which we are attempting to expand our exports is precisely in the field of high technology in which Canada has already built up an important segment of its export trade in supplying components to what would become fully manufactured goods in other countries.

I therefore say that this bill needs to be looked at most carefully. I hope in committee the officials will be asked to explain exactly how far they intend to go. I hope they will be asked if they see any danger of the provisions of this bill developing into further non-tariff barriers. The OECD has already described some 800 non-tariff barriers; the general consensus of those who are negotiating around the world for the liberalization of world trade at the present time is that the non-tariff barriers are a much greater problem than the traditional tariff barriers.

I hope that in committee the officials will also be asked if there is some intention of spinning off this extended access to somebody else. It was done in the case of Statistics Canada. Are they going to do it to somebody else? Are they going to give another department this access by the extraordinary procedure of departmental officials getting together and saying, "Well, you come in under the Statistics Act. ITC officials have absolutely no authority whatsoever at the moment, but come on in. We will swear you in and pretend you do." And that is exactly the situation. Who else is going to come in? What consideration has been given to the importance of the privacy of the import business or the export business, or any other kind of business?

It is true that one of the provisions of the bill is that this information can be given out, even to the officials of ITC, only upon the written consent of the importer. That is an important safeguard so long as the importer is fully aware of where the information may go. The Customs Act stresses the essential principle of privacy and the privileged position of this information. It is provided to the government only for customs purposes—in the original instance. But it is now proliferating. How far will this proliferation go? Is the principle of privacy endangered? I do not know, but it certainly looks like it from the history of the proliferation of the two acts I have referred to.

Honourable senators, in saying that, I would add that it may be that Senator Everett, when he returns, will find it

possible to give us some further information along these lines. I hope that he will, because we are, after all, being asked on second reading to pass the bill in principle, and at the moment I am not too clear what the principle is. I hope that Senator Everett in due course, as he can do so well, will enlighten us on that point.

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?

On motion of Senator Langlois, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

**Wednesday, November 27, 1974**

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

Prayers.

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

GOVERNMENT HOUSE
OTTAWA

November 27, 1974

Madam,

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 Administrator of the Government of Canada, will proceed to the Senate Chamber today, November 27th, at 5.45 p. m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the
Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

## DOCUMENTS TABLED

**Senator Langlois** tabled:

Report of Statistics Canada for the fiscal year ended March 31, 1973, pursuant to section 4(3) of the Statistics Act, Chapter 15, Statutes of Canada, 1970-71-72.

Report on a possible steel complex in eastern Canada prepared for the Department of Regional Economic Expansion by the Stelco Technical Services Group, entitled "Canstel Preliminary Study".

## CANADA PENSION PLAN

BILL TO AMEND—THIRD READING

**Senator Carter** moved the third reading of Bill C-22, to amend the Canada Pension Plan.

Motion agreed to and bill read third time and passed.

## ARMY BENEVOLENT FUND ACT

BILL TO AMEND—THIRD READING

**Senator Macnaughton** moved the third reading of Bill C-17, to amend the Army Benevolent Fund Act.

Motion agreed to and bill read third time and passed.

## EUROPEAN PARLIAMENT

VISIT OF CANADIAN PARLIAMENTARIANS—DEBATE ADJOURNED

**Hon. George van Roggen** rose pursuant to notice:

That he will call the attention of the Senate to the visit of Canadian Parliamentarians to the European Parliament from 12th to 14th November, 1974.

He said: Honourable senators, before proceeding immediately to the details of the visit of the Canadian Parliamentary Group to the European Parliament two weeks ago, perhaps I might take a little time to review the background that led up to this first formal visit of the Interparliamentary Group with the European Parliament.

On March 16, 1972, the Senate authorized the Standing Senate Committee on Foreign Affairs to examine and report upon Canadian relations with the expanded European Community. Shortly after that, I believe it was in October 1972, a summit meeting of the heads of state of the European Community resulted in a communiqué which stated that Canada along with the United States and Japan should be identified as a country with which the Community, and I quote:

● (1410)

—is determined... to maintain a constructive dialogue.

The report of the Senate committee subsequently published went on to say on that point:

Yet given the complexities of the Community's decision-making process, it is difficult to know where or how to approach this dialogue in order to present the Canadian viewpoint more effectively.

Following that mandate from the Senate, and in keeping with the spirit of the communiqué from the heads of state of the Community, the Senate committee under the able chairmanship of Senator Aird, assisted by Senator Grosart as deputy chairman, proceeded to hear witnesses in Canada. In March 1973, when I had the privilege of becoming a member of the committee, we made a one-week visit to Brussels to study the structure and functioning of the European Community and to inquire as to the best methods of establishing a meaningful dialogue between the Community and Canada.

The subsequent report which honourable senators are familiar with, published in July 1973, advocated that several steps be taken and specifically made three main

recommendations. The first was that we should establish a permanent parliamentary link between the Canadian Parliament and the European Parliament.

European parliamentarians, or at least those we had met with in Brussels informally since no such permanent link then existed, responded to an invitation extended to them by Senator Aird and by the chairman of the External Affairs Committee in the other place, and some 16 in all came to Canada in November 1973. They had an interesting exchange with a joint parliamentary delegation consisting of the members of our two committees here in Ottawa. This, too, was completely informal. However, as a result of that meeting in November 1973, the European parliamentarians obtained the sanction of the European Parliament to formalize these exchanges. As a result, our visit to Strasbourg from November 12 to November 15 this year was the first formal exchange between the two parliaments.

As they are now formalized, these exchanges are carried on under the aegis of the speakers of the House of Commons and the Senate as opposed to the chairmen of the committees. So, honourable senators, the first recommendation of the committee report of July 1973 has been accomplished. A permanent exchange will now take place between the European parliamentarians and a joint group from the Canadian Parliament, alternating each year between Europe and Canada.

The second principal recommendation of Senator Aird's report was that the European Community establish an external office in Canada. Honourable senators are aware that many nations maintain separate ambassadors in Brussels, an ambassor to the Common Market as opposed to an ambassador to Belgium. Canada now has two ambassadors in Brussels, one to Belgium and Luxembourg, the other accredited to the Common Market. The Common Market, on the other hand, have not responded to this by establishing offices—they cannot establish embassies, not being a sovereign state—in the individual countries which maintain embassies in Brussels. They have established an office, which they term an external office, in Washington, in addition to one in Tokyo. It was their opinion when we first went to Brussels that the office in Washington was sufficient for the purposes of their representation in North America. We pressed on them at that time that one of the problems we hoped to cure by opening broader communications between Canada and the European Community was that of their identifying Canada in some cases as an adjunct to the United States. We pressed on them that it was important that they establish an office in Ottawa in addition to that in Washington.

Our pleas in this connection were resisted by the European Commission, by the Council of Ministers, but we did receive support for our pleas in this connection from our parliamentary confreres in Europe. They have been most assiduous in pressing this matter since we raised it. We raised it again at the time of their visit to Ottawa, and the Prime Minister once again raised it on his recent visit. We were delighted during our visit to Strasbourg that the day before we were introduced as guests to their Parliament, the Council of Ministers, the most powerful body there, approved a budget for the opening of such an office, which will be opened in Ottawa in January or, at least, at the very beginning of the new year. This office, at the embassy level, will be the third of this nature in the world opened by the European Community. The second principal recommendation of Senator Aird's report has therefore been accomplished.

The third principal recommendation of that report was that the Prime Minister of Canada should visit, not just the individual states comprising the European Community but the Community itself. This he did, as honourable senators are aware, in October of this year. The third principal recommendation of the report was thereby accomplished.

These I would submit, honourable senators, are substantial achievements, particularly emanating, as they did, from a parliamentary inquiry launched by a committee of this Senate and later embraced by parliamentarians from the other place associating themselves with it. This initiative is in my opinion the more remarkable because it was wholly an initiative of the parliamentary groups concerned and not of government.

● (1420)

I come now to our most recent visit, being the first formal visit of a Canadian joint parliamentary group to their confreres in the European Parliament, which took place, as I have mentioned, between November 12 and 15 in Strasbourg, the seat of the European Parliament.

I shall not take up the time of the house by going with great detail into the makeup of the European Parliament, other than to remind honourable senators that it is made up of appointees of the parliaments of the nine member countries. All members of the European Parliament are themselves elected to their own parliaments. They are, indeed, all parliamentarians.

**Senator Walker:** May I ask the honourable senator who is the head of our delegation?

**Senator van Roggen:** I was about to mention the makeup of our delegation. It is the next item in my notes. The European Parliament consists at the moment of approximately 200 members appointed by the parliaments of the Nine. It has admittedly no great power under the Treaty of Rome. It is a political instrument which the proponents of the Common Market see as slowly taking upon itself more power as the years go by, so that the political development of the market can proceed parallel with the economic development, in order that the market—as is the intention under the Treaty of Rome—will indeed become a political as well as an economic entity.

Our delegation consisted of eight members from the House of Commons, representing all parties, under the chairmanship of Madam Morin. The three members of the delegation from the Senate were Senators Grosart, Bourget and myself. Madam Morin and I were co-chairmen of the Canadian delegation. I should point out that because of the unfortunate death of her mother, Madam Morin had to return to Canada on the day we arrived in Strasbourg. Her place as co-chairman was taken by Mr. John Roberts of the House of Commons, who, I might say, did an excellent job on very short notice.

I should interject that we spent two days in Strasbourg, but our trip took longer in that we went to Brussels for meetings with members of the Commission, and with our

ambassador and others. I shall refer to that visit in a few moments.

On another occasion it might be the better procedure for us to go to Brussels first, and then proceed to the meetings of the European Parliament, as the briefings which we received in Brussels would have been helpful to us had we received them before our meetings with the parliamentarians.

I shall now deal briefly with the makeup of the European group. There were 16 in all, of which eight were in Brussels during the first meeting some 18 months ago. Of those 16, 10 were in Ottawa last fall, and those same faces were present across the table during our meeting two weeks ago. By contrast, on our side, Senator Grosart and I were the only members of our delegation who had attended all three meetings. Madam Morin was the only member from the House of Commons who had been at even one of the previous meetings. It is the firm view of both co-chairmen of our delegation and, I believe, of all members of the delegation, that we must develop more continuity and permanence in our delegation if we are to be effective in these exchanges in subsequent years.

**Senator Macnaughton:** Would the honourable senator permit a question?

**Senator van Roggen:** Certainly.

**Senator Macnaughton:** Just to complete the record, who were the other members of that delegation?

**Senator van Roggen:** In addition to Madam Morin and Mr. Roberts, the members from the House of Commons were Mr. Côté, Mr. Fleming, Mr. Coates, Mr. Baldwin, Mr. Paproski and Mr. Gilbert. Senators Bourget, Grosart and myself represented the Senate.

The delegation we sent on this occasion was structured not more than 10 days or two weeks before departure and had limited briefing compared to that given to what can only be described as a permanent delegation representing the European Parliament. The Canadian delegation was largely made up of people who had not been at previous meetings, and were therefore strangers insofar as the European delegation was concerned. I suggest that it would be quite impossible for Canada to host a delegation from the European Parliament next year with the same hospitality that was extended to us on our visit, unless we know in advance the personnel of the Canadian delegation and have time to properly brief ourselves and make preparations. Madam Morin, Mr. Roberts and I have agreed that in that connection we will immediately make strenuous representations to the powers that be.

A point raised by the European delegation was that in the future they would hold these meetings in a city other than that in which the Parliament of the host country meets. This would avoid the problem that arises when members of the host delegation are required to attend to parliamentary duties of one sort or another in their own Parliament. We feel that that suggestion has merit insofar as the forthcoming visit to Canada is concerned, and that we might well have better attendance and more concentrated business sessions if the meeting is held outside Ottawa. This would not mean that our visitors would not come to Ottawa during their trip. Part of the exchange, certainly, should involve their having meetings and meaningful discussions with Canadian ministers and senior governmental officials while in Canada, and this can only be accomplished by a visit to Ottawa.

I might also mention that our European confreres in this particular group comprise the same group of parliamentarians who make up the European-United States Interparliamentary group. So, they have consistency in their group insofar as their contacts with the Parliaments of both the United States and Canada are concerned. The chairman of the European delegation, Mr. Cousté, was eloquent in expressing the view to us that they should like to visit Canada at a different time from that of their visit to Washington, thus making it perfectly clear to Canadians that they were not simply tagging Canada on to a visit to Washington. However, that may prove to be impractical in that, according to their terms of reference, the same group is to visit both countries, and they may have budgetary difficulties in making two separate trips. In any event, they certainly have a degree of permanence and expertise in relation to the subject matter under discussion, which we must try to match. But we cannot do so on an ad hoc basis. In saying that I do not suggest that our group needs to be frozen and concrete, but certainly there must be a substantial number, preferably a majority, who have attended previous meetings, and who can provide some continuity.

● (1430)

Let me now turn more specifically to the meetings in Brussels. We had frank exchanges with our European confrères on a range of subjects—trade, defence, foreign investment, and a number of subjects that came to the minds of individual delegates. At the end of our almost two days of meetings a communiqué was issued.

Before dealing with the communiqué, let me interject that, being in France, we were overwhelmed by their hospitality and their food, which might have been difficult enough for the constitutions of some of us had it been confined to dinner, but they gave us the same sort of treatment at lunch, as Senator Bourget will recall. I hope that by their hospitality they did not succeed in putting us at a disadvantage for our work sessions in the afternoon. Some of us were strong-minded enough to refuse a second glass of wine.

**Senator Greene:** Did you have pâté de foie gras?

**Senator van Roggen:** I might have sampled the pâté de foie gras had I not before leaving read an article describing all too vividly the rather unpleasant procedure for force feeding the geese to produce it. Therefore, I did not have it.

I shall not take up your time, honourable senators, by reading the communiqué in detail. The major part of our discussions involved the nuances of what Canadians were really seeking in the way of a trade agreement with Europe, because, as they pointed out and as we agreed, we were not seeking, and could not seek, a preferential trade agreement. In that connection, I should like to take up two or three minutes of your time by reading from page 14 of the report dated July 1973 of the Standing Senate Committee on Foreign Affairs on Canadian Relations with the European Community:

A Preferential or Non-Preferential Agreement?

In considering what type of agreement Canada might seek, the Committee has concluded that it would be unwise to seek a preferential agreement with the Community. In fact, the Committee was advised in Brussels that Canada would not be successful if it sought one. As several witnesses pointed out, the intent of the Community is to make Europe a cohesive unit. The whole thrust is European, a concept which they feel would be negated by granting further special relationships around the world. (They make an anomalous exception of former colonies). Moreover, the Community has shown itself unwilling to allow efficient Canadian agriculture to jeopardize the Community's high cost heavily subsidized agricultural structure, which has for them an important political and social connotation. Finally the Community would be unlikely to upset its relations with the United States by offering a preferential relationship to Canada.

It would also be unwise of Canada to seek such an arrangement, in view of the importance of its export trade with the United States. The Committee agrees with the realistic assessment of Mr. Forrest Rogers, Financial Adviser to the Bank of Nova Scotia, who stressed "the high proportion of our trade and business relations which is with the United States." When asked if Canada should seek a preferential arrangement with the EC, he replied that he just did not

> see how we can expect the United States to sit calmly by while we attempt to establish anything in the nature of a significant special relationship with Europe.

Mr. A. F. W. Plumptre, Canadian representative on the High Level OECD trade talks in 1972, brought out clearly that a preferred arrangement with the Community would discriminate against the United States, Japan and other important trading partners with whom Canada had in total an export trade in 1971 of $15.2 billion. By contrast, Canadian exports in the same year to the nine Community countries amounted to about $2.5 billion. Mr. Rogers and Mr. Plumptre both observed that projected growth rates for Europe in the next decade were not as high as those for the United States or Japan. Further, the United States buys 85 per cent of all Canada's fully manufactured exports.

That is, as opposed to Europe, where our percentage of exports of manufactured goods is much lower. The report continues:

Mr. Plumptre concluded:

> What I am obviously emphasizing here is the degree of exports which we put at risk if we discriminate against the United States.

There was a suggestion by one Canadian witness that Canada might go beyond seeking a preferential relationship with the EC and try to gain some sort of associate relationship which would resemble the free trade area the Community has recently formed with Austria, Sweden, Iceland, Portugal, Norway and Switzerland. Apart from the same objection which can be made to a preferential trading arrangement, such an option is not open to Canada because such Community arrangements are accessible under the terms of the Rome Treaty only to European states.

**Senator Walker:** Would the honourable senator allow me to ask a question in that regard? Are there any other preferential agreements with countries outside of Europe?

**Senator van Roggen:** They do have a number of preferential agreements with former colonies. There are some exceptions to that. They have preferential agreements with India, for instance, with respect to native handicrafts, I understand. There are some isolated agreements of that nature. They started out by having preferential trade agreements particularly with African countries. Some examples they gave us were that 80 or 90 per cent of the exports of some countries, where there was a preferential arrangement, were in one commodity. Those countries would have been completely destroyed if those arrangements were not preserved for them. Generally speaking, these agreements are not with the highly industrialized countries of the world because the Europeans do not wish to get outside of the GATT.

If we are not looking for a preferential trade agreement, what is the nature of the trade agreement we are seeking? Again I cite the report of the Foreign Affairs Committee, page 15:

> A Comprehensive Economic Cooperation Agreement.
>
> Instead of pursuing a policy of seeking a Canada-Community agreement on a limited trade basis, the Canadian Government has recently sought to negotiate a comprehensive agreement covering broader areas of economic co-operation. In the continuing talks concerning such an agreement, the long-term prospects for trade in energy and resource materials, including the processing of nuclear fuels, are being discussed. Also included are potential non-tariff barriers such as government procurement policies, countervailing duties, coastal shipping regulations, export subsidies and concessional financing. Additional items in the discussions have been consumer protection, copyright laws, protection of the environment, standards and quality control and the industrial application of science and technology.

● (1440)

> Given the movement toward economic integration among the Nine, it is appropriate to seek to establish a framework for cooperation on a Community-wide basis. Many of these subjects are outside the jurisdiction of the GATT, but could become important ways of furthering mutual interests. Such an agreement would complement the GATT, not substitute for it.

Honourable senators, following two further meetings with our European confreres since this report was first published, I can only say that I could not improve upon the words of the report written 18 months ago in connection with that particular subject.

Following our meeting with the parliamentarians and the press conference which followed, we proceeded to Brussels where, in the morning, we received a most competent briefing from the Canadian Ambassador to the European Community, Mr. Langley. We also received briefings from Community officials. Then we had an

excellent luncheon, our host being Sir Christopher Soames, the senior British member of the Commission and Vice-President of the Market. In the afternoon we had discussions with senior civil servants of the Commission on the 24(6) trade negotiations, and on energy matters generally. I shall come back to one or two of those matters later.

Throughout these discussions with the parliamentarians, and at Brussels, we were asked on more than one occasion what Canada's attitude was to the European Community and, in particular, to the entry of Great Britain into the Community. Two or three of us in responding to such questions said, I believe accurately, that we did not think the Canadian government had an official position on this, and that it was probably not an appropriate area for the Canadian government to have an official position on. But, speaking personally and, we felt, on behalf of most Canadians, we thoroughly supported England's entry into the Community; we enthusiastically prayed for her remaining in the Community. I went so far as to say that I felt it was an essential step in the preservation of western civilization that the Community succeed, and that Britain stay in.

We made it clear that we were expressing our personal views in that respect, There were few, in our group at least, who disagreed with the sentiments we expressed.

You might then come back with the same question we asked of our European friends: Will Britain stay in? The answer we received might well be coloured by the fact that the men we were speaking to were all dedicated to the European Community and its success, but all of them were convinced that Great Britain would stay in the European Community. They felt that the arrangements among the Nine, particularly the economic arrangements, are in a constant state of flux; that they are being negotiated and renegotiated month by month and year by year; and that a point will come at which Mr. Wilson will be able to say, "If those arrangements had been negotiated in the first place, I would have approved Britain's entry at that time." On the basis of that, at a given moment in time, he will be able to recommend to the British people that they vote affirmatively on the referendum.

Certainly, all the British delegates we spoke to, both at the Parliament and at Brussels, as well as other Europeans, assessed the matter in that fashion, being convinced in their own minds that Britain would stay in. They did point out, however, that because of the uncertainty of Britain's entry, the Market would be marking time to some extent during the next year until that referendum is concluded.

On the question of how the Community is developing in political terms, as opposed to economic terms, I would just observe that it is easy to conceive of the Community as simply a large free-trade area, but that was not the original conception of it. There are those who say, because of the difficult times the Community has been through in the last 12 or 18 months, that is precisely what it is going to degenerate into, but, certainly, none of the people working in Strasbourg of Brussels are willing to accept that. They point out that there is a vast difference between a simple free-trade area and the Common Market envisaged by the Treaty of Rome, and that, eventually, more political union must come, hand in hand with the economic co-operation which has already been so successful. They do not visualize it happening immediately. They suggest it will come in rather slow stages, but they are dedicated to its success. I am sure we all wish them well in this magnificent human experiment, the complexity of which boggles the mind. Certainly, it would have been difficult for any of us to have imagined 25 years ago the successes which they have already had.

At the moment there is one major cloud on the horizon in this connection, and that is the world economic situation. The outpouring of money for oil from all parts of the industrialized world is extremely serious. In the case of Europe it amounts to $20 billion per year. Their favourable balance of trade, before the increase in oil prices, was only $2 billion a year. So the gap is immense. The strains this puts on the Community will be severe, and they will probably be lucky if they can do no more than mark time on the political side of their development until this world economic situation clarifies itself to some extent.

They are, however, determined that they must not try to find solutions to this world problem by looking inward; that trade barriers must be kept down; that the Tokyo Round, the GATT negotiations, must go forward. They are anxious for the United States Congress to pass a trade bill so that the United States can become a full participant in those negotiations. They feel that, if we are to survive the economic problems of the next few years, all of us will be better served if trade doors can be kept open, and trade walls kept down. In the case of the Europeans, this may be a matter of life and death.

Honourable senators, before I conclude I might mention the luncheon hosted by Sir Christopher Soames.

**Senator Walker:** Before you get to the luncheon, may I ask a question? I may have missed a point when he was summarizing, but has the honourable senator set out what Canada has accomplished, or what concessions have been made to Canada, through our four-year association with the European Economic Community? What concessions has Canada received over the four-year period during which we have been connected with the Community?

**Senator van Roggen:** I do not know what the honourable senator is referring to with respect to "the four-year period," since this study was initiated by the Senate committee only two years ago, and it made its report only 17 months ago. I have described in detail three of the recommendations in the report as methods of starting a dialogue with Europe, all of which have now been accomplished.

● (1450)

I think you will find that specific areas of discussion will now flow from both the establishment of their office here and the acceptance by the Council of Ministers in Europe of the proposition put forward by the Prime Minister during his visit to Brussels, that areas of mutual interest now be discussed between the Community and Canada. It is a slow process of opening the door. The door is now open, and discussions can now start.

**Senator Walker:** So far there have been no concessions from the European Community to Canada—no agreement, no treaty, no accord? I am not criticizing the honourable senator; I am just asking him a question.

**Senator van Roggen:** That is right. I should qualify that by saying that Canada has a number of agreements with individual members of the Community on a number of subjects that I read from the report. The objective is to get some of these out of individual agreements with the countries in question, and into a master agreement with the Community as a whole.

**Senator Bourget:** With the objective, I assume, of achieving a better understanding of our mutual interests.

**Senator van Roggen:** I do not think there is any question that the main thing that has been accomplished in the last 18 months, as a result of these contacts that have been established—parliamentary and otherwise—is this: there was a tendency that we detected very clearly on the part of our European hosts, at our first meeting in Brussels—although I do not think they would acknowledge that this was the case—to think first of the United States, and then, almost as an afterthought, of Canada, being part of the North American continent. They seemed to think that if they made an arrangement with the United States, that covered the whole of North America. When we went back this time we found that that very clearly has been overcome. They now go out of their way to say how they understand the distinct differences that exist, in so many areas, between the problems of the United States and Canada.

Apart from his duties as host in connection with the social aspects of the visit, Sir Christopher is in charge of the external affairs of the Community, including all of their trade negotiations and arrangements. He expressed himself very forcefully during lunch, to both myself, who was sitting on his right, and Mr. Roberts, who was sitting on his left, in putting forward his side of the case on the negotiations with Canada, known as the 24(6) negotiations. These are so called because of the section in the Treaty of Rome of that number, which stipulates that on the Community expanding, and other countries coming into the Community, and those countries having to adopt a tariff common to the whole Community, the Community as a whole must then bargain with those that are injured as a result, and pay them what the entry of the new member has cost them.

On the entry of Great Britain into the Common Market, at the same time as Ireland and Denmark, the British preference was eliminated, and this resulted in costs to Canada, which were estimated, and agreed to by our side of the negotiating team, at some $600 million. The arrangment is not that a cash payment is made, but that there are concessional advantages from the other side to balance the scale. This becomes very complicated, because as they reduce a given tariff item they reduce it, of course, to all the world, and not just to Canada. So when they are conducting these negotiations to compensate people for the elimination of the British preferential tariff, in this particular case they are trying to find points at which they can reduce their tariffs and compensate Canada in one respect, Australia in another, the United States in yet another, and so on. These are very difficult negotiations. They have signed with the other principal countries, including in particular the United States and Australia, though not with Canada.

I think here there is evidence of a mistake which gives credence to our view that prior to our visits there they did look upon North America too much as a unit. I think, for example, they made a deal with the United States, and gave certain concessions in citrus fruits, on the agricultural side, and thought, "That will be good for Canada too." Well, it turns out that we are not satisfied with the proposal. We are not prepared to accept the arrangement they made with the United States. Sir Christopher was very forceful in putting forward his case that we were being extremely unreasonable in this connection—so much so that I was concerned enough to make sure that I was fully briefed on my return to Canada by the senior member of our negotiating team, who, I might say, has again gone this week to Geneva in this connection. He convinced me that the Canadian team is not being unreasonable, and is looking after our interests very well.

There is a time limit here, and there are certain complexities with which I will not bore you, but I think the Community in future will be a little more careful to negotiate with Canada directly on a matter of this sort, rather than assume we will go along with an arrangement they were able to make with the United States.

Other than this, our discussions with Sir Christopher during lunch were largely on general questions of world economy—oil, balance of payments, and dollar problems generally. I think that I would rather leave these matters for another occasion, because they comprise a much larger subject.

The only remaining item I might touch on for just one or two minutes—and I realize I have gone on for much longer than I anticipated—is that of energy. The Europeans, of course, apart from the problem they have with the outflow of money—$20 billion a year, as I mentioned, for oil—are very concerned as to the alternatives. They are also very realistic, living as they do in a number of crowded countries with a reasonably high standard of living, few raw materials and little energy. They have to make careful, pragmatic decisions, and they recognize the fact that they are not going to be able to eliminate the importation of oil. I think I am correct in saying that the estimate of their senior man on this subject was that they hoped to reduce their reliance on oil and gas from 65 per cent of their total energy requirements to 40 per cent in the next ten years. They will be doing this by massive development of nuclear plants. They acknowledge environmental difficulties in so far as these plants are concerned. They visualize that once they are able to establish sites, and get them approved by the nations concerned from an environmental point of view, then rather than placing just one plant on those sites, they may have to place several. They are, however, going heavily into nuclear development.

You might ask, "Which process are they going to use?" As you are aware, Great Britain has opted for something similar to the CANDU, which we have developed in Canada, and there will be a technical exchange there. Other countries in Europe have opted for the American process involving enriched uranium. They try to make it very clear, however, that they do not look upon it as a

simple choice between buying process A or process B. They say that the development of nuclear energy is still sufficiently in its infancy that they can pursue a variety of alternatives, so that as they go down the years they will be able to see which is the best for their purposes. I believe there is an area of opportunity here for Canada, which controls some 25 per cent of the world's uranium. This will be the fuel for these plants until fusion plants are eventually produced, but that will be some decades, if not some generations, away.

● (1500)

The North Sea oil and gas are important to them, but in world terms, while it is a very large field, it is not really a solution to their problem, in addition to which they are not yet so unified that Norway and Britain are prepared to say that this oil and gas are available for the common pot.

The point I should like to make in closing, honourable senators, is that I feel that the initiative taken by our committee under the chairmanship of Senator Aird has achieved greater than average success up to this point with the accomplishment of the three main objectives I outlined at the beginning of my remarks, and that we must now proceed to new initiatives in our exchanges with the European parliamentarians. Obviously this can now go hand in hand with the negotiations to take place between Canadian governmental officials and the market officials toward an eventual trade agreement between Canada and the Community.

I do not think I have anything further to report at this time, honourable senators. Thank you for your patience.

**Senator Greene:** I should like to ask the honourable senator whether there is any authority existing in the Community for a joint community energy decision or whether each member pursues its own individual policy.

**Senator van Roggen:** Each member of the Community pursues its own individual policy. But the commission in Brussels, apart from its political role in being required to initiate proposals and legislation within the Community, which is one of its functions, is also the senior civil service body of the Community and has substantial departments covering all areas, including energy, but it is advisory only. It does not have power to impose its decisions on the Community members.

[*Translation*]

**Senator Riel:** Honourable senators, I have a question concerning those particular agreements between the European Community and countries outside the community; but I understand those agreements took place between the Community and some countries that may have been former colonies. Were these agreements reached at the beginning, when the Rome Treaty came into force, or were they reached progressively over the years, as some of those foreign colonies may have become independent? Do you know what the position of the Community was in that respect, and whether the agreement was a joint one?

[*English*]

**Senator van Roggen:** In answer to your question, first of all may I say that the agreements were not all entered into at the one time at the formation of the Community, but over a period of years as the colonies gained their independence or as the Community decided to make an exception of one underdeveloped area or another.

In answer to the second part of your question, they are specifically group agreements, in that they are agreements between the Community and the other contracting parties.

[*Translation*]

**Senator Riel:** Do you think that the European Community is larger today than, let us say, at the time of General de Gaulle's death?

[*English*]

**Senator van Roggen:** If I understand your question correctly, it is as to whether the Community is further advanced today than it was at the time of General de Gaulle. I imagine, honourable senators, it is common knowledge that General de Gaulle, not only in matters concerning the Community but in other areas as well, was somewhat of an individualist. He was not always pushing the development of the Community or other things that he considered might detract from the grandeur of France. I think the present president of France, President Giscard d'Estaing, has made it very clear that France is re-dedicating itself to the Community and the Community concept. I think the best evidence I can give of this great advance is the forceful statement which he made a short time ago to the effect that the Community should press forward with its work toward universal suffrage for the election of the members of the European Parliament. Coming from the President of France, that is a most significant move within the Community, because if they go forward, as they are planning and hoping to do within the next few years, to a method of direct election of members to the Parliament, that in itself will dignify and sanctify that Parliament to a very great degree insofar as its powers are concerned, and will move the political process forward, I suggest, even more than the monetary union would have done that they were talking about before.

On motion of Senator Choquette, for Senator Grosart, debate adjourned.

## SCIENCE POLICY

### NOTICE OF COMMITTEE MEETING

**Senator Langlois:** Honourable senators, before moving the adjournment of the Senate to reassemble at the call of the bell at approximately 5.30 p.m., I should like to remind you that the Special Senate Committee on Science Policy will be holding its organization meeting almost immediately in Room 256-S.

The Senate adjourned during pleasure.

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At 6.15 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

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## ROYAL ASSENT

The Honourable Wishart F. Spence, Puisne Judge of the Supreme Court of Canada, acting as Deputy Administrator of the Government of Canada, having come and being seated at the foot of the Throne, and the House of Com-

mons 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 Administrator of the Government of Canada has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Wishart F. Spence, a 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.

The Honourable the Deputy Administrator of the Government of Canada was pleased to give the Royal Assent to the following bills:

An Act to amend the Army Benevolent Fund Act.

An Act to amend the Canada Pension Plan.

An Act to amend the Customs Act.

An Act to amend the Customs Tariff.

An Act to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes.

An Act to amend the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act.

The House of Commons withdrew.

The Honourable the Deputy Administrator of the Government of Canada was pleased to retire.

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The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, November 28, 1974

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

Prayers.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

### SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Alexander has been substituted for that of Mr. Baker (Grenville-Carleton) on the list of members appointed to serve on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## BUSINESS OF THE SENATE

**Senator 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, December 3, at 8 o'clock in the evening.

Before the question is put, I should like as usual to give a brief outline of the work program for the next week. It appears that it will be a busy one. First of all, dealing with the committee schedule, on Tuesday the Special Joint Committee on Employer-Employee Relations in the Public Service will meet, and the Senate Committee on Agriculture will meet to hear a delegation of farmers from Nova Scotia.

On Wednesday the Standing Senate Committee on Banking, Trade and Commerce will consider Bill S-15, to amend the Industry, Trade and Commerce Act. It will then continue with its study of competition in Canada. Also on Wednesday the Standing Senate Committee on Agriculture will hear witnesses and continue its examination of Bill S-10, to amend the Feeds Act.

On Thursday the Standing Senate Committee on National Finance will start consideration of the supplementary estimates (B), which were tabled in the Senate this week. Our Committee on Foreign Affairs will continue its study of Canadian relations with the United States. Both the Standing Joint Committee on Regulations and other Statutory Instruments and the Special Joint Committee on Employer-Employee Relations in the Public Service will sit on Thursday.

With respect to new legislation, I am informed that early next week we should receive from the other place Bill C-14, to incorporate the Federal Business Development Bank, Bill C-15, respecting oil and gas in Indian lands, and Bill C-18, to amend the Fire Losses Replacement Account Act. Later in the week we could have amendments to the Customs Tariff and to the Excise Tax Act.

As honourable senators are aware, on Thursday next the Senate will proceed with second reading of Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code.

While I am on my feet, may I draw attention to the valuable work done by our committees this week. There were many meetings and the workload was heavy, and I think the Senate can expect to be kept busy next week, particularly in our various committees. This heavy schedule results from the fact that a record is being set as to the number of bills orginating in the Senate. This explains why our committees have been so busy during the past weeks and will continue to be so during next week.

**Senator Flynn:** May I ask the Deputy Leader of the Government, when he refers to two or three bills which he anticipates that we will receive from the other place next week, whether it is wishful thinking on his part or whether he has some good reason for expecting these three bills?

**Senator Langlois:** I should remind my honourable friend of what I have been saying in all the years that I have occupied my present position in the Senate, and that is that I am very reluctant to try to prophesy what will happen in the other place. The program I have outlined is based on information given to me, and it is simply that we expect to be receiving these three bills. This, of course, is subject to the speed with which the other place deals with the legislation before it, and I cannot in any way confirm this prediction. I hope I am right and I shall stand by it to that extent, but I shall not go any further than that. I am sorry.

**Senator Flynn:** I wish you well.

Motion agreed to.

● (1410)

## INDIAN AFFAIRS

### REQUEST BY MANITOBA INDIAN BANDS TO APPEAR BEFORE SENATE COMMITTEE—QUESTION

**Senator Flynn:** Honourable senators, is the Leader of the Government aware that a conference of Manitoba Indian Band leaders has urged that the Senate conduct an investigation into the problems of native people? Is it the intention of the Leader of the Government to invite these leaders of Manitoba Indian Bands to appear before the Standing Senate Committee on Health, Welfare and Science to explain precisely what it is they would like us to do? Does he plan to have someone launch a debate on the subject? Or, has he already made a decision in the matter and, if so, might we know what it is?

**Senator Perrault:** Together with other honourable senators, I have noted news accounts of an expressed desire by the leaders of certain Indian bands in Manitoba to appear before a Senate committee. To my knowledge, however, no official request for a hearing has been received. Should such a request be received, I think it will be given sympathetic attention by all in the Senate. I hope that our colleagues from Manitoba in this place will provide counsel on that occasion.

## NARCOTIC DRUGS

STUDY OF LEGISLATION BY SENATE COMMITTEE—QUESTION

**Senator Flynn:** Honourable senators, may I ask another question of the Leader of the Government? I heard on the news this morning that the Standing Senate Committee on Legal and Constitutional Affairs would be charged with studying Bill S-19, which Senator Langlois referred to earlier, which deals with marihuana and other "soft" drugs, their use, possession and sale. It was reported that the committee plans a prolonged and in-depth study which might take months. In fact, it was said that one Jack Webster, a West Coast broadcaster, has already been invited to appear before the committee.

Would the government leader know who has been speaking for the Senate in this matter? No committee that I know of has yet been seized with the subject. Therefore, how could anyone have been invited to appear?

**Senator Goldenberg:** May I answer that, honourable senators?

**Senator Choquette:** Yes, you are the chairman of the committee.

**Senator Flynn:** Yes, you are entitled to reply.

**Senator Goldenberg:** Honourable senators, I heard that news item and it rather surprised me. When I made inquiries I was told that a member of the other place spoke to the news media, on television or radio last night, to that effect. As far as I know, no senator made a statement, nor did I as chairman of the committee.

**Senator Perrault:** May I say, in an attempt to further clarify the situation, that no such statement has been given to the press by the Leader of the Government in this place and, to the best of my knowledge, no other senators have spoken this way with the press in regard to the subject. I will say, however, that it is the intention of the government that a measure of such importance to this country should be given full and conscientious study by the Senate and certainly, I understand, by those in the other place. There is no intention on the part of the government to expedite with inordinate haste the process of dealing with this legislation. It is my view—and one shared by other members of the Senate—that a measure of this importance should see the widest possible opportunity given to interested groups to appear before the appropriate Senate committee. But that is a decision for the committee to make in the ultimate. We are in the process at the present time of determining the most appropriate committee in which this matter should be discussed.

**Senator Flynn:** Who is "we"?

[Senator Flynn.]

**Senator Perrault:** Members on both sides of this chamber; and I would hope, honourable senators—and more specifically the Leader of the Opposition—that we can discuss this matter. I am sure the Leader of the Opposition agrees that this is an important piece of legislation and that we have a great responsibility to Canada to do the best possible job with it.

So I hope we can discuss this matter between now and next Thursday, and make certain that it is disposed of in the most appropriate fashion. I apologize to honourable senators for the state of my voice.

**Senator Flynn:** I was going to say to the Leader of the Government that he is even more convincing when using that subdued tone—not that I do not hope that he will recover his usually strong voice.

## EUROPEAN PARLIAMENT

VISIT OF CANADIAN PARLIAMENTARIANS—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator van Roggen calling the attention of the Senate to the visit of Canadian Parliamentarians to the European Parliament from 12th to 14th November, 1974.—(*Honourable Senator Grosart*).

**Senator Grosart:** Honourable senators, may I, with leave, yield to Senator Grattan O'Leary?

**Hon. Senators:** Agreed.

**Hon. M. Grattan O'Leary:** Thank you, Senator Grosart. Honourable senators, I had not intended to speak on this matter at all until I heard the excellent speech delivered yesterday by Senator van Roggen. Listening to him, I felt that certain things should be said to this house, and cannot be said too often in this house nor too often in this country.

They stem from the fact that there seems to be a great misunderstanding in this country, in the press and in the media, about what the Common Market is about. Many people seem to think that the Common Market was established to promote world free trade. That, of course, is absolutely inaccurate. Those of us who have read the Treaty of Rome know that the Common Market was set up as a regional protectionist organization—a protectionist organization in Europe set up to act as a countervailing force against the United States. It is not a free trade organization. It has free trade among its members, just as the United States has free trade among its states. But it is essentially a protectionist organization, and when I find our people going over there and giving the impression to the country—or, at least, the country seems to get this impression—that they are going there to make some special arrangement with the Common Market—my friend shakes his head. I am not talking about him; I am talking about the country, the press.

**Senator Bourget:** The press—not our delegation, nor the government.

**Senator O'Leary:** I am speaking about the impression found throughout the country that we are going over to the European Community to try to find out if we can

make some special arrangement with them, and thus to diminish what is called our dependence upon the United States. Well, what is our dependence on the United States? I am sure there are many countries in the world that wish they occupied the dependence on the United States that we have.

I do not think our people realize, as some in Washington do not realize, that the United States today is taking 85 per cent of our finished products; in other words, products which create jobs in Canada. How does that compare with the countries of the Common Market? Well, in the last three or four years the Common Market countries took less than 2 per cent. The United States today is buying more of our finished products than all Common Market countries combined, with Britain, Russia and China added.

● (1420)

I hear people these days talking about this new détente, as they call it, with Russia, and Canada's future with respect to China, and so forth. Well, honourable senators, Russia and China only buy from us what they are compelled to buy in order to avoid famine in their countries. That is the by and large of it. Can any sane person in this country today think or believe that in the foreseeable future the impoverished millions of China are going to buy more of our finished products than the relatively prosperous two hundred million in the United States? I think Canadians ought to keep these things in mind.

I dislike hearing and reading about the necessity of Canada diminishing its dependence on the United States. I am sure there are many countries that wish to God they were in our position of dependence on the United States.

We hear a great deal these days about Japan. Japan only buys from us the raw materials which it needs to process finished products, which they then export to Canada to compete with those of our own industries. Surely, Canadians should keep these things in mind when considering diminishing our dependence on the United States.

A few years ago I attended a meeting in Canada of a delegation from the European Parliament. They distributed their working papers, which I read, and in those papers they stressed again and again that, after all, they in Europe have more in common with us than do the people in the United States. That is nonsense. Most of us are the children of European immigrants, but basically, and inescapably, we are North Americans. For weal or for woe, our future, our fate, our destiny, is with the United States, and I think we had better keep that in mind.

I am not afraid of a Canadian parliamentary delegation going to Europe composed of people such as Senators van Roggen, Grosart, and my good friend across the way, Senator Bourget. Nevertheless, there have been attempts to make special arrangements of some kind with the Common Market, and I venture to say—

**Senator Bourget:** No.

**Senator O'Leary:** You say that is not so. That is what Senator van Roggen said yesterday.

**Senator Bourget:** He did not say that.

**Senator O'Leary:** I beg your pardon, but I read his speech carefully this morning. What is more, I was glad to see that the financial adviser of the Bank of Nova Scotia made it clear that any special arrangements with the Common Market can only be made with member nations of Europe. Some people know so little about the Market that they think we should even have membership in it. Well, we cannot have membership in it. If you read the Rome Treaty you would know that as far as concessions which the Common Market makes outside the union are concerned, such concessions can only be made to member nations of Europe.

**Senator Bourget:** Right.

**Senator O'Leary:** I know it is right. I am speaking now not so much to this house, but to the people of this country. I am trying to tell them to find out, for heaven's sake, what the Common Market is about. If you read the Rome Treaty you will see that it was originally conceived as an organization for political union in Europe. That was the original idea, but it has not worked out. Even if we could do so, we could not afford to go and make any special arrangements with the European Common Market, knowing what the United States means to us in the way of buying our products. I myself often wonder just what the position of Canada would be if the United States were to disappear tomorrow. Where would we sell 85 per cent of our exports—our finished exports, not our raw materials, not our oil, not anything else, but our finished manufactured products—85 per cent of which are sold in the United States? It is a market right at our doors. Surely we should not be crossing continents and oceans to even insinuate to people that we are trying to get away from our dependence on the United States.

We are dependent on the United States, not only for our markets, not only for the jobs that the sales of our finished products bring to Canada, but for our defence, and any Canadian who does not understand that is certainly reading wrongly what really exists in the world today. They are our defence. No nation in the world today is independent. Every nation on earth is dependent on some other nation or some other group of nations for its very existence. But this is more particularly true of us than almost any nation in the world. If there are people in this country complaining about our dependence on the United States, I wonder if they would like to go to Czechoslovakia and ask that country if she would mind being in our position? Ask Hungary. Ask Poland. Ask the Baltic States.

In this Senate we should never miss an opportunity of stressing to our people the wonderful position we occupy with respect to the United States. For 20 years these people have had the power to wipe us out of existence any night they chose. Do any of us go to bed and worry about it? Do any of us feel that if ever bombs are dropped on this country they will be dropped by the United States?

I know we hear about détente. Kosygin and Brezhnev have said fine words about détente. What were they doing in the Mediterranean? What were they doing piling military hardware into Syria and Egypt? What do they have in mind there?

Surely in considering trade with the world we must seek trade wherever we can find it, but we must keep in mind that the real foundation of our prosperity in this country is the markets we have in the United States. We could not

sell, now or in the foreseeable future, the 85 per cent of our finished products that we send to the United States.

It is true that we, too, are their best customers. Two or three years ago, when the United States included us in the surcharges they were imposing, I went on my own to Washington. There are some senators who know that I have some very good friends in powerful positions in the Congress of the United States. I went to them and showed them a statement made the night before by President Nixon, in which he spoke of Japan as being their best customer. That is an impression that might be held by millions of Americans. But Japan does not buy a fraction of what we buy from the United States, or what they buy from us.

I feel deeply about this. From what I have heard and what I read in the press, as part of my business, there seems to be a feeling in this country that, just as in the old days we were twisting the tail of the British lion, we are now plucking the feathers of the American eagle. There are people in this country who, unfortunately, are still fighting the battle of Lundy's Lane, the battle of the heights. This is bad for this country. I think, before it is too late, we ought to let our American neighbours know that we are not shying away from any trade problems we have with them. None of us should want that to happen, and it is not going to happen.

● (1430)

When our people go to Europe to see the Common Market countries or other countries, when they go to Russia or China, they should make it clear to those countries, and to the world, that we are not there to supplicate for help in solving problems with the Americans. That is not true, and if you say: "Oh well, O'Leary wants Canada to be a satellite of the United States," I will say, "God forbid, nothing could be further from my thoughts."

As I mentioned a moment ago, I do happen to know some very important people in the Congress of the United States, and I have talked to them about these matters. I have never yet met one important American senator or member of the House of Representatives who had any idea of lording it over us economically or politically.

A few years ago, I had the privilege of speaking to a group of American senators and members of the House of Representatives. In that group there were two men who had been candidates for the presidency of the United States. I told them then that though we were North Americans, though we wished to march with them in the ways of peace, they had better make up their minds and realize that we had problems of our own which we intended to face and solve by ourselves and among ourselves in the indispensable way of a sovereign society. And I added, "My friends, don't you ever forget that there is a little part of North America, which, from earth to sky, we are determined to call our very own." Did they object to that? Not in tribute to me but in complete acceptance of what I said, those gentlemen rose in a body and gave me a standing ovation. That is the spirit I find in Washington. Alas, I fear that, with fault on both sides, our relations with the United States today are not what they should be. I fear it.

I read the comments in the press, and I read the statements of our politicians. I have read statements by the leader of the government of this country, who went to Moscow two or three years ago and said we wanted better trade relations with Russia, and with other lands, to diminish our dependence on the United States. I do not think he should have said it there, or said it at all. I do not think we are going to diminish it, but if we keep on crossing continents and oceans, going here and there, hither and thither, to see where we can get trade, and if we go with the idea that this will help to relieve us of our responsibilities with the United States, then we are in a bad way. We are talking dangerously. As a matter of fact, if that belief exists, and if there is an attempt by any member of this Parliament to bring about what is called the diminution of our dependence on the United States, I say that that sort of talk, with the peril it entails, is treason to Canada itself.

I repeat, we are North Americans, our destiny is on this continent. For weal or for woe, our fate is linked with the United States. It may be weal, it may be woe. Please God, it will be weal; I hope it will be. So let us discourage this other idea.

We have magazines in this country. I know something about them, as I was chairman of the Royal Commission on Publications. In all those hearings I discouraged anyone coming before me and trying to rest his case on anti-Americanism. One of our magazines died recently, and I must say its death has not diminished my spiritual life. It deserved to die. It had died when B. K. Sandwell died many years ago. It was looking for a crutch, a nationalist anti-American crutch, to maintain its life. I do not believe in giving any Canadian magazine a crutch—an anti-American or nationalist crutch. They must stand on excellence, or they must fall. I repeat that.

I certainly thought that there was unfair competition at the time, and I think there still is, from certain magazines calling themselves Canadian when they are not, but I could not convince the government I supported then, and I could not convince the government which succeeded it. I remember the spectacle of a very able member of this house, Senator Hayden, trying to argue that what they were doing was the right thing when it was absolutely the wrong thing. What they did was to confer honorary Canadian citizenship on Mr. Luce so that he could continue to practice what he had been practising in this country. I am against that. But I am equally against providing a sanctuary for mediocrity. We are not going to build up this country by any system, or any set of laws, which enables poor magazines to be produced in Canada. That is something I would never agree to.

I repeat, I have complete trust in members like Senator Grosart, Senator van Roggen and Senator Bourget. I know they do not want to sell Canada down the river. I know they are not antagonistic to the United States. I think I know that they understand what the Common Market is about. But, alas, our people don't understand it. Not long ago a professor at Toronto University wrote a letter saying, "Look, why don't we join the Common Market?" Can you imagine ignorance of that kind? Yet I meet people all the time who say, "What is all this trouble with the Common Market? Why don't we join them? Why don't we let the United States go to the devil? Why should we depend on them?" This is dangerous heresy. I believe that the future of this country is tied inextricably with that of

the United States. I do not think anyone would challenge that. That does not mean that we are a satellite, or that we must always do what they say. On the contrary, we must stand on our own so far as we can within the world as it exists today.

But, as I have said before, no nation can stand alone, and we are fortunate that we are where we are. I am sure that all the nations of Europe, including the Baltic states and all the nations that have understood and seen what Russian domination means, understand how happy and how wonderfully fortunate we are to be where we are. We must go on as far as we can, but we must not endanger our relations with the United States. I am afraid that at the present time there are too many things being said and written that do endanger that relationship. If I were an American I would object to some of the things I read in the press of Canada about the United States.

I read all the newspapers. I have spent my life reading newspapers. I cannot recall a single instance of an attack on Canada in any reputable newspaper in the United States, but I am quite often ashamed to read the petty attacks on the United States and the insinuations that I find in the press of Canada.

Honourable senators, I hope I have not kept you too long, but I thought I should say what I have said, and I hope to say it often again.

**Hon. Allister Grosart:** Honourable senators, it is my intention to adjourn the debate, but in view of the excellent and interesting remarks we have heard from Senator O'Leary, perhaps I might be permitted for a few minutes to reassure him on some of the matters that are causing him concern.

● (1440)

I would like to say, first of all, that I agree with him entirely when he suggests that any interpretation of any special arrangement we might have with the European Communities that is predicated on this concept of diversification of our trade away from the United States is erroneous and, as he says, harmful and dangerous. As a matter of fact, when the then Secretary of State for External Affairs was before our Senate committee, I asked him a specific question along those lines. I asked him, presuming that the present level of our exports to the United States was about 70 per cent, whether he anticipated, within any reasonably foreseeable future, a diminution of that percentage. The minister said no.

As Senator O'Leary has indicated, diversification is a kind of red herring that has been drawn across the path of these discussions. Senator O'Leary is aware, or perhaps he will be glad to have me remind him of it, that the European Community has special relationships with at least 70 countries, not all of which are European countries. Far from it. It has special relationships with all the former African colonies of France, and now has them with the former colonies of the United Kingdom since its entry into the Community. It also has a special relationship with the United States.

I am sure that everything Senator O'Leary has said about what should be the proper Canadian attitude to this matter would be applicable to the American attitude; nevertheless, the Americans have in fact negotiated a special relationship in respect to access to the market of the European Community.

I am sure he would agree that if the Americans have found it important—perhaps necessary—to negotiate such a special arrangement, it makes sense for Canada to do so also; not on the grounds of planned diversification of our trade away from the United States, which has been announced as government policy, and with which I do not agree, but on much more important grounds, that is, with respect to our trading relationships with the Community in the future.

I am sure that Senator O'Leary would agree also that it is of absolute importance that we increase our access to the market of the European Community, particularly, as he mentioned, in the special field of finished goods. At the present time, taking our exports to the Community, not more than 10 per cent consist of finished goods. This contrasts, as Senator O'Leary has pointed out so significantly, with the very different position in relation to our exports of finished goods to the United States, which he suggests amount to 85 per cent. I have some doubts as to whether it is that high, but I know the figure he is referring to, namely, that perhaps about 85 per cent of our total exports of finished products do go to the United States.

When we use the word "special" in connection with the discussions we are having with our European friends concerning our relationships with them, we are referring to a very wide spectrum in those relationships. One of the most important of the current irritants, or current unresolved problems, is the compensation Canada is entitled to under GATT as a consequence of British entry. GATT is an international agreement, article 24.6 of which provides that where a country has already a preferential arrangement under—

**Senator Bélisle:** May I ask a question of the honourable senator? Is he making a speech, or is this a preamble to the question he is going to ask, or is he adjourning the debate? I do not think it is fair to Senator O'Leary for the honourable senator to make a speech.

**Senator Grosart:** Perhaps I should, then, in deference to the question asked by my good friend with whom I have just had lunch—

**An Hon. Senator:** Who paid for it?

**Senator Grosart:** —point out that I said on starting that it was my intention to ask leave to adjourn the debate, but that first of all I would make some preliminary remarks. These remarks are part of the speech that I intend to make, but I suggest that it is not beyond the scope of our rules that I be permitted to begin a speech, and to conclude it on another day. I also said that I felt, in this particular circumstance, that I had a duty to reassure Senator O'Leary on some of the matters he has raised. That is what I am now attempting to do. I am making a speech. If the Senate allows me to do so, I may adjourn it and ask permission to conclude it at a later date. The Senate, of course, can refuse, and probably would be wise to do so.

I have said that there is an unresolved problem under article 24.6 of GATT, and this was the main subject of our specific discussions with our opposite numbers in the

European Parliament, with representatives of the Commission, and with some members of the Council of Ministers.

The situation is approximately this. We are entitled to compensation from the Community for the loss of preferences in the British market, and the dollar amounts are very substantial. At the moment the European Community has made a "final offer", and if that offer is not accepted by Canada (as it has not been thus far, because we regard it as completely inadequate) the possible result, under the GATT rules, can be retaliation by Canada, which would, of course, lead in turn to retaliation by the Community. It would, in other words, be the start of a trade war. This is one of the things that we sought to avoid, and I am quite sure that one of the results of our visit to Europe will be significantly to reduce the possibility of that kind of trade conflict starting between Canada and the European Community, possibly sparking an international trade war.

Senator O'Leary has generally lumped all kinds of arrangements that can be made between trading partners in the world today under this one general term, "special arrangement". Of course, some special arrangements are more special than others. In the Community there are non-Community members who are actually associate states. The Community has some special arrangements with countries behind the Iron Curtain. It has special arrangements with some 70 countries of the world at the moment. As Canadians, all we should really be seeking in this market is a higher degree of access to it, since it is the largest import market in the world, and much larger than the American market. It seems to me that it is not necessary, as Senator O'Leary has so well pointed out, to put this on the basis of diversification, but rather that we should put it on the basis of access. One of the matters that will be paramount in any negotiations is the very matter that he mentioned as being so important, that is, the increasing of our exports to the European Community of finished goods from the present very low level of 10 per cent. It is these kinds of things that are the subject of negotiations leading to, if you like, a special relationship. As Senator van Roggen pointed out, we have already achieved a significant step forward in this matter of a special relationship, in the undertaking by the Community to open in Canada what they call a "délégation," a Community office here at the ambassadorial level, so that Canada will now be in the big league of special relationships with the European Community, which has established exactly the same kind of office or délégation in Washington and Tokyo. Canada is now number three. This is the kind of special relationship which, I am sure, Senator O'Leary would be the first to applaud.

● (1450)

Again, I agree with him entirely on the diversification issue, which I think is utter nonsense. As some honourable senators will remember, going back a good many years now, under a former administration there was the same talk of diversification. The suggestions made in those days failed, and it is my view now that any suggestion of a deliberately planned diversification of our trade with the United States will be equally unsuccessful. I hope that that statement will give the reassurance sought by my friend and former seat-mate, Senator O'Leary, and that my explanation will satisfy my colleague, Senator Bélisle, as to my purpose in rising at this time.

[Senator Grosart.]

And now, honourable senators, with leave of the Senate, I would move the adjournment of the debate.

Motion agreed to.

## AGING

### THE ANATOMY OF A SPECIAL SENATE COMMITTEE REPORT—DEBATE CONTINUED

The Senate resumed from Tuesday, October 22, the debate on the inquiry of Senator Croll, calling the attention of the Senate to the anatomy of a special Senate committee report, and in particular to

(a) its evaluation,

(b) its beneficial results, and

(c) as a follow-up, to a suggested future course of action for the Senate.

**Hon. Chesley W. Carter:** Honourable senators, when Senator Croll placed his inquiry on the Order Paper several weeks ago to the effect that he would call the attention of the Senate to the anatomy of a special Senate committee report, I hardly knew what to make of it or what to expect. But after listening to Senator Croll, and having read the report on the implementation of the recommendations in the report of the Special Committee on Aging, I should like to commend him for bringing to our attention the research done respecting the implementation of those recommendations. I should also like to declare my strong support for his suggestion that some means be found of carrying out similar research with respect to recommendations in other Senate committee reports, and reports commissioned by the federal government.

The question of whether this should be done by a special committee of the Senate, a subcommittee of one of the Senate standing committees or by research staff of the Senate whose report, in turn, might be studied by a Senate committee is, in my opinion, a matter for further consideration. In any case, I think it would be a very well worthwhile exercise because every inquiry conducted by a Senate committee creates a greater public awareness of the importance of the problem or issue being studied by that committee. A follow-up inquiry would not only keep that awareness alive, or rekindle it in the public mind, but it would also focus attention on the implications and ramifications of the recommendations and on the impact of those recommendations that have been fully or partially implemented, and the reasons why other recommendations were not or could not be fully implemented.

The more informed the public becomes on the problems we face, the goals we are trying to achieve and the obstacles that must be overcome in order to achieve them, the better will our democracy work. A committee engaged in this kind of inquiry can, in my opinion, perform a great public service for Canada.

Both Houses of Parliament and the general public owe a great debt of gratitude to Senator Croll for developing this idea, and for his persistence in getting the necessary research carried out. As can be seen from his speech at page 146 of Senate *Hansard* of October 22, it was not easy.

There were no funds available to hire the qualified staff necessary to do this kind of work. Fortunately, the parliamentary librarian, Mr. Spicer, came to his assistance, and assigned one of the library research staff to this work. Unfortunately, I gather from Senator Croll's remarks, there were no funds available to permit this researcher to travel around Canada and see at first-hand the results of those recommendations that had been implemented, and to discuss in depth with the appropriate authorities the problems encountered and the reasons why some recommendations had been only partially implemented while others were not implemented at all. Despite these limitations, the report resulting from the research carried out is an excellent one, and reflects great credit on the researcher, and indicates the high qualifications and abilities of our library staff.

Senator Croll's speech brings up the need for highly trained, highly qualified research personnel on our own Senate staff in addition to those who might be already employed by Senate committees. The other place makes provision for research staff on a party basis, but as far as I know we have no comparable staff for senators. I do not know how other senators make out, but I find it necessary to do most of my own research, and I find it to be a very painstaking and time-consuming task.

I would not think of trying to make use of the research staff available to party members in the other place or to the party caucuses because I know they cannot meet the demands being made on them now. Besides, I believe the Senate should have its own research staff, and here I should make it clear that I am talking about specialized researchers to carry out in-depth studies on projects that may require research for, perhaps, periods of months and which might involve travelling from one province to another. I am not referring to what I would call reference-research, in which the sources are checked and xerox copies of pages of reference material are made; I am speaking of in-depth study. Such researchers could still be attached to the parliamentary library, but they would give priority to the requirements of senators.

Like Senator Croll, the only research assistance I have been able to obtain has come from the parliamentary library, and I should like to take this opportunity to pay tribute to their never-failing co-operation, and to the high quality of their work.

Until I read the findings of the researcher who investigated the results of the report of the Special Senate Committee on Aging, I had no idea whatsoever of the wide impact that that report had had throughout the length and breadth of Canada. I knew in a general way that the committee had recommended a guaranteed income maintenance program for people aged 65 and over, but that was about all. When the federal government implemented this recommendation, it was regarded as a tremendous leap forward. We all thought of it as a milestone in the development of our social security program. My whole attention however, had been focussed on what the federal government had done following the report. I knew next to nothing about what had been done by the provincial governments and municipalities. I had forgotten the impact that the Senate report had had on nursing homes, home care, health care, recreation and housing for elderly people, most, if not all, of which comes under provincial jurisdiction.

● (1500)

The researcher found that of the 92 recommendations contained in the Senate report, 25 had been fully implemented and 54 partially implemented, of which a fair number had been almost completely implemented and others had been implemented in spirit, if not in the actual letter. Thirteen recommendations had not been implemented.

In some cases the reason for partial implementation or non-implementation was because the programs advocated or envisaged in the recommendations were already in existence and being carried out, but the underlying philosophy of the province or federal authority responsible for the programs was such that the programs had been organized to include all age groups, rather than being geared specifically to the age group of between 45 and 60.

In other cases constitutional difficulties arose which prevented direct contact between federal and municipal authorities, because the necessary authority lay with the provincial government rather than with the municipality to which the recommendation was directed. Some of the Senate recommendations listed as partially implemented, such as sheltered workshops, crafts, et cetera, are now being carried out under the Heritage and New Horizons Programs. Thus some recommendations are being implemented, but perhaps in a different way from that envisaged by the committee.

The same is true with respect to educational and recreational programs. I was happy to learn recently that in my own province a number of elderly people in their late sixties, seventies, and even eighties are taking credit courses at Memorial University at St. John's. These people are attending regular classes along with the other students, and doing extremely well.

Other recommendations, such as the provision of ancillary services, community services, neighbourhood information centres, and a change in housing philosophy whereby elderly people remain as an integral part of their community instead of being segregated and shunted off into special developments all by themselves, are all being implemented in different ways but in varying degrees by the ten provinces. The report, however, indicates that more progress in this direction, and in extending these services to rural areas, is being made in the western provinces than in the rest of Canada.

However, in spite of this there were many recommendations at which a sober, second look, as advocated by Senator Croll, might be beneficial. For example, research indicates that very little has been done about recommendation 33, which is that the provincial health departments establish special branches to concern themselves with the health problems of older people, and that there be a continuing liaison between such branches and the corresponding branches in the federal Department of National Health and Welfare. This recommendation has been generally disregarded, although the provinces of Alberta, Saskatchewan, Manitoba and New Brunswick have made some moves in this direction.

In my opinion it is also regrettable that with respect to recommendation 36—that data related to the aged which is provided by provincial hospitalization and health insurance schemes be more fully analyzed and made more readily available—the only action so far has been by Statistics Canada, but on a coordinating basis only without any analysis or interpretation.

Until I read the research report I was not aware to what extent the Senate report has influenced for the better the prevailing attitudes concerning the employment of older workers, their training and even rehabilitation. Perhaps most important of all was the change in the approach to this problem whereby the emphasis was shifted from age to skills. As a result, five provinces—British Columbia, Newfoundland, Ontario, Alberta and New Brunswick—have enacted legislation that provides that no employer shall refuse to employ, refuse to continue in employment, or otherwise discriminate in employment because of age. The Ontario law also requires that trade unions shall not exclude from membership, expel or suspend a person in the age group of 40 to 65 years. These provisions, however, do not apply to the operation of bona fide retirement or insurance plans. Unfortunately, the Canadian Labour Code requires only that employers must not discriminate on the basis of race, national origin, colour or religion. It makes no mention of discrimination on the basis of age.

This is the type of question on which the committee proposed by Senator Croll could focus attention, find out the reasons for this omission and, hopefully get some action. It could also find out why there is no federal policy with respect to pre-retirement programs of counselling and planning for retirement, and why little or nothing is being done in the private sector, although there are at least four federal government departments active in this field—the Departments of Indian Affairs and Northern Development, Public Works, Statistics Canada and Supply and Services.

The Department of Indian Affairs sponsors retirement programs, not only at headquarters, but also at the district level. This department collaborates with universities in Saskatchewan, Alberta and British Columbia to provide their employees with programs on retirement.

Two very important recommendations that have not been implemented are No. 89, that consideration be given to the establishment of a national council on social research with specific provision for research in gerontology, and No. 92, that the government establish a national commission on aging for the purpose of giving leadership in all matters concerned with a fuller life for older people in Canada. Recommendation 92 goes on to list a large number of functions which the national commission might perform.

It is difficult to understand why no action has been taken on these two recommendations, particularly No. 89, as a national council on social research had been recommended many times in the past by such national organizations as the Social Science Research Council of Canada and the Commonwealth Institute of Social Research. Many of our most pressing problems today are social problems. Problems of housing, crime, drugs, and social behaviour are all social problems and are all interrelated. They are calling out for attention, and a Senate committee inquiry into the implementation of this recommendation would at least create public awareness about them, and pave the way for remedial action.



● (1510)

As one studies the report on the implementation of the recommendations of the Special Senate Committee on Aging, one cannot help but wish that similar studies were available on the implementation of recommendations of other Senate committees.

For example, the recommendatíons of the Special Senate Committee on Poverty in Canada come to mind immediately. One thing that committee did was to create an awareness in the public mind of the terrible problem of poverty. As Senator Croll told us in his address, there has been a tremendous demand for this report, *Poverty in Canada*—20,000 copies were sold; thousands more were xeroxed. It would not be surprising if it turned out to be the most widely read of all Senate reports. It has been studied in universities and schools, by churches and individual congregations, and by all manner of groups and organizations.

A number of the recommendations have already produced results. For example, recommendations with respect to economic policies, social services, health care and manpower have been partially implemented. Full employment or, at least, maximum employment, has become the main factor in government fiscal and monetary policy. The recent budget makes it clear that when faced with two alternatives, the government will choose inflation rather than mass unemployment. Federal grants for legal aid have enabled the provinces to extend this service and make it more easily available. Society as a whole is more conscious of those below the poverty line, and much more thought and consideration is given by other segments of society as to how their programs will affect the poor.

Best of all, the poor themselves are becoming organized. Neighbourhood committees have been set up to deal with local problems. A national anti-poverty organization has come into existence, and by this and other means the poor are seeking to make their own input into the solutions of their problem.

The main recommendation of a guaranteed minimum annual income for everyone has not yet been realized, but it is going to come. The government at first rejected it out of hand on the ground that it was too costly. They estimated it would cost an extra $4 billion, and at that time the Senate committee estimated the total cost at around $1 billion over and above the total expenditure, which was then approximately $6 billion. Today we are spending a total of around $12 billion on social income maintenance programs, and we still have all the evils of the old system. The impact of that recommendation is such that there is a growing consensus in the public mind about it, and the government too is now making references to the guaranteed annual income as a goal towards which they are striving. At any rate, it is no longer considered an impossibility, and Cabinet ministers are now also talking openly about the necessity for a more equitable distribution of wealth, as indicated in the Poverty report.

Honourable senators, this is only a very superficial appraisal from the standpoint of federal action. Only a thorough study by qualified researchers can tell the whole

story, particularly the provincial and municipal parts of the story, and where follow-up is necessary. The same, of course, would apply to other Senate committee reports. For these reasons, I think Senator Croll's suggestion of a sober, second look is a good one, and I am happy to give it my support.

On motion of Senator Fergusson, debate adjourned.

The Senate adjourned until Tuesday, December 3 at 8 p.m.

28299—25½

# THE SENATE

Tuesday, December 3, 1974

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

Prayers.

## THE LATE HON. THOMAS J. KICKHAM

TRIBUTES

**Hon. Raymond J. Perrault:** Honourable senators, as I am sure you are all aware, the Senate suffered a great personal loss over the weekend in the passing on Sunday of one of our colleagues, Senator Thomas Kickham, in Prince Edward Island.

Senator Kickham made a great contribution to his community. He was active in the import and export trade, in credit union activities, in the field of agriculture, and throughout his career he endorsed, supported and worked tirelessly for a wide range of good public causes. In the course of his career in public life he was a member, for a time, of the Prince Edward Island Legislature. He also served in the other place and was summoned to the Senate on July 8, 1966. Until the illness which led to his passing over the weekend he was very faithful in his attendance here and he will be greatly missed.

To Mrs. Kickham and to his family, I know I speak on behalf of all honourable senators when I offer them our deepest condolences.

**Hon. Jacques Flynn:** Honourable senators, the Leader of the Government was quite right in saying that we on this side were equally grieved to learn of the death, last Sunday, of Senator Tom Kickham.

Senator Kickham was one of those solid Islanders of whom one can justly say he was a fine and honourable gentleman. He was a mild, retiring man who never spoke harshly of others and kept an open mind on every subject. Senator Kickham had enviable careers in politics and business, as was mentioned by the Leader of the Government. He sat in the Prince Edward Island Legislature from 1943 to 1949, and in the House of Commons from 1949 to 1957. By profession he was a farmer, but that did not prevent him from being active in banking and in the import-export trade.

His career is proof of the fact that men of quality will always be recognized. A quieter, humbler, more self-effacing man I had never met. It is quite obvious from looking at his career that the people of Prince Edward Island recognized his wisdom and ability and were well satisfied with the representation he gave them both in Charlottetown and in Ottawa. Politics should have more people like Senator Kickham.

To his Liberal colleagues, and to his wife and family, we, of the Opposition, extend our most heartfelt condolences.

**Hon. F. Elsie Inman:** Honourable senators, it is with a feeling of great sadness that we are called upon to mourn the passing of a highly respected colleague and member of this chamber, the Honourable Thomas J. Kickham. Senator Kickham's death is a distinct loss to Prince Edward Island, especially King's County, whose interest and welfare were so dear to his heart. Senator Kickham was born at Souris West, a member of a prominent Prince Edward Island family, his father and grandfather both having been members of our legislature.

In his early life, Senator Kickham conducted an export business at Rollo Bay, near his home, until he inherited his father's farm, where he engaged in farming. The Kickham homestead has always been the epitome of hospitality, and both the senator and his wife wore a smile and extended the hand of friendship to all who came to visit them there.

I knew Senator Kickham for many years and found him always a true and sincere friend. He could not be otherwise, for he was fair, generous minded and big hearted. He loved people and was loved by people. He was a popular and highly esteemed personality of whom his province can be justly proud.

I wish to join with honourable senators in extending deepest sympathy to Mrs. Kickham and her family in their great bereavement.

**Hon. James Duggan:** Honourable senators, I wish to associate myself with the previous speakers in paying respect to our colleague and my close friend, Senator Kickham. We were very close friends, our friendship beginning on the very day of our initiation as members of this chamber, and it continued and grew from that date onward. I had the opportunity to know Thomas Kickham intimately, having lived with him for a number of years, sharing the same apartment with him. I found him to be a real no-nonsense, down-to-earth type of person.

I wish to join with all my colleagues in extending my profound sympathy to Mrs. Kickham and her family.

## BUSINESS OF THE SENATE

**Senator Flynn:** Honourable senators, if I may I would like at this point to raise a question concerning the business of the house. Last week we received a notice that the Standing Committee on Internal Economy, Budgets and Administration would meet this afternoon at 4 o'clock. This afternoon we received a further notice indicating that the committee would meet when the Senate rose tonight. I must say that some of us were here ready to attend the meeting this afternoon. However, the fact that we have—and this was not foreseen—a large amount of business to attend to tonight does not suggest—

**Senator Molson:** What business?

● (2010)

**Senator Flynn:** Though all the items may not be of interest to Senator Molson, there is a lot of business to

deal with tonight. The fact that the committee will have to commence its sitting at 9.30 or 10 o'clock does not suit most members. I would suggest that the chairman give notice that the committee will sit at a more appropriate time. Thursday morning has been mentioned and I think that would be more convenient for most members of the committee.

**Senator Laird:** Honourable senators, naturally I am in the hands of the committee. I am wondering how long this sitting of the house will last. If it will not take too long, I think we should at least meet for a few minutes. However, if honourable senators decide that they do not wish the committee to sit tonight, that is fine with me.

**Senator Flynn:** At least two members from our side will be speaking tonight. If an equal number of members from the government side speak, it will probably take quite some time.

**Senator Langlois:** We always match you. I should perhaps explain that this afternoon's sitting was cancelled because of the cancellation of flights out of Montreal and Quebec City. That was the only reason. When I was consulted this morning by the officials of the Senate about changing the sitting of this committee, I agreed to the sitting of the committee tonight, not knowing that we were going to have as heavy a schedule as we now anticipate. I have no objection to following the suggestion of the Leader of the Opposition, that we postpone the meeting of the committee until Thursday morning if there is no time for the committee to sit this evening.

**Hon. Senators:** Agreed.

**Senator Buckwold:** Honourable senators, I wonder if that could be made a little clearer. Senator Langlois indicated that the committee would sit on Thursday if there was no time for it to sit this evening. I am a member of the committee and I find it difficult to attend a meeting tonight because of other arrangements. I think the situation should be clarified, that either we meet on Thursday or tonight.

**Senator Laird:** A number of committees are meeting early Thursday morning. Might I suggest that our committee meet at either 10.30 or 11 a.m.?

**Hon. Senators:** Agreed.

**Senator Laird:** Is it then agreed that I should decide as between 10.30 and 11 a.m.?

**Hon. Senators:** Agreed.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. McCleave has been substituted for that of Mr. Alexander on the list of members appointed to serve on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## INDIAN OIL AND GAS BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-15, respecting oil and gas in Indian lands.

Bill read first time.

**Senator Perrault** 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.

## FIRE LOSSES REPLACEMENT ACCOUNT 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-18, to amend the Fire Losses Replacement Account Act.

Bill read first time.

**Senator Perrault** 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.

## ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL TO AMEND—BILL C-214—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-214, to amend the Electoral Boundaries Readjustment Act.

Bill read first time.

**Senator Flynn** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## PRIVATE BILL

BRITISH COLUMBIA TELEPHONE COMPANY—COMMONS AMENDMENT

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons returning Bill S-11, respecting British Columbia Telephone Company, and acquainting the Senate that they have passed this bill with one amendment, to which they desire the concurrence of the Senate:

Page 8: Immediately after line 9 the following new clause be added:

"6. The following is added as section 25 of chapter 66 of the Statute of 1916, as amended, namely;

'25. The company may use as the French form of its name, in the transaction of business and its affairs general, "La Companie de Téléphone de la Colombie-Britannique."'".

**Senator Langlois** moved that the amendment be considered at the next sitting.

Motion agreed to.

● (2020)

## ALBERTA-BRITISH COLUMBIA BOUNDARY BILL, 1974

COMMONS AMENDMENT—DEBATE ADJOURNED

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons returning Bill S-13, respecting the Boundary between the Provinces of Alberta and British Columbia, and acquainting the Senate that they have passed this bill with one amendment, to which they desire the concurrence of the Senate:

Page 4: Strike out line 8 and substitute the following therefor:

"to the Commission under section 5, and to offer to hold at least one public hearing on the reference before establishing any boundary line for that part of the boundary that the problem or dispute is related to."

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

**Senator Carter:** Honourable senators, I move that this amendment be now concurred in.

**Senator Molson:** What is the hurry?

**Senator Flynn:** Explain.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Senator Molson:** Is there unanimous consent?

**Senator Grosart:** Explain.

**Senator Flynn:** Senator Molson has asked whether there is unanimous consent. I do not know if it is required; I have not checked that, but as he is Chairman of the Standing Committee on Standing Rules and Orders he should know.

**Senator Molson:** I think at least we have to know what we are consenting to. Personally, I have not a clue. Perhaps I am alone, but I think we should know what is going on.

**Senator Flynn:** What is the purpose of the amendment?

**Senator Carter:** We are asked to concur in an amendment made to this bill by the other place. I am told that the rules do not require leave to move concurrence now.

**Senator Langlois:** What is the amendment?

**Senator Carter:** The Clerk Assistant has just read it. All the amendment does is provide that the commission should offer to hold at least one public hearing with respect to any problem or dispute.

**The Hon. the Speaker:** Under rule 46(i) no notice is required of this motion.

**Senator Flynn:** Is that the only explanation Senator Carter wishes to give?

**Senator Carter:** This is the only explanation I have. I have the amendment before me. The Clerk Assistant has read the amendment, and that is all it says. It adds these words:

—to offer to hold at least one public hearing on the reference before establishing any boundary line for that part of the boundary that the problem or dispute is related to.

It is a very simple amendment.

**Senator Flynn:** At what stage of the proceedings? I heard the amendment, but I would like to know the context.

**Senator Laird:** It is a simple amendment.

**Senator Flynn:** I know it is a simple amendment.

**Senator Walker:** Like your bill, Senator Laird.

**Senator Grosart:** You made that mistake before.

**Senator Walker:** I do not think Senator Carter should be embarrassed. I am sure he would not mind waiting until tomorrow.

**The Hon. the Speaker:** It is your pleasure, honourable senators, to adopt the motion?

**Senator Flynn:** No, certainly not. I have to understand the amendment.

**Senator Croll:** Adjourn the debate.

**Senator Flynn:** I move that the debate be adjourned. I will read the bill in the meantime, and if Senator Carter wishes to speak tomorrow I will give him the opportunity; if not, I will explain the amendment for him.

On motion of Senator Flynn, debate adjourned.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of a Report of the Bay of Fundy Tidal Power Review Board on the feasibility of Tidal Power Development in the Bay of Fundy, dated September 1974.

Report of the Minister of Finance respecting Olympic coins for the six months ended September 30, 1974, pursuant to sections 13(1) and 13(3) of the Olympic (1976) Act, Chapter 31, Statutes of Canada, 1973-74.

Report of operations under the Fisheries Improvement Loans Act for the fiscal year ended March 31, 1974, pursuant to section 12(2) of the said Act, Chapter F-22, R.S.C., 1970.

Report on the administration of the Small Businesses Loans Act for the year ended December 31, 1973, pursuant to section 11 of the said Act, Chapter S-10, R.S.C., 1970.

Report of operations under the Farm Improvement Loans Act for the year ended December 31, 1973, pursuant to section 13 of the said Act, Chapter F-3, R.S.C., 1970.

Report of the Textile and Clothing Board, dated February 5, 1974, relative to an inquiry respecting woven fabrics of nylon or filament rayon, pursuant to section 9 of the Textile and Clothing Board Act, Chapter 39, Statutes of Canada, 1970-71-72.

Report of the Textile and Clothing Board, dated May 1, 1974, to the Minister of Industry, Trade and Commerce, pursuant to section 19 of the Textile and Clothing Board Act, Chapter 39, Statutes of Canada, 1970-71-72, respecting broad woven polyester filament fabrics.

Report of the Textile and Clothing Board, dated June 5, 1974, to the Minister of Industry, Trade and Commerce, pursuant to section 19 of the Textile and Clothing Board Act, Chapter 39, Statutes of Canada, 1970-71-72, respecting double-knit and warp-knit fabrics.

Report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1974, pursuant to section 61(2) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

Copies of Order in Council P.C. 1974-2551, dated November 26, 1974, 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.

Copies of Federal-Provincial Communiqué on Community Employment Strategy, dated at Vancouver, B.C., November 29, 1974.

Copies of Report of the Correctional Investigator 1973-74, issued by the Solicitor General of Canada.

## TERRITORIAL LANDS ACT

BILL TO AMEND—FIRST READING

**Senator Perrault** presented Bill S-20, to amend the Territorial Lands Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

FOURTH REPORT OF STANDING JOINT COMMITTEE PRESENTED

**Senator Forsey,** Joint Chairman of the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments, presented the fourth report of the committee as follows:

Tuesday, December 3, 1974

The Standing Joint Committee on Regulations and other Statutory Instruments has the honour to present its Fourth Report as follows:

Your committee recommends that the French language version of the Third Report of the Standing Joint Committee on Regulations and other Statutory Instruments presented to the Senate on November 7, 1974, be replaced by the following:

«Le jeudi 7 novembre 1974

Le Comité mixte permanent du Sénat et de la Chambre des communes sur les règlements et autres textes réglementaires, présente son troisième rapport, comme suit:

Le Comité déclare qu'il utilisera les critères suivants:

Si un règlement ou autre texte réglementaire relevant de sa compétence, de l'avis du Comité:

● (0000)

1. a) n'est pas autorisé par les dispositions de la loi habilitante, ou si, étant établi en vertu de la prérogative, ses termes ne sont pas conformes au droit coutumier; ou

   b) n'indique pas clairement en vertu de quelle autorisation précise le texte est établi;

2. ne s'est pas conformé aux dispositions de la Loi sur les textes réglementaires, soit sur le plan de la transmission, de l'enregistrement, de la numérotation ou de la publication;

3. a) ne s'est pas conformé à toute disposition concernant le dépôt du texte, ou toute autre condition prescrite dans la loi habilitante; ou

   b) n'indique pas clairement la date et la manière dont il s'est conformé à l'une quelconque des conditions;

4. utilise de manière inhabituelle ou inattendue les pouvoirs que lui confère la loi habilitante ou la prérogative;

5. a) tend directement ou indirectement à exclure la juridiction des tribunaux sans autorisation expresse à cet effet dans la loi habilitante; ou

   b) assujettit les droits et les libertés du sujet au pouvoir discrétionnaire de l'administration plutôt qu'au processus judiciaire;

6. implique un effet rétroactif sans que la loi habilitante ne lui en confère l'autorisation expresse ou, lorsque cette autorisation est accordée, se donne un effet rétroactif apparemment oppressif, rigoureux ou inutile;

7. paraît pour une raison quelconque enfreindre le principe de la légalité ou les règles de justice naturelle;

8. stipule sans raison bonne et suffisante qu'il entre en vigueur avant d'être enregistré par le greffier du Conseil privé;

9. en l'absence d'autorisation formelle à cet effet dans la loi habilitante ou la prérogative, semble équivaloir à l'exercice d'un pouvoir législatif de fond devant faire l'objet d'un décret parlementaire, et non pas seulement à la formulation de dispositions subordonnées d'une nature technique ou administrative devant être l'objet de législation déléguée;

10. sans qu'une disposition formelle à cet effet fasse partie de la loi habilitante ou de la prérogative, impose une amende, emprisonnement ou une autre peine, ou impose à la personne accusée d'une infraction le fardeau de prouver son innocence;

11. impose des frais au Trésor public ou comprend des dispositions exigeant d'effectuer un paiement à la Couronne ou à toute autre autorité en retour de la délivrance d'un permis ou d'un service, ou prescrit le montant de l'un quelconque de ces frais ou paiements, sans que la loi habilitante ou la

prérogative stipule une autorisation formelle à cet effet;

12. n'est pas conforme à la Déclaration canadienne des droits;

13. est d'une signification obscure ou est autrement défectueux dans sa rédaction;

14. pour toute autre raison, nécessite des éclaircissements quant à sa forme ou sa teneur.

Respectueusement soumis,

*Le coprésident,*
EUGENE FORSEY»

Respectfully submitted,

EUGENE FORSEY
*Joint Chairman*

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

**Senator Forsey:** Perhaps I may explain, honourable senators. It is merely a matter of these infernal translators and legal experts getting at odds about the precise wording of French texts. There is no change in principle involved at all. I hope that this is positively the last appearance of this document. I am getting sick of coming back here as a sort of messenger boy to the translators. I do not want to speak disrespectfully of them, but I really am getting tired of it and I think that the next time they get in a hassle over this sort of thing, I am going to say, "Look, send a wire to the French Academy and get them to settle the thing and be done with it." This is really a nuisance. I think it is perhaps in part the obstreperousness of certain officials in the other place who have set themselves up as incarnations of the French Academy in North America.

**Senator Forsey** moved that the report be taken into consideration at the next sitting of the Senate.

Motion agreed to.

● (2030)

## EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENTS

**Senator Langlois,** 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.

**The Hon. the Speaker:** The house has heard the motion. Is there unanimous consent?

**Senator Flynn:** I should like Senator Langlois to put on record the reason for this motion.

[Senator Forsey.]

**Senator Langlois:** The reason for this motion is quite obvious from the very wording of the motion itself, honourable senators. It is a routine motion which is usually moved at this stage in any session in order that, during any prolonged adjournment, if any emergency arises the Honourable Madam Speaker is authorized to send notice to honourable senators of any change in the proposed adjournment thus recalling the Senate earlier than proposed in the adjournment. As I have said, it is merely a routine motion which is usually presented at this stage of a session, but the reason why leave is required is that the motion is a substantive motion within the meaning of rule 45(1)(h), not by reason of its substance as such but because it is one which is not related to anything presently before the house.

**Senator Asselin:** Dispense!

**Senator Langlois:** It has nothing to do with the substance of the motion itself.

**Senator Asselin:** Dispense!

**Senator Perrault:** You asked for it. Now you are going to get it.

**Senator Langlois:** It has nothing to do with the substance of the motion itself. But the fact is we have this rule and we have to live by it.

**Senator Flynn:** I did not want to offend Senator Langlois by asking him to explain. I merely wanted him to put on record the reasons for the presentation of this motion now. I think we all know that it is usually presented at the beginning of a session; but this time it was forgotten and I wanted him, first, to acknowledge that the government side had forgotten to present the motion at the beginning of the session, and, second, to admit that, despite the fact that the motion authorizes the Speaker to recall the Senate at an earlier date, in fact the Senate is usually recalled at the request of the Leader of the Government and not the Speaker. Quite often it has happened that this has been done without consultation with this side of the house. I hope that if Madam Speaker uses this power she will not only consult the Leader of the Government—or, to put it mildly, acquiesce to the wishes of the Leader of the Government—but will consult with this side of the house.

**Senator Grosart:** Hear, hear.

Motion agreed to.

## AGRICULTURE

MEETING OF STANDING SENATE COMMITTEE CANCELLED

**Senator Argue:** I should like to inform the Senate that the meeting of the Standing Senate Committee on Agriculture called for 9.30 tomorrow morning has been cancelled. The pet foods industry said they wanted to appear before the committee, and in response to their request we set a meeting for tomorrow morning. Since then they have informed us that they do not wish to send a witness, but instead to mail their submission to us. That is the reason for the cancellation.

## EUROPEAN PARLIAMENT

VISIT OF CANADIAN PARLIAMENTARIANS—DEBATE CONCLUDED

The Senate resumed from Thursday, November 28, the debate on the inquiry of Senator van Roggen calling the attention of the Senate to the visit of Canadian Parliamentarians to the European Parliament from 12th to 14th November, 1974.

**Hon. Allister Grosart:** Honourable senators, when I adjourned the debate at the last sitting I was discussing the kinds of relationships that might be developed between the European Economic Community and Canada. I suggested some reasons why it might be important to both Canada and the Community to institutionalize those relationships to some extent.

In addition, of course, my purpose was to complement Senator van Roggen's comprehensive account of, and full commentary on, the visit of Canadian parliamentarians to the European Community in the first part of November.

I should say that Senator van Roggen himself made an outstanding personal contribution to this visit to the European Community, which I consider to be a most useful and successful one not only in terms of our contacts with the members of the European Parliament, who were most helpful to us, but also with other officials in high positions in the Community in both Strasbourg and Brussels.

I should like to say that Senator Bourget also made an outstanding contribution. We are all aware of the very practical approach that he frequently makes to issues that arise from time to time between countries in the general field of science and technology. On many occasions he was the lead speaker and the lead questioner on our side, and he set a tone of conciliation which resulted in what I consider to be some important progress that we as parliamentarians were able to make towards solving some of the problems that might be regarded as outstanding between Canada and the Community.

**Senator Bourget:** You are very generous.

**Senator Grosart:** Senator van Roggen has already paid tribute to the members of our group from the House of Commons. I wish to say at this time that I concur entirely with the tribute he made to them.

There are many good reasons for restructuring and institutionalizing our relationships with the Community, for example, in the quantitative sense of increasing our percentage of that market. It is quite fair to say that this in itself is of great importance, because the evidence is that over the years since the beginning of the Community, a good many years ago, the Canadian performance in that market has not been very good. We have been outstripped in achieving an up-graded percentage of the market by both the United States and Japan, and I think there is general agreement that the time has come for Canada, without worrying about diversification of trade or anything else, to up-grade its percentage. After all, the Community is the largest import market in the world; it is one and a half times the size of the United States import market.

● (2040)

Leaving aside the quantitative aspect for the moment, there are important reasons why we need essential and fairly immediate improvements on the qualitative side. There are many unresolved problems between us. To indicate a few, there is first the problem of procurement policies. This is a kind of non-tariff barrier that is one of the rather important obstacles to international trade. It has been said of Canada that we are boy scouts in that we have not insisted on high procurement standards in favour of Canadian content or Canadian tender. On the other hand, the European Community, as a Community, and particularly the nine nations of that Community, has raised very high procurement barriers against tenders from outside the Community, and this has greatly affected Canadian access to that market.

There is also the question of standards. Here again we have another kind of non-tariff barrier that is operating very much against Canadian trade, and this is particularly so in the area of electrical goods. The raising of standards—or, as I put it, the precising of standards—is, in many cases around the world today, just another way of shutting out goods from other countries. In Canada we have very high standards, as I think we are all aware, through the Canadian Standards Association, particularly in the field of electrical goods. Our standards are as high as, if not higher than, those of any other country in the world and yet we are coming up against artificial standards very often specifically designed to keep out Canadian and other goods from the market.

We also have the problem of agricultural exports. You know that as a result of our problems of access to that market our exports of agricultural products to the Community are lower today than they were a decade ago—that is in terms of the percentage of the market.

There is the further problem of differentiating Canada from the United States in the considerations by the Community authorities on many of these issues. It was quite obvious to those of us who went over there a year and a half ago that we were completely lumped in with the United States, and the evidence of that came up not long ago when the Community reached an agreement under some of the rules of GATT regarding access of certain American products to the market and assumed, having reached agreement with the United States, that Canada would automatically sign. We have not done so for the very good reason—and we pointed this out to the Community—that the American interest lay largely in citrus fruits and corn whereas our interest was in barley and cheddar cheese, and that in respect of hard wheat we had a very different attitude towards access problems from that of the United States.

I am glad to say that as a result, to some extent, of the Senate committee's work and, to some extent, of the work done by the Canadian group to which Senator van Roggen has referred, and particularly of the visit of the Prime Minister, some of these problems are being resolved.

Then, of course, there is the question of the extension by the Community of its agreements of various kinds with different countries. As recently as July of this year the Community extended a very special agreement to some 44 developing countries, 20 of which are Commonwealth countries. We have a definite interest in the effect of these agreements on our trade. In this particular case I think that in the Caribbean alone the total trade involved is

about $100 million. So we can make out a very good case showing that the agreements made by the Community with some of the Caribbean countries are quite contrary to the existing arrangements under the Canada-West Indies agreement.

In addition, we have the problem of the multinationals. The multinational corporations have been the main strength of the United States, and to some extent of the Japanese, penetration into this market. In Canada we have not yet developed that kind of multinational structure, and one of the impressions I certainly brought back was that the time has come for Canada, with or without government assistance—perhaps on the initiative of industry itself—to begin to develop a multinational position or posture in these markets, because until we do it is very doubtful that we shall be able to obtain the kind of access, or match the increasing share of that market, that the Americans and the Japanese already have.

There is also, of course, the particular problem of our manufactured goods. At the present time the percentage of total Canadian exports of finished goods to the Community is no more than 11.9 per cent—a very low percentage—which indicates that it is very important for us to negotiate rather better terms of access than we have now. It is true that the Community's industrial tariff is, on the average, fairly low, and actually lower than the Canadian industrial tariff. On the other hand, it has peaks, and some of those particular peaks hit directly at Canadian access to that market. We have to look at the strange position of the market which applies to some extent to Canada in that the European Community's approach to world trade generally is, to some extent, ambivalent. On the one hand, they are talking, as we are, about liberalization of multinational trade while, on the other hand, they are continuing to negotiate preferential trade agreements with various countries from all of which Canada is at the moment, and will be for the foreseeable future, excluded. However, in the current year on the balance of trade we have done rather well. Our total exports to the Community last year were $3.152 million as against imports of $2.481 million, so we had a favourable trade balance with the Community of $671,000.

Honourable senators, as we look to the future we have to be concerned about this whole network of international agreements that the Community is concluding more and more with other countries. At the present time they are considering new special agreements with Syria, Jordan and some other countries, which will extend this whole network of special agreements to a very large sector of the countries involved in GATT, with the result that when we face GATT negotiations again we will find that more than 50 per cent of all the members of GATT are in some kind of association with the European Community. Whether that will create new difficulties or not, I cannot say, but it is certainly something our negotiators and policy makers have to take into consideration. We have to remember that whatever our attitude may be to the Community, it is our second largest trading partner at the moment, next to the United States, and the second largest investor in Canada.

● (2050)

The kinds of agreements that I have mentioned are many. There are direct association agreements with some countries, there are special commercial agreements with other countries. There are preferential agreements and situations in which reverse preferences are definitely affecting our entry to that market, and there are rather generalized co-operative agreements.

[Senator Grosart.]

Senator von Roggen stressed the role of parliamentarians in this problem of improving the relations between Canada and the Community. I am very glad that he did so, particularly because he laid some stress on the role that a committee of this Senate under the chairmanship of Senator Aird, now under the chairmanship of Senator van Roggen, had played in this important game, if you like. I say this because when that committee of the Senate went to the Community approximately two years ago we were told on this side and on the other side that there was no way that there would be any kind of special relationship between the European Parliament and the Canadian Parliament and that there would be no special relationship between the Community and Canada. We came back with the very small concession that the Community might consider setting up an information office in Canada. In fact, it was indicative of the climate at that time that that was all we felt we could ask for, and we merely had general approbation of the principle from our opposite numbers in the European Parliament, that is to say the Foreign Affairs Committee of the Parliament.

This has now progressed to the point where, instead of merely an information office, there is to be set up what the Community calls a délégation. It cannot be called an embassy, because they are not a national entity in the international sense. However, it is a délégation at ambassadorial level and if anyone asks what progress has been made, what concessions have been made, the only answer I can give is that it is a very, very important thing that Canada has an ambassador to the Community, Mr. Jim Langley, and that the Community will now have an ambassador to Canada. As I said earlier, this puts Canada in the position of succeeding Washington and Tokyo and now becoming the third nation in the world to be accorded this important concession.

It has been asked what progress has been made by these exchanges of parliamentary delegations. I have mentioned this one very important one. Certainly equally important in my opinion is that we have completely differentiated our interests from those of the United States. From all the conversations we had at all levels in Strasbourg and in Brussels, there is now no question of our being lumped together with the United States in the minds of the negotiators and authorities of the Community. This is important to Canada, because our interests in many ways are quite different from those of the United States.

There was, of course, the visit of the Prime Minister. There was some comment around the world that this visit had failed, that the Prime Minister had come away disappointed. We were able to say to our friends over there that this was not the Canadian viewpoint, that we were quite satisfied that the Prime Minister's visit had definitely increased the possibility and probabilities of greater access by Canada to that important market. Then, of course, since the early days when we were told that there would be no kind of structural or institutional relationship, we have had continuing discussions between our

officials and the officials of the Community on matters concerning specific commodities.

I would then merely say, of course it takes time. Some may be impatient that we have not made more progress in our relations with the Community. My own feeling is, having seen the attitude taken on both sides two years ago, that we have made great progress. The Community has its problems, very great problems, at the moment, as Senator van Roggen has pointed out. The oil crisis has set back the development of the Community perhaps many years. They were looking, of course, according to the communiqué at the last summit meeting, to a monetary union and a political union by 1980. It is very unlikely that they will achieve either a monetary or a political union by that time. However, I think in Canada we can have some sympathy with them, some understanding of the great problems which they are facing in endeavouring to weld together these nine national communities into a single unit, because we have gone through it in Canada ourselves.

In Canada we are today a customs union, a free trade union, a monetary union and a political union. We have achieved it amongst ourselves, amongst 10 or 11 units, all of them to some extent sovereign in their jurisdiction. We still have our strains and our stresses. Some might quarrel with my statement that we have, for example, a free trade area. Between provinces we have had some problems related to eggs and chickens and various things, but I think it is worth remembering that after a hundred or more years of our experiment we are still having some of these problems. We have them in micro, the Community has them in macro, and I would suggest that our best posture at the moment is one of patience. We must be understanding, and wish them well, having some assurance that they now wish us well in our relations with them.

● (2100)

[*Translation*]

**Hon. Maurice Bourget:** Honourable senators, during the week of November 10 last and more specifically from November 11 to 15, I had the privilege to be part of the group of Canadian parliamentarians who visited Strasbourg and Brussels. The purpose of that visit was to give Canadian delegates an opportunity to continue the dialogue initiated upon the previous meetings with members of the European government and authorized representatives of the Commission, an important agency of the European Community.

Honourable senators doubtless remember that it is following a very important study made by the Senate Standing Committee on Foreign Affairs on the relations between Canada and the European Community that this dialogue was initiated between the interested parties. It was agreed, as has already been mentioned, that such meetings would be held every year, alternating between Europe and Canada.

Honourable Senators van Roggen and Grosart have already conveyed to you their impressions and the results of that visit. May I be allowed to add that, thanks to the experience they had acquired during this study in committee and the previous meetings with European Community representatives, they were in excellent position to take an active part in the discussions both in Strasbourg and Brussels.

I would add that they were the ones who, most of the time, had the affair under control.

That is why I do not hesitate to say that they deserve the gratitude of the Senate for the leadership they have demonstrated throughout our trip.

When Senator Aird tabled the report of the Standing Senate Committee on Foreign Affairs respecting Canada's relations with the European Community, he said that the first question he asked himself was: Does it matter? Is the report of relevance and of use? Answering his own question, he said, and I quote:

> I believe it can, does and must matter. But it will only be of relevance and use if the public interest is served by it.

As did other members of our delegation who attended this type of meeting for the first time, I realized how right was Senator Aird's answer and also the use and importance given this report by the sectors concerned. The report was profusely distributed and every member of the European Parliament received a copy which enabled them to better understand and grasp the fact that Canada is a different entity in North America, that it has its own interests, that it may establish cultural links, markets and exchanges from a technological point of view with the European Community and its member countries.

The report also recommended that our Prime Minister make an official visit to the European Community and if possible to the member countries, a visit that would be of prime importance for the continuing development of relations between Canada and the Community. This visit, as we know, was made during the week of October 20 last. There were two phases, a stay in Paris and another one in Brussels. It was in Paris, following discussions with the President and the Prime Minister of France, that the decision was reached to form two study groups responsible for finding out where a fruitful cooperation could, in future, increase our trade. These two groups will have to make their reports to the Canada-France economic joint commission, at the meeting which this organization will hold at the beginning of 1975.

In Brussels, our Prime Minister, after meeting with his counterparts from Belgium and Luxemburg, had the opportunity of a long discussion with President Ortoli, Vice-President Soames and other commissioners of the European Community. Following these talks, it was also agreed that representatives from Canada and the Community be asked to start holding immediate meetings with a view to better defining the nature and scope of the negotiations whose purpose will be to define the form and content of our relations.

These are, I think, some of the results of the Prime Minister's visit. Though they are not tangible, they are promising for the future and for tightening the relations which we will have to keep with the Community. I mention that visit because during our stay in Strasbourg and Brussels that matter came up on several occasions and it had the effect of showing once again how important Canada considers our relations with the Community.

If I remember well, honourable senators, the first two meetings between Canadian parliamentarians and those of the European Community which took place in Brussels in March 1973 and in Ottawa in November of the same year were what could be called introduction meetings or, better still, exploratory meetings. Both delegations recognized that there were many ways of improving the relationships between Canada and the Community—that a separate dialogue should be maintained between the European Community and Canada and that, furthermore, a different statement of principles should be drafted for the relationships between both parties.

During our last meeting with the Community parliamentarians in Strasbourg, the purpose of the discussions that took place was mainly to explain and clarify the interests both parties could have in the different areas of our economic activities. It was then agreed, following the discussions, that it was now necessary to find a form of contractual relationships acceptable to those parties and aiming at promoting cooperation in the economic area and at increasing trade and investments between both parties.

Senators van Roggen and Grosart gave you a rather full report on the discussions that took place. I think it is unnecessary for me to come back on that subject at this time. However, I would like to stress two points that were raised on several occasions by the representatives of the Community during our meetings in Strasbourg and Brussels.

The first one had to do with our energy resources. We know that all the countries that make up the Common Market were hit, as everyone elsewhere, by the energy crisis. In the past the Community's main sources of primary energy were, in order of priority, oil, coal and natural gas. Now, since the oil crisis, the member-countries of the Community have realized that they will no longer be able, in the future, to rely only on their oil supply, as they thought at the beginning. By the way, the oil requirements of the Community amount to approximately 1000 million tons a year. It is not without reason that, within the near future, they will have to cut their consumption by 10 to 15 per cent. This is the reason why they must think about generating the major part of their electricity with the help of nuclear power. Knowing that Canada is one of the uranium-exporting countries, they showed some interest in this energy resource. As you know, this matter was discussed during the Prime Minister's visit to France and Belgium.

● (2110)

This would therefore, in my opinion, be an area in which close collaboration between Canada and the Community could very well be induced. We have the resources, they have the technology. As we know, the output of Churchill Falls will be over 7 million hp and the hydraulic resources of the James Bay rivers will produce millions more. We might use part of that abundant supply of electricity to develop a plant that would produce enriched uranium needed by our friends in the Community. The development of that plant would therefore provide the Community with an opportunity to participate in the project, either through investments, or through joint projects, in which they would contribute their technological expertise.

[Senator Bourget.]

I know that, in some spheres, there will be some objections concerning the development of plants to make enriched uranium for exportation, based on the assumption that this would hinder the sales of our CANDU reactor. However, we must admit that if the members of the Community do choose a different kind of reactor than ours, we cannot help it. As a French senior civil servant said: we have our own technology for our own reactor, therefore why should we turn to somewhere else. Besides, and I think this was mentioned by Senator Grosart when he took the floor last week, we must not forget that if we want to increase our trade relations with that important partner, the Community, we shall have once more to admit that trade patterns between nations must not be one way only.

Let me therefore hope that the preliminary talks which took place during our Prime Minister's visit to Europe and those to be held with Mr. Bourassa will have a successful issue.

Another point which I found interesting in our talks, either in committee or on the occasion of informal talks with members of the European Community, is the question relating to our trade and investment relationships and the possibly important part to be played by private industry in that respect. Now that we have an ambassador to the European Community, that a Canadian Consulate General will open soon in Strasbourg and that an information office will be established by the European Community in Ottawa, I think it will be easier for our Canadian businessmen to take a more positive interest in these European markets which offer Canada the best export-developing opportunity.

In the report of the Standing Senate Committee on Foreign Affairs, we can read the following, and I quote from page 37 of the report:

> The Committee is convinced that Western European markets offer Canada the most important prospect for diversification of its exports, particularly of semi-processed and manufactured goods.
>
> The efforts of Canadian exporters could be facilitated by the development of export partnerships or consortia among various small Canadian firms to help handle marketing, transportation, warehousing or distribution problems.

A little further on the same page, the report reads as follows:

> It is also of interest to note the new techniques of engaging economic and industrial interests in Canada and the EC in long-term joint production and joint development ventures involving capital sharing and technology trade-offs.
>
> The Committee considers that such enterprises will undoubtedly play a major role in the future expansion of Canadian trade with the Community. Companies within the Community with Canadian links are far more likely to import familiar Canadian products that those from another source.

And further on, the report of the committee goes on as follows:

> If Canada is to change or modify its traditional role in Europe as a supplier of resource-based exports and

become an acknowledged source of semi-processed and manufactured goods, it will have to come about through the efforts of Canadian exporters as well as by imaginative investment initiatives such as joint ventures on the part of Canadian investors.

Honourable senators, these are in my opinion excellent suggestions and valuable advice which the committee gave our businessmen and manufacturers. With the help of the various government promotion programs made available to them, they could develop interesting and profitable relationships with the countries of the Community.

When Senator O'Leary took part in this debate on Thursday the 28th of November, he suggested that his opinion was different from ours concerning our future trade relationships with the Common Market. He suggested they could endanger our trade relationship with the United States which, according to him, and I must admit it myself, are our most important clients and import 85 per cent of our finished products.

In this respect, I would indicate that current negotiations are in no way aimed at affecting or harming relations between Canada and the United States, because we all realize how important these are to our economy.

Indeed our committee's recommendation is quite clear on the matter. If Senator O'Leary did not read it, he can do so tomorrow on page 36. It is stated:

> The Committee has concluded that Canada should not try to seek a preferential relationship nor any special association with the Community which would be discriminatory to other Canadian trading partners. The Committee considers the Government's concept of seeking a comprehensive non-discriminatory economic co-operation agreement with the Community to be a valid one.

So, honourable senators, I cannot see how our action up to now could harm our relations with the United States. Indeed our American friends do the same. They have diplomatic representation to the Community, and the E.E.C. has a delegation in the United States. Representatives of the E.E.C. and the American administration meet twice a year, in Brussels and in Washington, to discuss questions of common interest in the areas of trade, the monetary situation and the energy crisis. To my knowledge nobody in Canada accuses the United States, in so doing, of harming relations between our two countries. All we look for, just as do the United States, is keeping perspective of this new kind of Europe, already absorbing 20 per cent of world trade with its 250 million population.

Before concluding, honourable senators, I would like to support the suggestion made by Senator van Roggen concerning the character of continuity and permanence that should be our Canadian delegation's in the future. I believe as he does that in order to ensure the efficiency of those exchanges, the great majority of delegates appointed as members of the delegation should be senators and members of Parliament who will have had in the past the opportunity to acquire experience during previous meetings. It would also be very useful that these delegates be contacted several weeks in advance so that they might have more time to get informed and prepared as concerns the various matters they will have to discuss in the course of those meetings.

I for one had approximately one week's notice only before we left for Europe and there were, in fact—and Senator Grosart remembers this well—three meetings, three briefing sessions which lasted an hour each at the most and half of that hour was devoted to questions asked by the Canadian delegates. I hope that in the future those who will be members of these delegations will be chosen several weeks in advance.

Finally, I would like to thank all of those who in Strasbourg and Brussels welcomed us with such cordial and generous hospitality. I must also thank Mr. Dobell, the adviser to our delegation, and Mr. Marleau, our secretary, whose advice and services proved to be invaluable throughout our trip.

● (2120)

[*English*]

**The Hon. the Speaker:** As no other honourable senator wishes to participate, this inquiry is considered as having been debated.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, December 4, 1974

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

Prayers.

## THE HONOURABLE JOHN B. AIRD

TRIBUTES ON RESIGNATION FROM SENATE

**Hon. Raymond J. Perrault:** Honourable senators, with the resignation of Senator John B. Aird on November 28 the Senate has lost one of its most distinguished and popular members. I do not believe there is one member of this chamber who has not learned with regret of Senator Aird's resignation. Senator Aird is a modest man of many talents. He had a distinguished career in the Royal Canadian Navy during the war. He is an outstanding lawyer and businessman, and he had already established an enviable record of public service by the time he was appointed to the Senate at the age of 41 on November 10, 1964. Incidentally, he was the last member of this chamber to be appointed for life.

One of his great contributions to the Senate was, of course, his work as Chairman of the Standing Senate Committee on Foreign Affairs. The outstanding reports issued by that committee on Canada-Caribbean relations, Canadian relations with the expanded European Community, and Canadian relations with the countries of the Pacific region, were milestones in the work of the Senate. They have certainly led the way for future committees and future committee work of all kinds. Last session, Senator Aird instituted a study of Canadian relations with the United States. This work is now being continued by the Foreign Affairs Committee.

As well, as honourable senators know, Senator Aird was a valuable member of other committees while with the Senate, particularly the Standing Senate Committee on Banking, Trade and Commerce.

He has been a member of many parliamentary delegations to countries abroad. He assumed the chairmanship of the Canadian section of the Canada-United States Permanent Defence Board in 1972, and he has been a member of the Committee of Nine since early 1973.

His election as chairman of the two-year old Institute for Research on Public Policy was announced last week, but at the request of the Right Honourable the Prime Minister he will continue as Chairman of the Joint Defence Board.

None of us can have any doubt that Senator Aird will continue to provide outstanding service to the people of Canada in his new capacity. It is to be regretted, however, that the terms and conditions of his new duties make it impossible for him to continue his valuable work in the Senate. We shall all miss him. He is a very good man.

**Hon. Jacques Flynn:** Honourable senators, I can feel nothing but profound disappointment at the resignation from this chamber of Senator John Aird. His departure represents a serious depletion in the stock of talent which this body has at its disposal, but his departure also represents a personal loss to me.

John Aird has, over the years, become a close personal friend, and although our friendship will not be affected by his leaving, I am to be denied the pleasure and privilege of working with him and exchanging ideas with him on a regular basis, and this is a significant loss.

John Aird is a mild-mannered unassuming man of exceptional ability. His counsel is much sought after and his opinions enjoy the respect of everyone. His influence was strongly felt all the time he was here. John Aird is not a man of words, but a man of ideas and action—one of the best, in fact.

If the Senate's Foreign Affairs Committee today enjoys a fine reputation for excellence in all of its very worthwhile and significant undertakings, it is thanks to the guidance and inspiration of John Aird. So thorough were that committee's investigations, so incisive its analyses, and so avant garde its recommendations, that thinkers throughout Canada have turned to it seeking counsel in matters of international relations. The Senate bathes in the reflected glory which the Foreign Affairs Committee achieved under the chairmanship of John Aird.

He leaves us to take over the administration of the federally sponsored Institute of Research on Public Policy. The task he faces is not an enviable one, but we are certain that he will be more than equal to it. As is characteristic of him, he will contribute far more than would be expected of any ordinary man. He will excel in this undertaking, as he has in everything else to which he has turned his mind.

There is no telling what the future holds in store for John Aird, but I find it interesting to dwell on what happened to his predecessor in the post which he is to assume. Ronald Ritchie left the Institute and later became senior adviser to the Leader of the Opposition in the other place.

**Senator Perrault:** A fate worse than death.

**Senator Flynn:** Is it possible that the Progressive Conservative Party's policies were the fulfillment of the ideals set down by the Institute for Research on Public Policy?

All of us on this side, and I, in a very personal way, want John Aird to know that we will miss him and that we wish him well. We sincerely hope that he will find the time to keep in touch. We will always value his friendship, for it is the friendship of a genuinely uncommon man.

**Hon. George van Roggen:** Honourable senators, in spite of my comparatively recent appointment to this body, I might be permitted to say a few words on this occasion. I knew John Aird for many years before being appointed to the Senate as a friend, as a lawyer, and as a political ally. In seeking an order of reference for the Foreign Affairs

Committee from this chamber a few weeks ago, I had occasion to comment on the job that John Aird had done as chairman of that committee. At that time we were aware that he would be resigning as chairman of the committee, but not that he would be resigning as a member of this chamber. Similarly, last week, in giving the Senate a review of the most recent visit of the Canadian Parliamentary Group to the European Parliament, I was able to review and summarize the culmination of the work of the Foreign Affairs Committee under the chairmanship of Senator Aird in connection with Canada's relations with the European Community and the outstanding success which he enjoyed in achieving all the main objectives of the initial report of that committee. I do not intend to repeat the remarks I made on those two occasions; I simply remind honourable senators of them.

John Aird must surely be one of the most outstanding men in Canada when it comes to quiet public service, and he has contributed this service at the expense of his own time and personal interests. The number of positions he has held in recent years, all of which were enumerated by the Leader of the Government, in addition to his outstanding work in the Senate, amounts to a remarkable record of public service. I am pleased, as I know all senators are, that he will be continuing to serve the public in future years. Every citizen of this country is indeed fortunate to have men such as John Aird who are willing to take on responsibilities and duties such as he has undertaken. Certainly, our future thinking in this country, through the new duties he is assuming, could not be in better hands.

**Hon. David Walker:** Honourable senators, when John Aird returned from the war he could not decide whether to be a counsel or a corporation lawyer. At that time he came to me and asked me whether he could devil in a few cases for me. Well, after devilling and watching the performance in court in two or three cases, he decided to be a corporation lawyer. It goes without saying that he is one of the leading corporation lawyers in Canada today.

John Aird's family has a proud background of public service going back to his father, Hugh Aird, and his grandfathers, Sir John Aird and the Honourable Mr. Black, and many others, and all of this has been impressed on his mind. It is for that reason that he came to the Senate in 1964 and that he is now vacating the Senate to take on the new responsibilities which he will be assuming.

● (1410)

Senator Aird is a delightful person, and an unusual person to be in politics. He is shy and modest, two characteristics very seldom seen in political figures, and never seen in myself. He is conscientious. Think of that, honourable senators. He works hard at whatever he does; he calls a spade a spade, and there is no verbiage to anything he says. As a matter of fact, he thoroughly dislikes making speeches, which you have probably noticed over the years.

I think of him as a young lawyer still. He is only 51. But think of his accomplishments. They have been gone into in detail and I will not go over them again. He was head of the Canadian delegation to NATO, and when the Canadian Forces in NATO were cut, it was against his thinking and he resigned. To some people that would be the end of their career. But not John. He was then, on the suggestion of the Prime Minister, made Chairman of the Foreign Relations Committee. He was then picked up again by NATO, by Senator Javits of New York, and became one of the "think tank," if you want to call it that, one of the nine great men of NATO. He has always been achieving, and achieving quietly. Now he has completed that job, and with Javits and the others he wrote a magnificent report on the future of NATO and the future of Europe.

He has now gone on to something else. I asked him, "Why couldn't you have stayed on in the Senate? We would like to have you here." He replied that he could not properly do his job and still be a member of the Senate, that he has to be completely non-political. When he told me that, I thought, "Well, well, well. There is another asset he has that the ordinary politician has not got." In his new job he will be a very great asset. He will do a good job, and when he has been there long enough he will go on to something else.

He has a complete lack of self-interest while in the Public Service, a tradition of his family, and he is one of our great corporation lawyers. I am sure that everyone in the Senate on both sides will deeply regret his departure, and will wish him the very best in the future.

**Hon. Senators:** Hear, hear.

**Hon. Allister Grosart:** Honourable senators, I should like to make my brief comment on the departure of Senator Aird, because I was for a number of years his deputy in the Standing Senate Committee on Foreign Affairs. I can say that of all the learning experiences I have had in my life—and I have had many—this was one of the most outstanding. To serve under Senator John Aird was a learning experience, and I certainly learned a great deal about how to approach great problems of state in a manner that would possibly produce efficient results.

He will be remembered in the Senate for, amongst many other things, having developed a concept which may not have been new, although it certainly was in my time, namely, the concept of using the facilities and capabilities of the Senate standing committees to go beyond the immediate reference of a bill from the Senate and seek from the Senate authority to make a thorough investigation of one particular major problem that he regarded as of concern to Canada, and to which the Senate might make a useful contribution.

Reference has been made to some of the reports of the Standing Senate Committee on Foreign Affairs. I can say personally that in the Caribbean, in the European Community, in the Pacific Region, the name of John Aird is well known and his reports are known and quoted as the Aird Committee Reports.

Reference has been made to his capacity for friendship. I did not know John Aird as Senator Walker and others did before he came to the Senate, but he has been good enough from time to time to say that I had become a friend of his. As far as I am concerned, that is one of the best compliments that has ever been paid to me at any time in my life, because to be a friend of John Aird is to be part of a continuing process of personal discussion, assistance and guidance in many ways. He has the great capacity of carrying out that axiom of Dr. Johnson on the essence of friendship:

A man should keep his friendship in a constant repair.

John Aird, although he has so many friendships all around the world, does work hard at keeping them in repair. Only yesterday he said to me on the telephone, "I am already getting lonely for some of my friends in the Senate, but you can be sure it is my intention to keep those particular friendships very much in repair."

Honourable senators, we therefore congratulate him on the decision that has been made by the Prime Minister and by the Institute for Research on Public Policy, to appoint him as chairman of that institute. It is an institute which in its work generally comes very close to some of the work of Senator Lamontagne's committee, the Special Senate Committee on Science Policy. Senator Lamontagne is directing that committee now into the general problem of futures, and this is exactly the area in which this very important institute will be spending a great deal of its energy. As we had his predecessor working very closely with us in that committee, I am sure that Senator Lamontagne will make sure that, busy as Senator Aird is, his knowledge, wisdom and expertise will from time to time be available to that committee.

**Senator Lamontagne:** It will be our first branch plant.

**Senator Grosart:** If I heard Senator Lamontagne correctly, he said it will be our first branch plant. It is difficult to make any comment on that, as I was not aware that the committee might be moving to some of the places we would have to go to find John Aird in the immediate future.

Honourable senators, I am sure I can say to John, for all of you, that we will miss him, that we know he will continue to further his distinguished career, and that we hope he will come back once in a while to see us.

## LABOUR RELATIONS

ANNOUNCEMENT OF SETTLEMENT OF GRAIN INSPECTORS' DISPUTE

**Senator Perrault:** Honourable senators, with your permission I should like to make a very short statement on the grain inspectors' dispute. I have just been informed that the dispute has been settled. Thus, no additional action will be required.

**Hon. Senators:** Hear, hear.

**Senator Flynn:** Honourable senators, I am quite sure that we are as happy as the Leader of the Government is, but will the government eventually think of finding a method of solving these disputes other than that of emergency legislation?

**Senator Perrault:** I think honourable senators are aware that in the earlier dispute, which at that time involved the grain handlers, not the inspectors as is now the case, an announcement was made by the government that a study would be initiated to determine the best way of keeping our grain commitments around the world, and keeping the grain flowing from the ports of Canada. I would think that the status of the grain inspectors would be very much a part of that study. So, action will be taken.

**Senator Flynn:** Can you report much progress on this study?

[Senator Grosart.]

**Senator Perrault:** I have no immediate progress to report.

• (1420)

## BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Standing Senate Committee on Banking, Trade and Commerce have power to sit while the Senate is sitting today, and that rule 76(4) be suspended in relation thereto.

Motion agreed to.

## ALBERTA-BRITISH COLUMBIA BOUNDARY BILL, 1974

COMMONS AMENDMENT CONCURRED IN

On the Order:

Resuming the debate on the motion of the Honourable Senator Carter, seconded by the Honourable Senator Buckwold, for concurrence in the amendment made by the House of Commons to the Bill S-13, intituled: "An Act respecting the Boundary between the Provinces of Alberta and British Columbia".—(*Honourable Senator Flynn, P.C.*).

**Senator Flynn:** Honourable senators, I am willing to yield to Senator Carter.

**Hon. Chesley W. Carter:** Honourable senators, perhaps I should begin by saying a word in my own defence as to how I came to introduce the amendment yesterday evening. Bill S-13 is not my bill and I did not sponsor it. It so happened that yesterday I was filling in for our Whip, Senator Petten, who was away and, in the absence of the sponsor, Senator Prowse, I was asked to move this amendment, which I did. I was not given any explanation and assumed that because it was a very simple amendment everyone would agree to occur. However, since an explanation is required, I suppose the starting point will be the bill itself.

Bill S-13 is an act respecting the Boundary between the provinces of Alberta and British Columbia. That boundary line was drawn up and declared by two previous acts of Parliament, one in 1932 and another in 1955. The legislation described the boundary in rather general terms as following one height of land between the two provinces. The purpose of Bill S-13 is to establish a committee to manage and maintain this boundary, particularly to define those parts of it which have not been surveyed and laid down on the ground by markers or other demarcation devices.

Clause 4 of the bill sets forth the duties of this commission and the amendment merely adds one more duty, namely, that the commission should hold at least one public hearing on the reference before establishing any boundary line for that part of the boundary to which the problem or dispute is related. As I explained yesterday,

this amendment simply adds this additional duty to the duties of the commission.

As to the merits of the amendment, it is my opinion that it resulted from those deep, dark suspicions entertained by certain people with respect to appointed bodies. It seems to be based on the premise that the commission, being an appointed body, might some day hold a secret meeting and determine to make changes in the boundary without any public knowledge or public input into the decision. So, ostensibly the purpose of the amendment is to safeguard the public interest in that respect. That argument overlooks the fact that the public interest is already safeguarded because the commission cannot do anything without the approval of the legislatures of both provinces and of the Parliament of Canada. Apparently, however, that did not seem to be sufficient safeguard to some and this amendment was put forward.

The amendment was debated at length in committee, and the government spokesman there argued against it on the grounds that it compelled the commission to hold public meetings when in fact no public meetings were necessary. He said that these meetings would involve extra expense which, incidentally, would be borne by the two provinces concerned, not by the federal government.

Another argument against the amendment was that it might lead the public to believe that they could have more input into decisions of this nature than is actually the case. Decisions made by this commission are of a technical nature and any disputes are between professional people, such as surveyors, engineers, geographers, et cetera, and it is not very likely that the ordinary public could have much input into such professional problems.

In any event, the government saw fit to accept the amendment in committee. The committee adopted and recommended it to the other place, which accepted the amendment. Personally, I see no reason why we should change it.

**Senator Flynn:** Honourable senators, I think we all, I personally more than others, are grateful to Senator Carter for his explanation. In my opinion it is a useful amendment, even if there were some objections to it, because it will give private interests an opportunity to express themselves, private interests which may differ from those of the provinces, which are political interests.

This is a good amendment. In any event, given that full explanation by Senator Carter, which is fuller than I would have been able to give, I cannot but support concurrence.

Motion agreed to and amendment concurred in.

● (1430)

## INDIAN OIL AND GAS BILL

SECOND READING—DEBATE ADJOURNED

**Hon. A. Hamilton McDonald** moved the second reading of Bill C-15, respecting oil and gas in Indian lands.

He said: Honourable senators, Bill C-15, an act respecting oil and gas in Indian lands, deals with exploration, drilling and production of oil on Indian reserves.

To the best of my knowledge, all the oil presently being produced in Canada on Indian lands is in Alberta. There could be one exception to that, in that there could be some oil produced on Indian lands in Manitoba. But if there is, it is a very small amount. In any case, if not 100 per cent, then almost 100 per cent of this production takes place in the province of Alberta.

Most of the wells that were drilled on Indian lands in Alberta were drilled between 1947 and 1955. During that period the governing body of the regulations concerning the exploration, drilling and production of oil came under the Indian Act. The regulations in the Indian Act for all production of oil on Indian lands were similar to the regulations of the Province of Alberta concerning the production, exploration and drilling throughout the entire province. The regulations provided for a very low royalty rate and long-term leases running from 10 to 21 years.

The Indian bands received revenue from this oil exploration, drilling and production through cash bonuses, royalties on production, acreage rentals, and compensation for surface rights, and all of those regulations were subject to the year 1966. They served the purpose of the Indian bands very well indeed until the oil crisis occurred about a year ago, when it was found that the royalties were very much out of line with world oil prices. It was found that the Indian Act was no longer a suitable piece of legislation to deal with this particular problem in respect to oil development and production, and that new legislation was needed.

As we are aware, all oil-producing provinces changed their regulations with respect to the royalties paid to them by oil companies. But this being on Indian lands, which is a federal responsibility, it was felt that rather than try to make adjustments in the oil royalties under the Indian Act, new legislation should be brought in. Fortunately, the Department of Indian Affairs and Northern Development had commenced a study with respect to this matter prior to the oil crisis of approximately a year ago. There was set up a study team that consisted of a solicitor for the producing bands, a solicitor for the Alberta Indian Association, and experts in the production of oil and gas.

They had made some recommendations to the department, and on March 28, 1974, an order in council was passed which set new royalties and established a number of variable royalties either up or down as the world market for oil fluctuated. It had been hoped, just prior to the dissolution of the last Parliament, that legislation could have been brought in to deal with this matter and put it on a permanent basis rather than by regulation. However, that was not possible and that is why Bill C-15 is now before us. The bill provides for adjusting oil royalties as world oil prices fluctuate, and this may be done by way of regulations made by the Governor in Council rather than by Act of Parliament, which as we all know is a slow process when one considers the very wide-ranging fluctuations in oil prices today.

To give honourable senators an indication of what the oil royalties mean to the Indian bands of Alberta, last year the bands collected something in excess of $9 million. Because of fluctuations in the world price of oil, this year the same bands will receive about $40 million. At one time it was anticipated that oil production on Indian lands in Alberta would continue for perhaps the next 20 to 25 years, but because of the heavy demand for oil and the

increased volume of oil being pumped from those fields, it is now estimated that a good percentage of this oil will be depleted in the next three to five years. However, there are huge quantities of very heavy crude oil under the Indian reservations of Alberta. At the moment, because of the problems associated with the pumping, production and refining of very heavy crudes, this oil is not being utilized, but in all probability in the not too distant future it will come into the oil pipelines of Canada and will be utilized. Of course, this will provide additional revenue for the Indian bands of the province of Alberta.

This bill is of extreme importance to the Indian people of Canada, and indeed to all Canadians. The bill is—I was going to use the word "simple," but that is a dangerous word—uncomplicated, and in my opinion deserves the support of us all. The sooner this bill is passed, thus obviating the necessity of having to deal with the matter by order in council, so much the better.

On motion of Senator Choquette, debate adjourned.

## FIRE LOSSES REPLACEMENT ACCOUNT ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. A. Hamilton McDonald** moved the second reading of Bill C-18, to amend the Fire Losses Replacement Account Act.

He said: Honourable senators, Bill C-18 an act to amend the Fire Losses Replacement Account Act, is again—I must not use the word "simple," but it is even shorter and more readily understood than Bill C-15.

The bill makes provision for the Yukon and the Northwest Territories to have their property covered under the the Fire Losses Replacement Account Act. I am sure that all honourable senators are aware that the federal government, and I believe most provincial governments, do not carry fire insurance on public buildings. As a matter of fact, there are many large private institutions which do not carry fire insurance on their buildings. The reason for that is self-evident. The federal government, and the provincial governments, own a great many properties, and it can be readily understood that it is much cheaper for them to carry their own insurance than to have their properties covered by the commercial insurance companies.

The federal government, therefore, is proposing to extend the provisions of the Fire Losses Replacement Account Act to properties owned by the Yukon and the Northwest Territories.

The amount of property to be insured has grown considerably over the last few years, in both the Yukon and the Northwest Territories. The last year for which I have figures is 1971, and I find that at that time the value of property in the Yukon that can be covered by the extension of this act is $75 million; the value of property in the Northwest Territories is $200 million. To give honourable senators some idea of the cost of insuring those properties through the commercial insurance industry I would say that, in the case of the Yukon, coverage of $75 million would cost $80,000 a year in premiums.

This measure is to extend the provisions of the act to cover properties owned by the Yukon and Northwest Territories. It is in the interests of the federal government and the people of Canada that this should be done, because of the fact that large federal grants are provided to the Yukon and Northwest Territories for the purpose of covering their losses in administering their affairs. Indirectly, the people of Canada are paying a portion, at least, if not all, of those premiums, amounting to $80,000 per year as far as the Yukon is concerned. Honourable senators can well imagine what the cost would be, as far as the Northwest Territories is concerned, on properties valued at $200 million.

● (1440)

I think this is a move in the right direction, and I commend this bill to honourable senators for their approval.

On motion of Senator Bélisle, debate adjourned.

## PRIVATE BILL

BRITISH COLUMBIA TELEPHONE COMPANY—COMMONS AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the House of Commons to Bill S-11, respecting British Columbia Telephone Company, which was presented yesterday.

**Senator Heath:** Honourable senators, I move that the amendment be concurred in now.

**Senator Grosart:** Explain.

**Senator Heath:** Honourable senators, some explanation seems to be called for. I believe that this amendment will simply make it possible for the British Columbia Telephone Company to use the French language version of its name, being "La Compagnie de Téléphone de la Colombie-Britannique," in conducting its business transactions. That is the sum and substance of the amendment, as I understand it.

**Senator Grosart:** Perhaps Senator Heath can tell us the reason for the change from the original name. Was there a reason for this change being made by the other place?

**Senator Heath:** Not to my knowledge, Senator Grosart. I imagine that it follows the practice whereby a company incorporated under a federal act of Parliament can use either the French or English version of its name in conducting its business transactions. That is the only explanation that comes to mind.

Motion agreed to and amendment concurred in.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

FOURTH REPORT OF STANDING JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments, which was presented yesterday.

**Senator Forsey:** Honourable senators, I do not think any further explanation is necessary. As I mentioned yesterday, it is a mere matter of a correction, one hopes, a change, at all events, in the translation to make it conform

better with what apparently is, I hope, the final opinion of the various lawyers and translators concerned.

Therefore, I move the adoption of the report now.

Motion agreed to and report adopted.

● (1450)

## THE WORK ETHIC IN CANADA

PROPOSED SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Wednesday, November 20, the adjourned debate on the inquiry of Senator Croll calling the attention of the Senate to the status of the "work ethic" in Canada today, and the need for the establishment of a Senate Committee to examine and report thereon.

[*Translation*]

**Hon. Martial Asselin:** Honourable senators, when this motion was placed on the Order Paper of the Senate, I was somewhat struck by its title. In French, it is called "l'éthique du travail" and in English "work ethic". As my knowledge of the humanities did not enable me to grasp the full scope of this title, I had to look up the dictionary to really understand its meaning.

So I went to the library and I tried to find out what the expression "éthique du travail" or "work ethic" could mean. I found rather interesting definitions. Lalonde says:

> It is a science having for immediate object the opinions, the appraisal and the acts called good or bad.

I went further and looked up Camu where he gives a general description of man. Camu says:

> In ethics, it has to do with morals, ethical science, it is a claim for justice which results in injustice if it is not based first of all on a justification of the ethics of justice.

**Senator Bourget:** Quite confusing.

**Senator Asselin:** I went still further and looked into Sarrazin who says that:

> Political ethics has two main objects, culture in the intelligent nature and education of the people.

For a young senator to see such a high sounding title, it is obvious that I was somewhat hesitant to tackle the subject now before us. But I told myself that senator Croll could measure up to that title, that it somewhat describes his character, ambitions, working abilities and all that.

Besides, having read and heard his speech, having read it over and over again, I can tell you that he did commendable research work to be able to submit such an approach to the Senate. Therefore I must congratulate Senator Croll for his efforts and for having called the Senate's attention to an important matter that deserves our attention.

However, I do not want to say that I agree entirely with what he said on that subject. Of course, he said things everybody wished to hear especially when he talked about the guaranteed annual income; it is obvious that this is not a new idea. All countries in the world have studied that question. Moreover, if you watched the last American campaign for the Presidency, you must have noticed that the Nixon clan, as well as the McGovern clan, offered the American people suggestions as to that principle of guaranteed annual income, while here in Canada, I believe all the political parties were equally interested in that principle. As far as our party is concerned, in 1969 we held a congress in Niagara Falls, where a thorough study of the principle of a guaranteed annual income was done. We spent three days studying that principle with experts and delegates from all provinces in order to consider the possibility of such a guaranteed annual income being established in Canada.

It is obvious when one reads the report of the Special Senate Committee on Poverty in Canada—chaired by the Honourable Senator Croll—that it did deal rather specifically with that aspect of a guaranteed annual income plan.

Over the years, all political parties have often made an election issue out of it because they all know that nobody is satisfied with the present social security system. All political parties are seeking a new formula.

If I may refer to the report of the Special Senate Committee on Poverty in Canada, at page 176:

> As the executive director of the Canadian Council on Social Development pointed out in his brief to the Committee.
>
> > it is important that we recognize [the guaranteed annual income] as an ideal—a socio-economic objective—perhaps a political, social, and economic philosophy or doctrine; as such it should be sharply differentiated from a specific legislative program either in existence or being proposed at this time by any political party.

The committee went on to give the prerequisites to a possible guaranteed annual income. It was said that it should be fair, it should be effective, and it should improve on the present system.

I think the committee met the objectives of all political parties who want to change the present system and replace it with a formula which would give a balance more acceptable to the different social classes.

It was also said that such a system of guaranteed annual income should be flexible, not too costly for both the government in power and those paying taxes to keep that system going. It was said that it should be acceptable both politically and socially.

I do not oppose out of hand the guaranteed annual income plan but what was not clarified by Senator Croll, and the proponents of such a system in this country, what the taxpayers want to know, is whether that guaranteed annual income plan will replace the present system, or whether it will be added to the present system, another so-called social scheme which will further erode the taxable incomes of our taxpayers. That matter has not been clarified yet.

If we want to add to this social security system all kinds of pensions paid by the government to certain classes of citizens, if we also add the guaranteed annual income plan, then as a taxpayer, I wonder, as you should too, where we shall find the funds required for the implementation of such a program.

When the report *Poverty in Canada* proposed some prerequisites to the implementation of such a system, it was said we should make sure that this system is not too

expensive; the direct and indirect costs of a guaranteed annual income plan should not exceed reasonable limits.

Direct costs represent the funds paid out of the federal budget for the implementation of the system. Indirect costs represent the necessary expenses for managing and regulating the program. However, nothing in this report indicates that those who have studied the matter wished the present system to be set aside and replaced by a guaranteed annual income plan.

This is obviously why people are reluctant, because we think that those who have to bear the costs of social security were not given clear and accurate explanation about the way this new formula could apply.

Obviously, the present social security system might not reach all planned objectives. Several pension plans are covered by the term "social security." Of course, the matter of old age security, the disability pension, a pension for mothers in need and family allowances paid by the federal government has been settled. The Province of Quebec has also established its own family allowances system. We have social welfare payments which are made by the Province of Quebec where tremendous amounts are allocated to this budget item.

This morning, I read in the newspapers the statement of the Quebec Minister of Social Affairs, the Honourable Mr. Forget, who claims that this budget item is going to exceed all the estimates made by the government in its last budget.

Furthermore, there is an uncontrollable wasting of money due to overlapping jurisdictions between the federal and the provincial governments in this field of social security since, as I said before, the federal government makes family allowance payments. The Province of Quebec itself also contributes family allowances, social welfare benefits and pensions to mothers in need. All this results in a tremendous waste of money which we have no means of controlling due to overlapping jurisdictions. I have always thought the various governments of the country, federal and provincial, should some day come to an agreement once and for all and concentrate the management of public funds at one level of government so that a closer watch might be kept on expenses and on the taxpayers' dollar. Yet I regret to say that people realize every day that their money is being wasted in the most shameful way. I wonder if the time has not come for the federal government to review its position and put the whole area of social security under the jurisdiction of provinces, which have a constitutional right to legislate on family matters, and also on matters relating to individuals, since social security equally relates to families and individuals. This, in my opinion, would enable us to set up more adequate control procedures to try to avoid, as I said, that shameful waste of public funds which we are witnessing in the implementation of that social security program.

(1500)

Some people say that we should not set up that selective control, that it cannot be done because it would be too humiliating for people applying for social security benefits. Unfortunately we are still in a situation where one third of the people derive their means of existence, through this social security system, from the other two thirds on the labour force. We have implemented a socialist system which will not be easily wiped out. I admit that the state must help people who live in dire conditions. But the problem is that too many people today are being paid social security benefits and thus deprive of that help other people who need it badly. We are facing a kind of imbalance which, in my opinion, must provide people who manage public funds with food for thought.

I think the new Unemployment Insurance Act is preposterous. Senator Croll wants to set up a committee which would meet people and urge them to go back to work, to care and apply for new jobs, but on the other hand the Unemployment Insurance Act induces people to do exactly the opposite of what Senator Croll is advocating.

Indeed, honourable senators, under the Unemployment Insurance Act provisions, when people stop working after they have qualified they can receive between $100 and $115 a week so how many can you find who have applied for unemployment insurance benefits who will accept a job which will give them between $100 and $115 a week? I would say not even one per cent.

We also have a situation where they report to unemployment insurance and swell the statistics of unemployed in Canada, and every month Statistics Canada reports that there are 500,000 or 600,000 people who are out of work while there are probably no more than 200,000. This is because the government passes legislation which encourages them not to work. I believe that this government was taught a lesson in 1972 because if it had electoral problems in 1972 when it lost its majority in the House of Commons it is surely because the businessmen and the population were blaming it for having passed legislation which, according to me, was antisocial.

The facts to be considered are sad, as there are 500,000 unemployed in the country and maybe more than half of them receive unemployment benefits to the tune of $100 a week while we must import foreign labour for our harvests in Ontario, in the West and in Quebec. I know that this year, in the province of Quebec, the apples were not picked because Quebec did not have the labour to do it. The apples are rotting on the branch. During that time people are staying at home and drawing $100 or $115 a week and refusing employment. Honourable senators, is this the way we are going to build and help build the country we want to have, economically and politically? Of course not. I am under the impression that we are going the wrong way and that the present legislation should be changed precisely to force those in good health, those who do not need unemployment insurance benefits, to accept jobs when the manpower centres ask them to. In my opinion, it is not by implementing a guaranteed annual income system that the situation will be improved.

There is a system which impresses me enormously and I think that all countries and all governments should study it quite seriously. The Committee on Poverty in Canada discussed it and many countries are now studying it. It is called negative income tax. I think that it would be the only formula which could correct the situation we are now facing.

If we examine the report *Poverty in Canada* we find this negative income tax concept discussed on page 178, paragraph 3 which reads as follows:

> Under this type of plan, benefits are payable only to those in need as established by a simple declaration or statement of income. It is therefore selective and not, like the demogrant, universal. Allowance levels are established as a proportion of a "poverty line." These allowances are reduced as other income increases, at a rate that provides an incentive to increase income through earnings.

In other words, it means that everybody should file an income tax return, even and especially the needy, under this new negative income tax approach. They would file their income tax return and it would then be possible to determine the degree of poverty of heads of family and their children. They would be told that below the poverty line, they would be paid so much in welfare benefits, but that they should also look for a job to supplement their income. Of course, some people say, and I have read books to the effect, that this practice would be too humiliating. It would be, as I said earlier, for those who are not in need of assistance; but those who need it, who are still eager to work, could complete those income tax forms and the government could then determine their poverty level and grant them benefits. As their earnings increase, their welfare benefits would be reduced, thus resulting in a considerable saving of taxpayers' money.

Recently somebody recommended to me a very interesting book. I think Senator Croll knows about it. One of his advisers, whose name I do not remember, handed it to me. This book is entitled *Vaincre la pauvreté dans les pays riches*, by Lionel Stoleru.

The author analyzes every system extant, those used in France, Britain, the United States, Germany, Italy. At the end of this study he draws no conclusion, but rather the idea seems to be conveyed that the best system that could be used by governments is the negative income tax. This would be fair both to the needy and to the taxpayer, who would know where his money goes.

In this book entitled, as I said, *Vaincre la pauvreté dans les pays riches*, the author describes, in a somewhat extraordinary chapter, two kinds of poverty: real poverty and fraudulent poverty. Those who are interested in looking at the book will find on page 245 his definition and his understanding of real and fraudulent poverty. He goes on to indicate two ways of finding where real poverty is. First, the revenue test, which is done through negative income tax. He also describes the work test, that is the attitude of people toward work. He states that human nature being what it is, people do not like to work. This is no novel thing. It is the old story of work being a duty imposed from above, a sacrifice which people must make, but thank God there are still people who like to work. But human nature is such that work is a burden.

● (1510)

The author also quotes the work of Leonard Goodwin who asks:

> Do the poor want to work?

**Senator Choquette:** Do they?

**Senator Asselin:** The answer is simple: they do not want to work anymore than anybody else. But if we give them a social security system which invites them not to work, they will work even less. In his book, Leonard Goodwin said—and this is a study of the various groups of people who live in poverty—that it is rather difficult to find systems to urge them to work. He says that the state must arbitrarily establish strict and rigid systems to stop all those generations, even if they are poor, from slipping towards idleness and from depending for several years on the state to survive. He says that it is senseless to force someone to accept a job, if he must relinquish a comfortable living on social welfare for a low salary, and that people will always find a way to avoid this.

> The best way to implement a work test is probably to adopt two systems simultaneously: strong financial incentive in the assistance mechanism and efficient action on the part of employment and professional training services.

To those who are interested in this matter and who wish to take part in the famous debate started by Senator Croll, I recommend the study of Lionel Stoleru's book entitled *Vaincre la pauvreté dans les pays riches.*

In summary, the present system satisfies no one. The governments of all countries in the world have tried to find a more efficient system because nearly all countries have a system similar to ours, perhaps less advanced in certain countries, and more progressive in others. But the fact remains that the present social security system does not satisfy any government. Another formula must be found.

On reading carefully the speech of Senator Croll, I asked myself certain questions. I wondered on reading his speech, unless I misunderstood it—I followed it carefully in the Senate, and read it at home, at my leisure, over the weekend—I wondered what Senator Croll really meant by "work ethic." Does he want to go out and evangelize the poor, or go out to meet them and tell them, "Listen, you must have jobs" or perhaps ask them why they are not satisfied with the jobs they now have or how we could help them? Did he also want to meet some groups of our society and ask them what they think of the annual guaranteed income? Well, everyone is familiar with that formula.

As I said earlier, those questions have been discussed by all political parties and also in all the countries of the world. But a formula has yet to be found that could be both applicable and applied in our present day society.

Does Senator Croll want to set up a committee which would be a continuation of the committee on poverty in Canada? In his mind, the notion of "work ethics" is certainly an abstract one. Does it mean that we should try to alter the attitude and way of thinking of beneficiaries of social security program? I must admit that I was somewhat lost trying for a moment to find the meaning of this definition, and also deciding whether it would be practical for the Senate to embark upon such an enterprise. Indeed, we must commend Senator Croll for his dedication to work. He had already given evidence of this as Chairman of the Committee on Poverty. However, if we examine—I do not have it—the speech he has made, especially his last remarks about the recommendations on the creation of his committee, I feel he has not been clear enough for me to decide. This, of course, is my own problem because I must decide whether or not to support the setting-up of another

Senate committee which would study I do not know what yet.

As I was saying earlier, we cannot go and tell the people, "Listen, you are going to go back to work and we will put forward a new social security system. Are you not satisfied with your working conditions, are you not satisfied with your jobs, are you not satisfied with the mechanisms of collective bargaining available to you?" All these questions have been raised by Senator Croll. But in my opinion he has not dispelled my hesitations to the point that I would be ready to give him a blank check and tell him: "Set up your committee and explain its purposes and objectives".

I am not against the idea that we should set up a committee; the Senate has indeed shown its mettle in the past, and its committees have, of course, contributed to enlighten the government on legislation introduced in various fields. On the other hand, there should not be too many committees. Committees should not be set up for the sole purpose of travelling across Canada and saying to people, "Here is an exceptional question we want to discuss with you." We must also make sure that this committee can come out with valid and adequate findings because, of course, we are spending public funds.

I do not want to play politics, and my honourable friends opposite will understand that with the small number of senators we have on this side of the house, we cannot afford to sit on each and every committee, especially committees at large bound to travel across the country, such as the one Senator Croll is suggesting. We cannot afford on this side of the house to leave every day to go and work either in Montreal, Winnipeg or Toronto, on a committee such as the one Senator Croll is suggesting. Certainly, Senator Croll has enough influence to have the Prime Minister appoint more Conservatives to the Senate. Then we might speak differently. But for the time being, we must restrict our activities to what the Senate is asking us to do. It is not that we wish to shirk the activities of the Senate: we are ready to co-operate entirely. It will be recognized, of course, that because of our few members we must restrict our activities. I hope the government got my message.

I do not reject straight off the comments of Senator Croll. As I said a while ago, he is quite deserving because he has worked very hard. But the matter had to be raised in the Senate, because, as I said, too many people are wondering about our social security system. Too many people are saying: We are overtaxed for those who refuse to work. Too many people are saying: How come that in a society such as ours, the two thirds who work have to look after the other third who refuse to work?

All those questions are being asked at the present time by our workers, and senators have every opportunity to meet the workers who are heavily taxed. They are often shocked when they see a neighbour on welfare, or drawing unemployment insurance, driving a big car and living comfortably in his own house—for weeks and months on end—while the individual who is willing to work has to get up every morning and go to work for eight, nine or ten hours daily.

[Senator Asselin.]

Those are questions being asked by the people. Those questions have also been well discussed in the speech delivered by Senator Croll.

I am therefore saying that we must develop a system which could compensate for the shortcomings of the present system,—whatever name we want to call it—because the majority of the taxpayers are overtaxed, and they cannot pay out more. Otherwise, we shall get the other side of the picture. The working people will organize themselves in order to receive social security benefits, because they can no longer pay their taxes and make both ends meet because of their family responsibilities.

Therefore, before launching a broad committee like the one Senator Croll suggested, why should we not first suggest to the government a social allowance system which would take into account the work incentive factor, and which we could put forward in this debate?

In short, we should set up a social allowance system which would help the real poor while assuring the taxpaying workers that their income will be more equally distributed, thus bringing back into our society the true basic principles of a distributive justice which we are too often led to ignore.

● (1520)

[*English*]

On motion of Senator Carter, debate adjourned.

## NORTH ATLANTIC ASSEMBLY

TWENTIETH ANNUAL SESSION, LONDON, ENGLAND—DEBATE ADJOURNED

**Hon. A. Hamilton McDonald** rose pursuant to notice:

> That he will call the attention of the Senate to the Twentieth Annual Session of the North Atlantic Assembly, held at London, England, from 11th to 16th November 1974, and in particular to the discussions and proceedings of the Session and the participation therein of the delegation from Canada, and to the visit of the delegation from Canada with Canadian Forces in Germany.

He said: Honourable senators, in rising to speak on the subject of the inquiry which I placed on the Order Paper a few days ago, I would first like to remind you that this year marks the twenty-fifth anniversary of NATO, and the twentieth anniversary of the North Atlantic Assembly. In my view, any time is a good time to assess the benefits and the effects of organizations such as NATO and the North Atlantic Assembly, but perhaps the twenty-fifth anniversary of one, and the twentieth anniversary of the other, is an even better time.

I should like to commence by reviewing what took place in Europe during the period from 1940 to 1945, and then consider the period from 1945 to 1948. I am sure all honourable senators will recall that at the end of the last World War in 1945 the only country involved in that world conflict which came out with territorial gains was the Soviet Union. Their territorial gains from 1940 to 1945 were really colossal. I repeat, the U.S.S.R. was the only power which subjugated people, and caused large areas of land in Eastern Europe to disappear inside the Soviet Union; they were just gobbled up.

● (1530)

Let us look at those areas. First of all, there were three large areas carved out of Finland and gobbled up by the Soviet Union. The entire countries of Estonia, Latvia and Lithuania disappeared from the face of the earth. They are now inside the Soviet Union. In addition, parts of East Prussia, Poland, Czechoslovakia and Rumania were carved out of those countries, and taken inside the Soviet Union.

As a matter of fact, from 1940 to 1945, 183,000 square miles of territory in Eastern Europe were taken out of the countries concerned, apart from Estonia, Latvia and Lithuania, and incorporated into the Soviet Union. In those 183,000 square miles were 24 million people who disappeared from their countries to be absorbed into the Soviet Union. Then, from 1945 to 1948, the Soviet Union took control of the remaining zones of East Germany, Poland, Czechoslovakia, Rumania, Hungary, Bulgaria and Albania, which comprised another area of some 394,000 square miles containing about 92 million people.

I emphasize that the Soviet Union was the only nation that gained territory and brought people under her subjection as a result of the last World War, either during that war or immediately after in the period from 1945 to 1948. The total of those territorial gains in those two periods was some 577,000 square miles, containing 116 million people, all of whom came under the heel, the domination, of the Soviet Union.

Is it any wonder that in 1949 the countries of Western Europe banded themselves together in an effort to prevent the spread of the Soviet Union westward throughout Europe? I think, after what had happened, they had every right to concern themselves. I refer back to the area subjugated by the Soviet Union, and the numbers of people involved—577,000 square miles and 116 million people.

From the Russian border to the English Channel the area of those countries in Western Europe that now belong to NATO is 690,000 square miles, only slightly larger than the territory the Soviet Union had already subjugated, with about twice the population. In other words, there were 116 million people in those areas that Russia took under her control, while there are about 208 million people in those countries that bound themselves together into what is now known as NATO.

I am one of those people who is convinced that if it had not been for NATO—if the countries of the Western world had not bound themselves together, with the support of the British Isles and the North American continent—the Soviet Union would have arrived, many years ago, at the English Channel, and God knows whether she would have stopped there. I do not think there can be any doubt in anyone's mind that NATO has been an effective force in stopping the spread of the Soviet Union throughout the whole of Western Europe.

Honourable senators, for the past 25 years we have had peace in Europe—one of the longest periods of time in history that there has been peace in Central Europe. I admit that it has been a trying peace, and a costly peace. Many people in Western Europe, in common with people in North America, are beginning to question the need to continue spending taxpayers' dollars to maintain forces in Western Europe to protect us from the westward spread of the Soviet Union. I believe that this money has been well spent. When an aggressive force and an aggressive people have been stopped from spreading their influence at a given line, west of which not one square foot of territory or one person have been subjugated by the Soviet Union since NATO came into being, need anyone ask whether NATO has fulfilled its duties, functions, or purposes during its 25 years of life? I think not.

I recall an old friend of mine, Congressman Mendel Rivers, who unfortunately has passed away. He used to make speeches at least once a year, perhaps twice a year, at either NATO committees or in the Assembly, asking the nations of the free world to commit 5 per cent of their gross national product to the defence of freedom. Of course, he never was able to get the Assembly to adopt his motion. I think his intent was right, and I am one of those people who believe that if it costs 5 per cent of the GNP to keep peace in the world, it is a bargain.

We in Canada have been able to play an extremely important role, both inside and outside NATO, while committing much less than 5 per cent of our GNP. As a matter of fact, we are committing less than 2 per cent, but I repeat that I believe Canada has played a major role, both inside NATO and outside NATO, in maintaining peace throughout the world. But I am one of those prepared to spend 5 per cent, if need be, to maintain freedom. What is 5 per cent of the GNP compared to the alternative?

I have described what the Soviet Union was ablé to accomplish prior to NATO's coming into being, and have said that the alternative to spending whatever is necessary to maintain peace is war. I would then ask: How do you measure the cost of war? Can you measure that in percentage of the GNP? No, if we get involved in another war, it will take the total GNP—and then some. But that is not all, because the cost of war cannot be measured in dollars and cents. Human suffering and destruction cannot be measured. I suggest that that is the alternative to being strong and able to defend yourself.

Sure, we have played a major role—when I say "we" I mean both Canada and NATO—in bringing about détente between the Western World and the Warsaw Pact nations. We have had some success, and I suggest that that success has been possible only because the Western World has been strong. You do not negotiate with a weak neighbour; you bring him under your influence, as the Soviet Union brought other countries under its influence in the period from 1940 to 1948. Faced with a united effort on the part of the Western World, the Soviet Union has been prepared in recent years to talk. We have not accomplished all we would have liked as far as détente is concerned. There is, however, some progress, and as long as people are talking they will not fight. If those negotiations ever break down then, in my opinion, we will be in a much more dangerous position than we are at the moment. I repeat, we can only negotiate and bring about détente through strength and a combined effort on the part of the free peoples of the Western World.

● (1540)

People today wonder what will happen after détente? If we are able to bring about mutual and balanced force

reductions in Western Europe, and if we are able to settle the differences which now exist in the Middle East and other areas of the world, then where do we go from there? NATO has been chiefly a military force in Western Europe. It has drawn the attention of the Soviet Union and, I believe, caused them to stop and consider whether they want to become involved in a military conflict with a force of that type. But today there are other means of bringing about chaos in the free world which perhaps, if pursued to their ultimate, would allow the Soviet Union to spread to other parts of the world without firing a shot.

I refer, on the one hand, to the oil crisis. I am one of those who believe sincerely that the Arabs never dreamt of increasing the price of oil on the world markets themselves. They had a good teacher which, in my opinion, was the Soviet Union. Senator van Roggen, speaking a day or two ago in another debate, referred to the fact that Western Europe has to import $20 billion-worth of oil annually, chiefly from the Middle East, but they have a favourable trade balance of only $2 billion. How are they to pay that additional amount of $18 billion, and how can NATO and its military machine operate without oil? No army, navy or air force can move without oil. I consider oil to be one of the strongest military weapons in the hands of a potential enemy today.

Of course, oil, together with other influences, has brought about world inflation which is almost wrecking the economies of huge sections of the free world today. Again, how can we be defended militarily with inflation as it exists today, and with the possibility that it will be worse tomorrow? So long as we have an energy crisis in this world then, in my view, we will have inflation, and that is the view of many who are privy to a good deal more information than I. Here, however, we are faced with an entirely new situation. I repeat that NATO has been successful for the past 25 years in maintaining the peace. Can it be successful in fighting a different kind of war—an energy war, an inflation war? I do not know, but I believe that as long as those countries of Western Europe and the North American continent are united in an effort to maintain the peace, whether it is against bullets, an energy policy, or inflation, our chances of success are much greater than if we attempt to do this unilaterally, one at a time and on our own.

The Canadian delegation attended the North Atlantic Assembly meetings in London from November 11 to 16. The same delegation then travelled on to Europe and into Germany to visit the Canadian Forces stationed there. We had an excellent delegation. It was made up of three members of this house—Senator Lafond, Senator Yuzyk and myself—and from the other place there were Mr. Paul Langlois—who led the Canadian delegation and to whom I shall refer again in a moment—and Messrs. Caron, Carter, Ethier, Guilbault, Kempling, McKinnon, Patterson, Stewart, Trudel and Woolliams. Alternate delegates were Messrs. Bawden, Demers, Fortin and Railton. I repeat, it was an excellent delegation, and there were at least three Canadians on each of the five standing committees of the Assembly.

Mr. Langlois has led the Canadian delegation now for two years, and in the period of time that I have had the privilege of being one of the representatives of the Senate I can quite honestly say that we have never had a better leader. His leadership has been recognized not only by Canadians but by the delegates generally, from no matter what country they come. This year the position of Treasurer of the North Atlantic Assembly became vacant by reason of the fact that Senator de Chevigny of France, who had been Treasurer for many years, was defeated in the last French general election. Mr. Langlois decided that he would like to present his name for this position, and was prepared to fight an election, if need be. The election of the Treasurer took place, with one of the Belgian delegates running against Mr. Langlois. I shall not reveal the figures, but will tell you that Paul Langlois won that election with a very substantial majority.

**Senator Bourget:** He must have had good organizers.

**Senator McDonald:** He did. Apparently elections are fought a little differently in Canada from other places. In any case, I mention that fact to illustrate that Mr. Langlois' leadership was recognized not only by Canadians but by the Assembly in general. My congratulations, and I am sure those of all honourable senators, go to him.

Before leaving Ottawa, we were briefed by officials of the Department of External Affairs and the Department of National Defence. On many occasions, when I have had the opportunity of representing Canada abroad, I have found that briefings before leaving home were of not too much advantage. That is certainly not the case as far as delegations to the North Atlantic Assembly and its committee meetings are concerned. The officials of both departments have given the Canadian delegation excellent briefings, which have enabled us to represent Canada in a much better fashion than if we had not been briefed prior to leaving Canada.

I would also like to thank the secretary of the delegation, Lieutenant-Colonel Tom Bowie. Many of you know Lieutenant-Colonel Bowie, and I do not think a delegation could go from Ottawa, to London, to Dover, to Calais, to Rheims, to Strasbourg, to Lahr and back, and no one lose his luggage or his wife, without him.

**Senator Flynn:** Did you say "his bags or his wife"?

**Senator McDonald:** I did not say "bags"; I said "luggage."

● (1550)

As I have been a member of the Military Committee for some considerable time—and I sat on this committee during this session—I would like to spend a moment on the agenda that was dealt with during the meetings, and on some of the recommendations that came from the Military Committee and which were presented to the General Assembly and accepted.

The first item on the agenda, and one of great importance, was MBFR—Mutual and Balanced Force Reductions. It is the wish of NATO and the North Atlantic Assembly that no nation should unilaterally withdraw forces from the NATO structure without consultation with NATO, and without giving NATO and the North Atlantic Assembly the opportunity to discuss the withdrawal of those troops with our opposite number, namely the Warsaw Pact.

Of course, we Canadians were guilty a few years ago of having done this. I shall not comment on whether it was right or wrong to have unilaterally withdrawn part of our troops from Europe, but I am convinced today that no country in NATO at this moment should withdraw one man, one tank or one truck before we have completed negotiations with the Warsaw Pact countries, in an effort to have them withdraw at the same time some of their men and equipment from the battlefront of Western Europe. How are we going to negotiate mutual and balanced force reductions if our people unilaterally pull out soldiers, airmen, sailors and equipment? We have nothing else to bargain with.

Therefore, NATO and the North Atlantic Assembly are determined to keep every man and vehicle in place until such time as agreement can be reached with their opposite number, so that both will withdraw men and armaments from Western Europe at the same time.

We believe we shall be successful in getting this done, because of the fact that people in Eastern Europe today are no longer blind to what is going on in the Western World. They know the standard of living that is available to citizens of the Western World, whether they live in Western Europe or the North American continent. They are demanding more and more that their governments supply them with the everyday needs of life. In other words, they want refrigerators, cars, bicycles, radios, and all those things that we take for granted but which they do not have.

I suggest to honourable senators that the Soviet Union and her satellite nations will have to provide more of those ordinary goods of everyday living for their people in order to keep the lid on. If they do, then the percentage of their gross national product spent on their armaments and armed forces will have to be reduced. They are, therefore, going to listen to good arguments in respect to mutual and balanced force reductions.

The second item on the agenda was a joint meeting with the Committee on Defence of the Western European Union, which perhaps has as much interest in defence and the procurement of weapons as the North Atlantic Assembly. It was helpful to have a discussion with them because, as I said, they are involved in much the same activities related to the procurement of weapons as the North Atlantic Assembly.

Another important item discussed was a replacement aircraft for the F-104, used by four countries in Europe and by Canada which is reaching the stage of obsolescence. Aircraft under consideration are the French Mirage, the Northrop S-17, the General Dynamics S-16, and the Saab Eurofighter, the multi-purpose aircraft which is built in Sweden.

I do not know anything about the Saab Eurofighter but when we were talking to a Canadian general and discussing the Centurion tank, which it is suggested might be replaced by a Swedish tank, he said, "Well, you know, the Swedes have a wonderful tank. It will stand up, lie down, and do all sorts of funny things. But will it fight?" Nobody knows, because it has never been called upon to fight. In my opinion, the same thing is true of the Swedish multi-purpose aircraft. Will it fight? I do not know, and the North Atlantic Treaty Organization would be rather foolish to invest in an aircraft or a tank that has never been tried.

That was followed by a paper presented by Admiral Sir Peter Hill-Norton, the chairman of the Military Committee, who is also on the international staff of NATO. His paper dealt with the growing threat of the Soviet maritime forces, and the fact that since the Cuban crisis they have built what is probably the second largest navy in the world, and undoubtedly the most modern navy in the world. They are able to hold exercises at any given time in any ocean of the world simultaneously, which is causing great anxiety, especially on the northern flank of NATO, the southern flank through the Mediterranean, and the shipping routes around the Cape by which a good many supplies, including oil, for Western Europe must go because of the closing of the Suez Canal.

An item respecting energy supplies was on the agenda. I have already said a few words about that, and I do not think I should say more now.

The fifth item concerned the setting up of a subcommittee to study the southern flank. This was brought about by the conditions prevailing in Cyprus, Greece, Turkey and the Middle East, and the fact that the Soviet Union now has a marked presence in the Mediterranean with the strongest fleet that has ever entered what used to be known as "that British sea." With the new problems that are concerning NATO in this area, it was thought that a subcommittee could bring us up to date on the threat which prevails, and the action which NATO may take, or might be wise to take, towards greater protection of the southern flank.

I can only repeat that NATO has served us well. The North Atlantic Assembly is the parliamentary body of NATO, of the ministers. The Assembly to which we belong is a debating society. We have no powers, except the power to recommend. In many instances our recommendations are accepted, and in equally as many instances they are not. But the public debate that takes place in the Assembly gives parliamentarians from the various nations an opportunity to discuss with their counterparts the problems that have existed, which exist today, and which are expected to exist in the future, and to return home and endeavour to give their colleagues and their respective peoples a knowledge of NATO that will provide support in money and other ways, and thus guarantee the continuation of an organization which has been successful.

The hour is late and I shall say no more about the North Atlantic Assembly, but before concluding I should like to say a few words about our visit with our troops in Lahr and Baden.

In Lahr we now have the Fourth Canadian Mobile Brigade, which consists of the Royal 22nd Infantry Battalion, the First Royal Canadian Horse Artillery Unit and the Royal Canadian Dragoons, which is an armoured regiment. The Canadian Air Group at Baden has three squadrons equipped with F-104s.

We hear a great deal of talk, particularly in Canada, to the effect that the Canadian Forces are the best in the world. There is no doubt about that. I am not speaking as a Canadian; I am repeating what Europeans have said to me

and to other delegates. They say there are no better soldiers in the world than the Canadians in Europe.

● (1600)

Many Canadians are of the opinion that our troops are not sufficiently well equipped. In some respects, that is true, but in others it is not. Let us look at the Royal 22nd Regiment, the infantry battalion.

**Senator Flynn:** The best in the world.

**Senator McDonald:** As far as the men are concerned, there is no doubt about that. If I had to run into an infantryman I would pick any one other than a member of the Royal 22nd. As far as their tracked vehicles are concerned—that is, the armoured personnel carriers, and so forth—they are first class and can compete with the equipment of any army on earth. The wheeled vehicles, however, are old. When I talk about wheeled vehicles, I refer to everything from a jeep to what they call a deuce and a half, or a two and one-half ton truck. Those vehicles are old, some of them being as old as 20 years. I must congratulate the repair and maintenance division in that these vehicles in spite of their age, are operating well. Nevertheless, the sooner we can replace those wheeled vehicles the better, but the tracked vehicles are excellent and are capable of operating against any combatant.

All of the equipment of the First Royal Canadian Horse Artillery is tracked—all of its support equipment, including ammunition carriers, kitchens, hospitals and so forth, is tracked. Again, this equipment is amongst the finest in the world. I do not think that division is in need of any new equipment. Many Canadians are not aware of that fact. Most Canadians are of the opinion that that equipment is old and worn out, but that is not true. That unit has good equipment, which is well serviced. In addition, it has well trained men to handle it.

The Royal Canadian Dragoons, which is an armoured division, has the Centurion tank. We have been told a good deal about tanks of late. I spoke in this chamber on a previous occasion about tanks. The Centurion, though it is old, is one of the best tanks on the face of the earth in 1974. Its main structure is good, and its guns are among the best in the world. There are, however, two faults, those being its Rolls Royce gas engine and the power train that goes with that engine. If the gas engine is replaced then, of course, the clutch and the rest of the power train have to be replaced. At the present time 24 Centurion tanks are being rebuilt in either Belgium or Holland. The existing motors in those tanks, as well as the power trains, are being rebuilt, so that when they are returned to the unit they will have the same motors and power trains. These rebuilt tanks will give us a capability in the tank field until 1976.

If we were to rebuild the Centurion in the manner the Israelis have, by installing diesel motors and the complementing power trains suited to the diesel motor, as well as giving it a night capability or red eye, thus allowing it to operate by both night and day, and some additional electronic equipment, it would cost in the neighbourhood of $200,000 per tank. However, we would then have a tank that is as good as anything in the field and on the horizon, until some time in the 1980s. In other words, such a refitting program would probably carry us through the next 10 or 12 years at a cost of approximately $200,000 per tank. If we were to buy new tanks, they would cost in the neighbourhood of $750,000 each.



I am one of those people who believe that you cannot fight a land battle without tanks. Many are of the opinion today that tanks came to the end of their use in the Yom Kippur war. That is utter garbage. What happened in the Yom Kippur war? Egypt crossed the Suez Canal into the Sinai Desert moving, first of all, scores of infantrymen with anti-tank weapons. When the Israelis counter-attacked they went into what they thought was a tank battle. Instead, they walked into hundreds of anti-tank weapons, with the result that they suffered colossal losses of tanks. But how would the Israelis have counteracted that thrust across the Suez Canal without tanks? How did the Israelis cross the Suez Canal and enter Egypt to the south? They did so by moving tank divisions across. There is no other way they could have done so. Without tanks, artillery and infantry divisions are of no value. How can you move infantrymen forward without an artillery barrage to knock out the enemy, and without tanks to provide protection for the infantrymen as they are moving forward? I do not think you can fight a war without tanks now any more than you could in 1940.

The Centurion tank, I repeat, modified to the extent of installing a diesel motor and the complementing power train as well as day-night capability, is one of the best tanks in the world today. And those modifications can be made without any great expenditure. I strongly recommend, when a decision is made on what to do with our forces over the next 10 years or so, that consideration be given to modernizing the Centurion tank in the way the Israelis have. The modernized Centurion tank has already proven itself to be far superior to anything the Russians now have in the field.

I want also to say a word or two about the Canadian Air Group stationed in Europe. This group is equipped with F-104s, and is involved in close support, low level flying. The F-104 is a good aircraft. There are probably better aircraft available in the world today, but our air group is quite satisfied with the F-104. They feel the F-104 can do the job as well as any other aircraft in the world today, and they are happy with it.

The sensitivity of our troops, including officers, non-commissioned officers and the enlisted men, to the problems that are confronting Canada, as well as every other Western nation in the world, today with regard to defence budgets is probably greater than our sensitivity to their problems. They understand the problems that we, as parliamentarians, are facing in endeavouring to get more dollars for better training and equipment for our troops. I think they understand the problems more than some politicians and a good many of the general public.

● (1610)

In conclusion, I would like to express our thanks to the officers and men that we have in Europe for the job they have done and the job they continue to do—and not only militarily, for in my view our best ambassadors abroad are the Canadian Armed Forces personnel in Europe. If we hope to improve our relations with the European Economic Community, then one of the best ways of doing it is to maintain our forces in Europe in the state of readiness we

have in the past. I trust we can continue to do that in the future.

Honourable senators, I have had the opportunity of being a delegate to the North Atlantic Assembly, or the committees, for several years. I appreciate the support the Leader of the Government in the Senate, and the Whip, have given me in this regard. I cannot but feel sympathetic to the plea of Senator van Roggen who asked for continuity in the make-up of the Canadian delegation that deals with our counterparts in the EEC. I recall, when I first went to an Annual Session of the North Atlantic Assembly, that there were delegates from other countries who had been attending for ten or fifteen years. They were professionals in the field and, to be quite honest with you, I felt like a jackass, a rank amateur. I had had absolutely nothing to do with the military—knew nothing about them—since the end of the last World War, and here were people talking about problems, techniques, and equipment that I never heard tell of.

If Canada wants to make a maximum contribution to NATO, to have fruitful discussions with the European Economic Community and the United States, or to obtain real benefit from these various parliamentary organizations, then I strongly believe there must be continuity. I do not think the entire group should be retained year after year, but there should be a hard core of almost permanent delegates with a few new people brought in each year.

We have played a magnificent role in Europe. Our efforts have been appreciated, probably more than the efforts of any other single country. I like that. I am sure that Canadians, if they were exposed to the opportunities that I have been exposed to, would have less reason and less cause to be as niggardly as we are in the dollars we spend on the defence of our country and freedom in the Western World. I only wish it were possible for more of us to experience, on the one hand, the horrors of war, and on the other, the joy of peace.

On motion of Senator Flynn, for Senator Yuzyk, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, December 5, 1974

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

Prayers.

## THE HONOURABLE F. ELSIE INMAN

BIRTHDAY FELICITATIONS

**Senator Perrault:** Honourable senators, I know I reflect the warm feelings which pervade the chamber this afternoon when I extend our very best wishes to Senator Inman on the occasion of her birthday.

**Hon. Senators:** Hear, hear!

**Senator Perrault:** May she celebrate many more of them.

**Hon. Senators:** Hear, hear!

**Senator Flynn:** May I say that the Leader of the Government speaks for all of us on this occasion?

**Senator Inman:** Honourable senators, thank you very much. I accept your good wishes and hope I will be here for a long time.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the names of Messrs. Leblanc (Laurier), Railton and Anderson have been substituted for those of Messrs. Poulin, Loiselle (Chambly) and Lachance on the list of members appointed to serve on the Standing Joint Committee on Regulations and other Statutory Instruments.

## FEDERAL BUSINESS DEVELOPMENT BANK BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-14, to incorporate the Federal Business Development Bank.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

## INTERNAL ECONOMY

REPORTS TABLED APPROVING SPECIAL EXPENSES OF COMMITTEES

**Senator Laird,** Chairman of the Standing Committee on Internal Economy, Budgets and Administration, tabled reports approving special expenses of the following committees: the Standing Committee on Agriculture, the Standing Committee on Banking, Trade and Commerce, the Special Committee on Science Policy, and the Standing Committee on Foreign Affairs.

## DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

BILL TO AMEND—REPORT OF COMMITTEE—DEBATE ADJOURNED

**Senator Hayden,** Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill S-15, to amend the Department of Industry, Trade and Commerce Act, and had directed that the bill be reported with the following amendments:

1. Page 2: Strike out lines 10 to 12, both inclusive, and substitute therefor the following:

   "(4) Except for the purposes of a prosecution under subsection (6) or (7), but subject to subsection (5)"

2. Page 2: Immediately after line 51 add the following:

   "(7) Every person who, after having taken and subscribed an oath or affirmation pursuant to subsection (2), and having been designated by the Minister of Industry, Trade and Commerce for the purposes of this section, uses any information obtained in the examination of copies of invoices or other documents made available by the Minister of National Revenue pursuant to subsection (1) for the purpose of speculating in any stocks, bonds or other security or any product or article is guilty of an offence and is liable on summary conviction to a fine not exceeding one thousand dollars or to imprisonment for a term not exceeding six months or to both.

   (8) Except for the purposes of a prosecution under subsection (6) or (7), any copy of an invoice or other document made available by the Minister of National Revenue pursuant to subsection (1) is privileged and shall not be used as evidence in any proceedings whatever, and no person who has taken and subscribed an oath or affirmation pursuant to subsection (2) and who has been designated by the Minister of Industry, Trade and Commerce for the purposes of this section shall, by an order of any court, tribunal or other body, be required in any proceedings whatever to give oral testimony or to produce any copy of an invoice or other document with respect to any information obtained pursuant to this section."

● (1410)

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

**Senator Hayden:** I move, with leave of the Senate, that the report be adopted now. Before the question is put, I feel it is necessary that there should be an explanation of the purpose and scope of these amendments. These amendments were developed as a result of points raised in committee by Senator Everett, the sponsor of the bill, and they were drafted by officials of the Department of Justice. The actual scope and effect of the amendments can best be explained by Senator Everett, so I would now call upon him to give that explanation.

**Senator Everett:** Honourable senators, as you will recall, during debate on second reading of this bill I made the point that the bill permits the examination of confidential customs documents by officials of the Department of Industry, Trade and Commerce designated by the minister, having taken the appropriate oath, for the purposes of import analysis. As a result of examination of this bill in committee, two amendments were proposed. The first adds clause 7, which makes it an offence for any officer who has been designated and sworn for the purposes of import analysis to use any information that he obtains from the customs invoices for speculative purposes. The second amendment adds clause 8, which prevents a court from compelling a designated officer to give evidence as a result of his examination of these confidential customs documents. I think the second amendment answers Senator Beaubien's concern that this bill, as originally drafted, might have allowed confidential customs information to be disclosed. There are now sufficient safeguards within the bill prohibiting this information from being disclosed.

Finally, in passing, I should like to briefly mention the remarks made by Senator Grosart. Senator Grosart was concerned that import analysis might act as a form of non-tariff barrier. Both Senator Buckwold and I asked the departmental officials who appeared before the committee whether or not that would be the case, and we were informed by them that import analysis is used extensively by countries such as the United Kingdom and the United States, and in no way does it offend the present rules of GATT.

**Senator Flynn:** Honourable senators, I was in committee yesterday when the question dealt with by Senator Everett was discussed, and I am quite sure that in substance these amendments are improvements to the bill. However, I was not in committee this morning, as I am sure many other senators were not, since we had five committees sitting. Therefore, in order to give honourable senators, including myself and those who are not members of the committee, an opportunity of considering the amendments, I move the adjournment of the debate on the consideration of the report.

On motion of Senator Flynn, debate adjourned.

## THE ESTIMATES

### REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (B) PRESENTED

**Senator Everett,** Chairman of the Standing Senate Committee on National Finance, presented the following report of the committee, to which was referred the supplementary estimates (B) laid before Parliament for the fiscal year ending March 31, 1975:

Thursday, December 5, 1974.

The Standing Senate Committee on National Finance, to which the Supplementary Estimates (B) laid before Parliament for the fiscal year ending March 31, 1975 were referred, has in obedience to the order of reference of Tuesday, November 26, 1974, examined the said Estimates and reports as follows:

1. In obedience to the foregoing, the Committee made a general examination of the Supplementary Estimates (B) and heard evidence from the Honourable J. Chrétien, President of the Treasury Board, and Mr. B. A. MacDonald, Assistant Secretary, Program Branch, Treasury Board.

2. These Supplementary Estimates total $1,749 million and bring the total Estimates tabled for the fiscal year ending March 31, 1975 to $25,951 million. It is to be noted that the original Main Estimates for the year ending March 31, 1975 total $23,296 million and have been increased by Supplementary Estimates (A) and (B) by an amount of $2,655 million, approximately 11½ per cent. For some time your Committee has been concerned about the size of the increases in the total Estimates as a result of Supplementary Estimates, but in the case of the Estimates for the year ending March 31, 1975, the increase of this magnitude is largely due to the effects of inflation. Seventy-two per cent of the total of these Supplementary Estimates (B) contain measures to combat the effects of inflation.

3. The budgetary expenditures provided in these Supplementary Estimates (B) total $1,603 million, of which $801 million represent statutory expenditures required by law. Some of the major items are:

a) $315 million for fiscal transfers to the provinces;

b) $172 million to meet the cost of the $500 annual increase in rates of pay granted to most Government of Canada employees effective April 1, 1974 to meet the effects of unusual rises in costs;

c) $169 million for additional subsidies on milk for manufacturing purposes and for the beef quality premium;

d) $118 million in payments to the railways in compensation for revenues foregone during 1974 as a result of the rate freeze; and

e) $195 million for payment of higher interest rates on the Public Debt including bonus interest payments to holders of Canada Savings Bonds.

4. The Treasury Board has supplied your Committee with a list explaining the $1 items in the Supplementary Estimates (B).

5. A poster recently published by the Law Reform Commission was examined by your Committee. Questions were asked of the President of the Treasury Board as to whether or not this might be a frivolous expenditure of public monies. The President indicated that when such expenditures were brought to the attention of the Treasury Board they were examined by officials and this would be done in this case. The President of the Treasury Board stated that the Treasury Board reviews the budgetary requests of each department when the Main Estimates are made up

and from time to time when the Supplementary Estimates are made up. It does not conduct an ongoing examination of the manner in which the budgeted expenditures are made provided they can fit within the amounts approved in the Estimates. In this respect the Treasury Board largely relies on the work of the Auditor General.

6. Your Committee is of the opinion that Treasury Board should improve its control procedures to eliminate frivolous spending, even though the expenditure might be included in the approved budgetary item. In this regard, your Committee referred the President of the Treasury Board to its report on Information Canada and most particularly to recommendations 4 and 5 of that report, which are as follows:

> "In the Blue Book of Estimates, the cost of information services should be fully and clearly shown for each program of each department and for all government agencies. Treasury Board should publish a definition so that departments will know what items should be included in information services. This definition should be developed for Treasury Board by Information Canada.
>
> Information Canada should act as the agent of the Treasury Board in screening the information budgets of all departments and agencies and advise Treasury Board regarding expenditures on information programs proposed by departments."

Your Committee is of the opinion that if the recommendations of its report on Information Canada were followed that frivolous expenditures in the information sector of government could be brought under much better control. Your Committee also drew the attention of the President of the Treasury Board to similar recommendations on the control of government expenditures in the scientific field made by the Senate Committee on Science Policy.

7. Your Committee expressed concern about the growth both in the size and cost of the manpower requirement of the Federal Government.

8. Appendix A to this report shows the growth in man-years and salaries and wages over the last five years. Authorized man-years has increased from 272,000 man-years in 1970-71 to 333,000 man-years in 1974-75. Salaries and wages have increased from $1,987 million to $3,124 million. This represents approximately 57% increase in the cost of Federal Government manpower over the last five years. These figures do not include the salaries and wages of a number of federal departments and agencies including military personnel. Your Committee has asked the Treasury Board to provide these figures for the entire manpower complement of the Federal Government.

9. Appendix B shows a comparison of the mean salaries for categories and selected groups in the Public Service between 1972-73 and 1974-75, a period of two years.

[Senator Everett.]

APPENDIX "A"

GROWTH IN MAN-YEARS AND SALARIES AND WAGES

| Main Estimates | Authorized Man-years (000) | Increase from Previous ME (000) | Salaries and Wages ($ millions) | Increase from Previous ME ($ millions) |
|---|---|---|---|---|
| 1970–71 | 272.2 | (4.3) | 1987.2 | 295.1 |
| 1971–72 | 280.7 | 8.5 | 2252.8 | 265.6 |
| 1972–73 | 291.2 | 10.5 | 2449.4 | 196.6 |
| 1973–74 | 315.4 | 24.2 | 2753.8 | 304.4 |
| 1974–75 | 333.0 | 17.6 | 3124.0 | 370.2 |

Note: National Defence military personnel are not included in either the man-years or the salaries and wages.

APPENDIX "B"

Comparison of Mean Salaries
for categories and selected groups in the Public Service
1972-73 versus 1974-75

| Category | Mean Salaries in $ 1972-73 | 1974-75 | Percentage Increase |
|---|---|---|---|
| Senior Executive | 27,688 | 32,385 | 17.0 |
| Scientific and Professional | 14,102 | 17,215 | 22.1 |
| Administrative and Foreign Service | 12,698 | 15,846 | 24.8 |
| Technical | 9,799 | 12,280 | 25.3 |
| Administrative Support | 6,599 | 8,481 | 28.5 |
| Operational | 6,694 | 8,961 | 33.9 |
| Groups | | | |
| Economics, Soc. Stat. | 16,874 | 20,138 | 19.3 |
| Administrative Services | 12,980 | 15,952 | 22.9 |
| Eng. & Scient. Support | 9,458 | 11,512 | 21.7 |
| Clerical and Regulatory | 6,874 | 8,971 | 30.5 |
| Secret. Steno, Typing | 5,867 | 7,275 | 24.0 |
| General Services | 5,877 | 7,414 | 26.2 |

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

**Senator Flynn:** Honourable senators I think it would be useful if Senator Everett gave an explanation of the report at this time.

**Senator Everett:** Honourable senators, I can save the time of the house by explaining briefly some of the highlights of the report.

First of all, supplementary estimates (B) total $1.749 billion, bringing the total expenditures so far for this fiscal year ending March 31, 1975, to $25.951 billion. I am sure you will be able to get most of the highlights out of the report itself.

There is one point that we brought up with the President of the Treasury Board. Honourable senators may have received in a cardboard tube today two copies of this poster from the Law Reform Commission. It has a blue design on it.

**Senator Asselin:** It is a nice colour.

**Senator Flynn:** There is nothing wrong with the colour.

**Senator Everett:** That is a matter of opinion.

**Senator Lang:** It makes it worse.

**Senator Everett:** The poster says in English and French, "Law reform concerns you." That is the extent of the language on the poster. We brought this matter to the attention of the President of the Treasury Board, because you will recall that the Standing Senate Committee on National Finance made a rather extensive report on Information Canada. In our examination we found that the information services of the federal government were costing in the neighbourhood of $200 million per year, but they were not really under anybody's control. We recommended that Information Canada, amongst other things, act as the agent of the Treasury Board in controlling expenditures on information in the federal government. We brought to the attention of the President of the Treasury Board the fact that the report existed, and as he is a new president we got his undertaking that he would read it.

We hope the government will find a way to implement the report and our recommendations.

While this poster may be a legitimate expenditure, one would rather wonder whether it is, and we would certainly have to say that an examination of this sort of expenditure on information would be useful in keeping down the cost of government.

As I say, the rest of the report is self-explanatory. There is some interesting material in the appendices to the report, relating to the increasing cost of personnel in terms of man years and salaries and wages over the last five years. I think you will find it extremely interesting.

**The Hon. the Speaker:** Is the honourable senator moving that the report be adopted?

**Senator Everett:** I so move.

**Senator Flynn:** No, next sitting. With the explanation that has been given we can wait until the next sitting for the motion to be put.

**Senator Everett** moved that the report be taken into consideration at the next sitting.

Motion agreed to.

● (1420)

## BUSINESS OF THE SENATE

**Senator 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, December 10, at 8 o'clock in the evening.

Honourable senators, before the question is put, I should like to give the usual brief outline of the work program for the next week. First of all I shall deal with the committees. On Tuesday the Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 9.30 a.m. Also at 9.30 a.m. there will be a meeting of the Standing Senate Committee on Agriculture to consider further Bill S-10, to amend the Feeds Act. I am informed by Senator Hayden that he is planning a meeting of the Banking, Trade and Commerce Committee for Tuesday also.

On Wednesday, the Banking, Trade and Commerce Committee will meet to continue its study of competition in Canada and of the Combines Investigation Act. The Special Senate Committee on Science Policy will meet when the Senate rises on that day.

On Thursday, our Foreign Affairs Committee will continue its examination of Canadian relations with the United States, the Joint Committee on Regulations and other Statutory Instruments will hold a meeting, and there will be a meeting of the Special Joint Committee on Employer-Employee Relations in the Public Service.

Also, of course, should any of the bills now on the Order Paper be referred to committee, the appropriate committees will meet to deal with them.

With respect to legislation, it is expected that, in addition to the bills already before the Senate, the bill to amend the Customs Tariff will reach us by Tuesday, and we should have the bill to amend the Excise Tax Act later in the week. I am informed that the appropriation bill dealing with supplementary estimates (B) will reach the Senate on Wednesday.

I should add that the Senate will sit on Friday of next week.

**Senator Flynn:** Most likely.

**Senator Langlois:** Most likely. There is work.

Motion agreed to.

## NATIONAL FINANCE

### COMMITTEE AUTHORIZED TO ENGAGE SERVICES

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

> That the Standing Senate Committee on National Finance be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purposes of its examination and consideration of such legislation and other matters as may be referred to it.

Motion agreed to.

## INDIAN OIL AND GAS BILL

### SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator McDonald for the second reading of Bill C-15, respecting oil and gas in Indian lands.

**Hon. Lionel Choquette:** Honourable senators, I must first thank the sponsor for his usual good effort to explain the bill. I do not want to put the Indian sign on Senator McDonald, but we do not propose to walk Indian file behind him. I want to choose this opportunity, honourable senators, to say this about a matter that is not directly connected with this bill. I want to say that yesterday the account that we received from the honourable senator of his visit to our Canadian troops overseas and of his meeting at NATO was one of the most interesting I have heard in this chamber since my appointment in 1958.

**Hon. Senators:** Hear, hear.

**Senator Choquette:** I cannot fully share his enthusiasm for this legislation. It purports to be for the benefit of the Indians affected, but its terms do not appear to have

satisfied them. It is, of course, paternalistic in that the Indians themselves will have little or no say in the disposition of the royalties to be derived from the gas and oil, or in any related matter, and there is only one provision in the bill, namely, clause 7, which appears to provide for consultation with representatives of the Indian bands affected.

I would like to read into the record the said clause 7:

> 7.(1) The Minister, in administering this Act, shall consult, on a continuing basis, persons representative of the Indian bands most directly affected thereby.
>
> (2) Notwithstanding anything herein contained, nothing in this Act shall be deemed to abrogate the rights of Indian people or preclude them from negotiating for oil and gas benefits in those areas in which land claims have not been settled.

However, the native Indian brotherhood complained before the Commons committee that there had not been full and complete discussion with them even prior to the introduction of this bill. There would appear to be no reason to believe that the consultative process will be any more effective in future as a result of clause 7. What price consultation?

I should like to read to you what was said by Mr. Linklater, one of the main spokesmen for the native Indian brotherhood, when the House of Commons Indian Affairs and Northern Development Committee were hearing representations. At page 620 of issue No. 6 of that committee's proceedings for November 5, 1974, Mr. Linklater had this to say:

> We mentioned earlier the manner of consultation, and even the bands sent in a telegram, and in my conversation with them they said that the process was not completed. In the discussions that took place in Alberta there was agreement that the department would come back to all the chiefs and say that they have worked out some recommendations, which the committee, with some of their legal advisers, had been on and that they would come back once more to finish the procedure. They now tell us that that procedure in Alberta, at least, was not finished, that the people did not come back to do the wrap-up to the consultation, but, as far as our organization was concerned, that there was some discussion they had had at the time of the task force on minerals, or whatever it was called, that was travelling about the country, but to say that we sat down and worked it out and had a chance to read all the legislation proposed, et cetera, the matter was not concluded. This is not the only instance, by the way, where that has taken place, and maybe we run into difficulty in what we mean by consultation. I could also cite many other areas where we had discussions and we had joint working agreements between ourselves and the Department of Indian Affairs and then, before the matter was brought to a satisfactory conclusion, the recommendations that were then made to Parliament or to the Treasury Board, or someone else, were not the same as we had agreed upon, and this is what our complaint is about.

[Senator Choquette.]

● (1430)

I believe we are entitled to some further explanations of the effect of the bill, particularly as to clause 3 thereof, which appears to validate certain regulations which were invalid to begin with. Also, I think that the very wide powers given to the Governor in Council in clause 4 in respect to oil and gas amount to a perpetuation of the paternalistic approach to Indian affairs.

Perhaps it is too much to expect that in this limited bill the government would abandon its traditional approach. Perhaps we can only hope that in the projected overall revision of the Indian Act our Indian peoples will be given a greater voice in, and some real control over, the administration of their day-to-day affairs, as well as in the pursuit of their legitimate aspirations. If we do not express confidence in them, there will be no confidence generated in them, and they will continue to be less than full and free citizens of this country.

I believe there are sufficient question marks attending this legislation to warrant its reference to committee, where the appropriate questions may be asked.

As Senator Williams usually says: "I have spoken!"

**Hon. A. Hamilton McDonald:** Honourable senators—

**The Hon. the Speaker:** I wish to inform the Senate that if the Honourable Senator McDonald speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator McDonald:** Honourable senators, I am quite aware of the situation that Senator Choquette has referred to. Whenever you talk about consultation, you never know exactly where you start, and you certainly have no idea where you are going to end. I suppose consultation could go on forever. I think, however, to be fair, that I should place on the record the procedure that is followed as far as consultation is concerned, because I do believe there is a limit to this process, whether it happens to be with Indian bands or with any other group in our society.

There was considerable consultation with the Indian bands before the Department of Indian Affairs and Northern Development took any action, or before Bill C-15, that we now have before us, was proposed. I would like to point out that no disposal of oil or gas rights may take place without the approval of the band, and the band concerned must vote on this matter before there can be any disposal or surrender of gas or oil rights. Before the band council surrenders a piece of land to be leased it is consulted about the terms of that lease. Band council approval must be received before surrender is accepted by order in council for a parcel of land, and it has been advertised. There is then further consultation. Only after the band has been consulted can an agreement be signed.

There is always band representation. The band is represented at all sales of gas and oil rights, and in many instances the department pays the expenses of the band representative who attends these sales. Then, after the prices have been offered at the sale, there is further consultation with the band council to get their approval before an agreement can be entered into and signed.

Honourable senators, I could go on in this way, but I think, as Senator Choquette has suggested, this bill should be sent to committee. There the departmental officials will

be available to answer, far better than I can, questions posed by Senator Choquette and others. I simply wanted to place on record the statement that the department in the past has never dealt, nor does it intend to deal in the future, with Indian lands insofar as oil and gas are concerned without full cooperation from and full consultation with the bands concerned. Perhaps Senator Choquette's remarks referred to Indians residing outside of bands who were owners of tracts of land to be leased. I cannot say about that situation, but I do know that where an Indian band resides on a property or owns a property to be leased, there has been and will continue to be full consultation.

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?

**Senator McDonald:** Honourable senators, I move that this bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

**The Hon. the Speaker:** Should it not be referred to the Standing Senate Committee on Health, Welfare and Science?

**Senator McDonald:** Honourable senators, if you look at the responsibilities assigned to each of our committees under our rules you will find that normally the Standing Senate Committee on Health, Welfare and Science deals with matters concerning Indians. However, matters assigned to our Standing Senate Committee on Banking, Trade and Commerce include royalties and natural resources. This bill deals with royalties and moneys being transferred to Indian bands, and for that reason I think that the Standing Senate Committee on Banking, Trade and Commerce is the appropriate committee.

Motion agreed to and bill referred to Standing Senate Committee on Banking, Trade and Commerce.

## FIRE LOSSES REPLACEMENT ACCOUNT ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator McDonald for second reading of Bill C-18, to amend the Fire Losses Replacement Account Act.

**Hon. Rhéal Bélisle:** Honourable senators, knowing that Senator McDonald has had many years of experience, both in the provincial legislature and in this house, it is quite obvious that he has the ability to summarize with facility and clarity a bill such as the one we are discussing.

In speaking briefly to this bill, I should like to say that I have perused the limited debate on this bill in the other place and also the pertinent discussions in their Indian Affairs and Northern Development Committee. Those discussions were very limited and the bill was passed without amendment.

The Fire Losses Replacement Account Act was enacted speedily in 1954, encountering very little opposition in Parliament. The purpose of the measure was to establish a fire losses replacement account in the consolidated revenue fund. When a loss occurs through fire and the replacement or repair of the destroyed or damaged property is urgently required, the fund provides the necessary amount of money for that repair or replacement. Treasury Board must approve any withdrawals from the fund, and such approval is given only when there is not sufficient money available in the appropriation for the department suffering the loss.

● (1440)

A government hospital, a customs office, a fish hatchery or a garage housing government automotive equipment may be destroyed by fire. Such property must be replaced immediately if essential services are to be maintained with the least possible disruption. The act is intended to cover such situations. When such an incident occurs, the balance available in the appropriation for the particular service concerned might be insufficient to cover the costs of repairs, because such an item had not been foreseen in the estimates. Even contingency votes in the estimates of a department, when such exist, might not provide enough to replace property destroyed by fire.

Without the Fire Losses Replacement Account, necessary repairs could have to be postponed until Parliament approves the disbursement. The delays in such a procedure are obvious. However, such delays could occur even though Parliament voted the original allotment for the erection of the property. Parliament would also have voted annually a certain amount for the upkeep of the property. Should that sum prove inadequate for the replacement of the property, the fund can be resorted to in urgent circumstances. Funds from the account are advanced temporarily on the understanding that the amount will be recouped subsequently by charges to the appropriation for the service concerned.

There is authority in the Financial Administration Act for the use of Governor General's warrants authorizing payments out of the consolidated revenue fund when accidents occur and money for repair or renewal of property is urgently required. However, such a procedure is available only when Parliament is not in session, or is adjourned *sine die* or for a period of more than two weeks. There is no such restriction in the Fire Losses Replacement Account Act.

At present the act authorizes advances from the fire losses replacement account for the restoration, rebuilding or repair of property under the administration or control of government departments. Bill C-18 would extend the application of the act to property used by the Yukon and Northwest Territories.

We on this side of the house feel that, in view of the clarity of the explanation of the sponsor, we would like to see this bill passed as soon as possible.

Motion agreed to and bill read second time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator McDonald:** Honourable senators, there does not seem to be any desire to have this bill referred to committee. That being the case, I would move that the bill be read the third time at the next sitting.

Motion agreed to.

## FOOD AND DRUGS ACT
## NARCOTIC CONTROL ACT
## CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Joan Neiman** moved the second reading of Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code.

She said: Honourable senators, on Tuesday of last week the government introduced Bill S-19 in this chamber, by which it proposes to transfer the legislative provisions relating to cannabis from the Narcotic Control Act to the Food and Drugs Act and, in order to regulate those provisions more appropriately, to make certain amendments to the Criminal Code. I cannot stress too strongly that this bill does not make possession of the substance *Cannabis sativa* legal, nor will it, I am sure, when the implications of these proposals are studied and fully understood, tend to encourage in any way the use of the substance in any of its forms.

You will see, honourable senators, that this bill retains stringent penalties for the offences of trafficking in cannabis, and possession for the purpose of trafficking, cultivation, importation and exportation of cannabis. It contains no extraordinary departures from the carefully considered position which the government took with respect to the use and control of cannabis, and which it stated publicly on July 31, 1972 through the then Minister of National Health and Welfare, the Honourable John Munro. I should like to review very briefly the background to that statement of policy and to this bill which it embodies.

Honourable senators will recall that, because of the growing concern in Canada over a steadily increasing incidence of the non-medical use of drugs and other substances, with all the social implications which flow therefrom, the government appointed a commission on May 29, 1969, under the chairmanship of Dean Gerald LeDain of Osgoode Hall Law School, to inquire into the non-medical use of a wide range of psychotropic drugs. The commission was given broad terms of reference and directions to make recommendations, as a result of its findings, on actions the government might take, either on its own or in conjunction with other levels of government, to reduce the dimensions of the problems involved in such use.

After a most intensive and extensive review of the material and evidence then available, the LeDain commission published its interim report in April 1970, in which there is a detailed analysis of the use of cannabis and of its apparent effects on users. Later, in May 1972, it published a substantial volume on cannabis alone, while its final report, which was published in December 1973, contains the commission's final conclusions and recommendations with respect to cannabis as well as other drugs. It also published a fourth volume on treatment, with which we need not be concerned in considering this bill.

There can be no argument that the LeDain commission had conducted a most thorough and comprehensive examination of the drug problem in Canada. It offered carefully documented, rational arguments for the conclusions it drew and the recommendations it made. Nevertheless, the reactions to its recommendations, particularly with regard to cannabis and, above all, marihuana—which is by far the most commonly used of all drugs—ran the gamut from acceptance to grudging acquiescence and then to rejection, on the one hand because they appeared too lenient, and on the other hand because they appeared too severe.

[Senator McDonald.]

It is highly dangerous to attempt to over-simplify a very technical and complex matter but, if I may venture to do so, the commission came to the conclusion in its interim report, on the basis of all the evidence and research then available to it, that the moderate use of cannabis did not appear to have any excessively dangerous or lasting ill effects. Nevertheless, it would appear that as a result of its further in-depth study in preparation of its special report on cannabis, and the accumulation of further research over the two-and-half-year period which transpired until the publication of its final report, the general attitude of the commission toward cannabis became somewhat more cautious and restrained.

● (1450)

Finally, it must be said that while there was not complete agreement among the five members of the commission, three of them, including the chairman, did give a majority opinion, while a fourth, Dean Ian Campbell, differed in his recommendations in some small degree only with regard to the simple possession of marihuana. The fifth member, Miss Marie-Andrée Bertrand, took an entirely different approach in recommending that the use of cannabis be legalized and controlled in a way similar to that which we now employ for alcohol.

I believe the lack of complete agreement on the part of the commissioners was indicative of society's dilemma. Their interim report, made public in June 1970, was an important document, not so much because of the solutions it suggested but because it served as a lightning rod for the emotionalism and polarization which had dominated attitudes to drug abuse in general, and the use of cannabis in particular.

The cannabis report in 1972 received international acclaim for its thoroughness, reasonableness and accuracy, and it was accepted in an atmosphere of much less dogmatic opinion and overreaction than existed when the commission first began its work. Today, in part because of the commission, there is less misinformation and overreaction in Canada, although there probably never can be complete public agreement on the issues involved in drug use or abuse. I do believe, however, that there is now enough common ground to reach a satisfactory consensus, one that would not have been possible four years ago.

Honourable senators will recall that while the commissioners themselves were not in complete agreement in their recommendations with respect to cannabis, they did arrive at complete consensus that cannabis did not belong under the Narcotic Control Act; that its presence in that act undermined the credibility of drug legislation in this country; and that the system of mandatory severe sentences for simple possession under the Narcotic Control Act was out of proportion to the seriousness of the offence.

I might say that that is one area in which all the commissioners agreed in their recommendations—that the act of simple possession should not be considered an offence. As honourable senators will see from the bill, that

is not a position with which the government can now agree.

The government has accepted the pharmacological fact that *Cannabis sativa* is not a narcotic, nor is it as potent a substance as heroin. For that reason, the bill removes it from the Narcotic Control Act and places control of the substance in a new section of the Food and Drugs Act. I might add, that is the act under which we have other equally or more dangerous substances, such as LSD.

While this bill seeks to make the legal characterization of *Cannabis sativa* more realistic, both pharmacologically and in terms of the credibility of the law, this will not in any way derogate from Canada's international obligations or domestic commitments with respect to cannabis.

Canada is a signatory to the 1961 Single Convention on Narcotic Drugs, which places upon us an obligation to control cannabis and other drugs from both domestic and international standpoints. The government remains firm in its intention, which it enunciated in its policy statement in 1972, not to legalize possession of cannabis in any form and, although the effect of this bill will be to lessen the impact of the law for the offence of simple possession, simple possession nevertheless remains an offence.

I emphasize these points because I want to make certain that no one misunderstands or misinterprets what this bill does. I do not want persons who are against any use of marihuana or hashish, or any drug, to mistakenly believe that *Cannabis sativa* is being made legal; it is not. On the other hand, I do not want proponents of the use of the substance to claim that this bill condones the use of cannabis, or somehow gives it a clean bill of health. The bill does neither of these things. It is designed to continue to restrict availability and use of cannabis, but to provide a greater flexibility in the enforcement and administration of the law regarding the simple possession of it.

I believe there is general acceptance that the law has been unnecessarily harsh on persons involved with simple possession. Much has been said and written about this, especially about the severe penalties imposed on many young persons. That is why this bill modifies penalties for simple possession.

I am in possession of some statistics. I shall not give them in any great detail, but they are provided by the Health Protection Branch of the Department of National Health and Welfare. They are statistics on which all law enforcement agencies rely to obtain a total picture of the use and abuse of drugs across Canada. The RCMP has its own statistics, but this department collates, or puts together, the various statistics.

It might be of interest to honourable senators to know, with regard to simple possession, that last year there were 18,603 convictions for simple possession of marihuana or cannabis. The number of those who went beyond that in the use of cannabis—in other words, were involved in trafficking or possession for the purpose of trafficking—was 19,929. So there were roughly 1,300 more convictions for the serious offences related to the use of cannabis. The point is that of the 18,603 convictions for simple possession, the courts imposed fines of one kind or another in 13,170 cases, or, roughly, in 70.8 per cent of the cases.

The courts also made use of the provisions in our acts regarding probation, absolute discharge and conditional discharge in some 4,500 cases. A relatively small number of convicted persons were given jail sentences by the courts.

The figure to keep in mind is that of all convictions, 9,504 persons were under the age of 20; in other words, roughly one-half of all convictions were of persons under that age.

There is one other figure that perhaps honourable senators should keep in mind. Last year it was estimated that this year well over one million people in Canada will have used, or tried to use, cannabis. I am not referring to those who constantly use it, but those who will have tried some form of cannabis. So the law is, in effect, reaching perhaps one per cent of those who try this drug. That explains to a certain extent why the government is trying to achieve a more balanced and rational approach to this problem.

● (1500)

In the case of a charge of simple possession, a prosecutor will not, under this proposed legislation, have a choice as to the manner in which he shall proceed. Under the Narcotic Control Act as it now stands, the prosecutor has no choice other than to proceed by way of indictment. This bill provides that the offence be dealt with by way of summary conviction only, and it sets out the limits of a possible jail sentence, which can be imposed by a court only in default of payment of a fine. It limits the amounts of any fines imposed, as well as the length of jail sentences in default of payment of any fine, with respect to first and subsequent offences.

While the government is deeply conscious of the fact that many conscientious and concerned citizens take an opposing point of view, there has been a great deal of criticism that penalties for other offences involving cannabis have been too harsh. That is why, for example, this bill proposes to alter the former mandatory penalty of life imprisonment for conviction, on indictment, of trafficking to a maximum of 10 years, or, upon summary conviction, to a fine of up to $1,000, or up to 18 months imprisonment, or both.

Bill S-19 introduces a further flexibility in the administration of the law regarding cannabis in that it provides an option to prosecutors of recommending to a court that it deal summarily in respect of charges involving trafficking, possession for the purpose of trafficking, cultivation, import or export. Charges of this nature, without this proposed legislation, can be dealt with only by way of indictment. Here, again, I think the government is trying to differentiate between cases where someone may be caught coming across the border with two, three, or even half a dozen cigarettes, and the person who is, in fact, importing on a large scale for purposes of trafficking.

This bill maintains stringent penalties in respect of convictions for importing or exporting. The maximum sentence on conviction by way of indictment is 14 years, and the minimum is three years. This retains the deterrent intent against dealing in drugs, while providing punishment for those who do so. However, as honourable senators will note, if a person convicted on indictment establishes that he imported or exported the cannabis for his own consumption only, the minimum three-year term does not apply.

**Senator Choquette:** Perhaps the sponsor of this bill would explain the difference between a summary conviction and a conviction on indictment for those laymen who do not practise law. I am sure a good many people are not aware of the difference.

**Senator Neiman:** On summary conviction, the provincial court judge himself proceeds to deal with the offence and, of course, sentences on summary conviction are much less severe than those that might be imposed on conviction by indictment. Also, if the prosecutor decides to proceed by way of indictment, then a somewhat more formal and lengthy proceeding follows. If the prosecutor decides to proceed by way of indictment, then the accused person may elect to be tried by a magistrate without a jury, or by a judge without a jury, or by a court composed of a judge and a jury. As I said, this proceeding generally results in much more severe sentences. It follows that an indictment is generally used where the offence is considered to be a serious one involving, perhaps, a more complex prosecution.

I trust that that explanation meets Senator Choquette's request. If it is deficient in any respect, it is because I am not really a criminal lawyer.

Another point which I think should be brought to the attention of honourable senators is that a more severe penalty is provided under this bill than is the case under the Narcotic Control Act in respect of conviction for the offence of cultivation. The reason for that, of course, is that the government is becoming increasingly aware of the ease with which people can now cultivate cannabis in their backyards or on their farms for purposes of distribution or sale.

While some may feel that these provisions are too light, I think one has to keep in perspective the relative dangerous qualities of this particular drug and other drugs, such as LSD, speed and heroin. There are, of course, much more severe penalties in respect of conviction for offences relating to those drugs. There are also far greater social implications in respect of offences in relation to those drugs as they relate to the full range of crimes. So that society, generally, takes a much more serious view of offences involving such drugs as LSD, speed, heroin, and so forth. I think in that context the penalties proposed in Bill S-19 in respect of cannabis are sufficiently severe to serve as a deterrent, and provide us with a measure of how the particular offences dealt with under this bill compare with all other offences.

**Senator Greene:** Would the honourable senator permit a question?

**Senator Neiman:** Yes, certainly.

**Senator Greene:** As I recall, the interim report of the LeDain commission found alcohol to be the main drug problem in Canada. Yet, some offences involving alcohol are still treated as a crime under the Criminal Code. Is there any reason why alcohol is not being treated in the same manner as cannabis? Why should a person who commits an offence involving alcohol have a criminal record, while the person who commits an offence involving cannabis is to be dealt with under the Food and Drugs Act?

[Senator Neiman.]

**Senator Neiman:** An individual committing any of the offences set out in this bill will have a criminal record, senator, unless the court takes advantage of its discretion to grant a conditional or unconditional discharge.

The public has criticized some practices in relation to personal searches of persons suspected of carrying drugs. Under this bill, a law officer can conduct a search of a person only when he or she reasonably suspects that that person is in possession of an illicit substance. This reasonable suspicion would not extend to indiscriminate searches upon a number of persons who happened to find themselves involved in a police drug raid. A police officer acting beyond his authority in this regard could be subject to civil proceedings.

Honourable senators, I submit that Bill S-19 would give prosecutors a selection of legal procedures better suited to deal with particular offences in respect of cannabis, while providing further protection to accused persons against misinterpretation or misunderstanding of the law. I have already mentioned—and we are all aware of this—the still rapidly increasing use of marihuana. You may have seen the report in this morning's *Globe and Mail* of a study released by the Narcotic Addiction Research Foundation in Toronto. That report mentions that the use of cannabis is continuing to increase but, strangely enough, in the slightly older group of people—I think in the group over age 25. However, they still represent a fairly small portion of the total number using this substance.

● (1510)

Although the government will continue to treat the use of cannabis as an offence, it is deeply concerned, as we all must be, with the distressing social and legal consequences which fall particularly on young offenders and their families, and which can perhaps unalterably affect the lives of those youngsters.

Juveniles can, of course, be dealt with more leniently and with more flexibility in our juvenile courts, but our adult courts also have had alternative dispositions available to them—in effect to make the punishment more appropriately fit the crime.

**Senator Davey:** Would the honourable senator permit a question? She referred to an article in this morning's *Globe and Mail*. I may have missed something, in which case I apologize, but I would like to know whether the article contained any information on the use of alcohol by teenagers.

**Senator Neiman:** No, it dealt essentially with the use of cannabis in the schools.

**Senator Davey:** I saw the article, and I thought there was some reference to alcohol.

**Senator Neiman:** I am sorry, there was—to the extent that in its use by what I may call the younger age group, the teenagers, they seem to be switching over to alcohol to some extent rather than staying with marihuana. I have the article here, and I know it does make the point that there seems to be a move from marihuana to alcohol.

**Senator Choquette:** Would you say that is farther on the way when going on a "trip"—that is, graduating from cannabis to alcohol?

**Senator Neiman:** I would not, no. I think it is just that the teenagers seem to think that having a beer is more the thing to do these days than smoke a bit of pot.

The Criminal Law Amendments Act, which became law on July 15, 1972, makes it possible for judges to direct that a convicted person be discharged absolutely or under probation conditions. A person who receives this kind of discharge is not considered to have been convicted of the offence. We also have the Criminal Records Act, under which any person convicted of offences involving cannabis is eligible to apply for pardon after prescribed periods of good behaviour.

While this bill would alter penalties respecting cannabis offences so that they are not excessive, let me stress again, honourable senators, that they are still penalties. They are still vital to the entire process of discouraging the use of the drug as much as possible, but one wonders, after reading this article this morning, whether in fact any of these approaches will solve this very large problem. I believe we have to face the fact that there will always be those who choose to use, or at least to try, some form of cannabis, but this bill emphasizes the government's determination to control availability of the substance by dealing severely with those who attempt to promote its use in any way in our society.

This determination to restrict as much as possible the availability of cannabis reflects the concern the government shares with many Canadians that long-term heavy use of the substance may have several kinds of serious consequences, physical and mental. The cannabis report of the LeDain commission documented these concerns more than two years ago, and research since then has done nothing to relieve those concerns. I must hasten to add that research has not proven that long-term heavy use of cannabis does cause serious physical and mental consequences. Nevertheless, the government is aware that much more study, lasting perhaps for several years, is needed before anyone, or any group of experts, will be able to bring in a verdict. That is one reason why this bill does not make possession of cannabis legal.

Let me describe briefly some of the unanswered questions about the effects cannabis may have, to illustrate why the government is being cautious in the legislative changes it proposes.

The frustrating aspect, for us as legislators, of dealing with these unanswered research questions is that highly trained experts with years of specialized experience are amassing contradictory bodies of evidence, and coming to contradictory conclusions. I recall reading in the final report that the commission had collected over 2,600 papers and documents, out of many more hundreds it has looked at and studied, simply to commence a library on cannabis alone. This is just a small portion of the work and research that has been done on this particular drug.

Obviously, we would like them to tell us the simple truth about cannabis. But the simple truth is that as yet there is no simple truth, and we are left with the problem of formulating legislation that will make sense in an area where challenge, contradiction and refutation seem to be occurring in the scientific community.

For one thing, there is no conclusive evidence that cannabis use results in chromosome abnormalities which could have adverse effects on an unborn child. There have, however, been studies which indicate the substance has had adverse effects in unborn rodents. Effects such as these cannot be extrapolated from animal experimentation to humans. However, it would be foolhardy for any pregnant woman to use cannabis, at least during the first three months, during which time a wide variety of chemical substances are known to affect adversely development of the foetus.

Under certain experimental conditions, it has been shown that cannabis intoxication can distort perception and impair cognitive and psychomotor functions. Such effects can be seen with moderate doses of the drug, and tend to be more apparent when complex tasks such as operating machinery are performed. I have recently read of experiments which indicate that cannabis tends to impair motor functions in most people in much the same manner, and to much the same degree, as would a comparable amount of alcohol. The most disturbing finding, however, is that the ingesting of both of those drugs at the same time or sequentially tends to have a much greater cumulative effect than had been anticipated. In other words, one and one do not necessarily add up to two; it could be three in terms of negative reaction. This, of course, has serious implications for drivers of automobiles.

Researchers are widely divided in their opinions regarding whether long-term cannabis use can cause brain damage. Some claim that long-term heavy use of cannabis can produce apathetic, sloppy-appearing beings who seem to be mentally dull, confused and have poor memories. More worrisome are a few observations that heavy cannabis users do not always seem to return to complete normalcy even many months after use has stopped. This has resulted in contentions that the drug may cause irreversible brain changes. Such claims are vigorously disputed by other experts, leaving us as legislators with no clear idea of the real extent of the danger.

Another area of health concern relates to the possibility of the smoking of cannabis causing lung cancer. While no evidence has yet been provided which would tend to substantiate such a result, it seems logical to assume that cannabis tars are at least as harmful as tobacco tars, and we should all be aware of their demonstrated record of harm.

Another long-term concern includes a general agreement by many, adults at least, that regular use of cannabis by adolescents probably has a harmful effect on the maturing process. The special nature of some psychedelic experiences that can result from cannabis use may leave a psychological mark on a 12- or 13-year old. As the cannabis report of the LeDain commission noted:

● (1520)

> It seems completely unrealistic to assume that adolescents, beginning as early as the age of twelve, can persistently resort to cannabis intoxication ... without seriously interfering with development of the capacity to cope with reality that is an essential part of the process of maturation.

Finally, much has been said and will be said in an attempt to prove or disprove the idea that the use of

cannabis invariably, or almost always, leads to the use of more potent drugs—notably heroin. It must be conceded that for many people cannabis use is another part of a complex pattern of drug-using behaviour, and that experimentation with one drug might reduce inhibitions about trying other drugs. That possibility alone, honourable senators, should be a sobering thought.

After a great deal of research on this matter, the LeDain commission came to the conclusion, however, that the progression of use from cannabis to heroin was relatively infrequent—and I stress "relatively"—and the statistics we have would seem to confirm this observation.

I refer again to the table I have before me, and I quote the figures for just the year 1973. The total number of convictions involving cannabis under the Narcotic Control Act was 19,929. The total number of convictions for all drug offences under the Narcotic Control Act was 21,469. In other words there were approximately 1,500 convictions for other offences—convictions for offences involving heroin.

The commission noted that the progression from amphetamines to heroin appeared to be much more frequent. One reason suggested, among many complex reasons, was that users of amphetamines—for instance, those who shoot speed—had overcome their fear or distaste of using a needle, and so it was a relatively small hurdle for them to try heroin.

At this point we should not be stampeded into a panicky response by what are admittedly real and unsolved problems. We must try to keep some sort of perspective when considering the results of scientific experiments which are continuing, a perspective which places the relative risks of cannabis use alongside the potential harm of many other drugs—and it is generally considered alcohol and tobacco are both far more dangerous when used excessively—and many other activities which are legally condoned and often highly regarded by our society.

It is worthwhile to emphasize that the existing laws respecting cannabis have not prevented many thousands—in fact, millions—from using the substance, to experiment, to defy authority, or whatever the user's reasons may have been. But far more than that number have not used the substance simply because they respect the law as the law, not because the penalties are severe or moderate. These people—and they are the majority—are unwilling to transgress the laws of the land because they regard the law as an important force in society, and these people will observe and hold this new form of the law in as high regard as they held the former law.

I do not think, honourable senators, that we should expect this bill to alter overnight the ratio of use and non-use. I do not think we should expect this bill to answer, or anticipate the answers, to questions about long-term effects of cannabis. The government is always prepared to modify its stand in either direction as further expert evidence is adduced, either with regard to considerations of health or as to the efficacy of the penal sanctions it is proposing. We should not, I submit, attempt to interpret, to extrapolate, to mould the myriad findings of scientific research to suit our personal opinions. We can expect this bill, however, to embody our concerns about cannabis in the law at the same time as it makes possible more fitting, just and credible legal responses to offences involving cannabis. We are trying to keep Canadians from doing themselves harm; we are not trying to impose our iron will on an unwilling populace.

In conclusion, the government fully recognizes the potential for harm in the use of cannabis. It will continue to encourage and to undertake further research in this direction. The thrust of this bill, however, is to rationalize the penalties in accordance with what the government considers the various offences with respect to cannabis should bear. I would hope, therefore, that if and when this bill is passed on second reading it will be referred to the Legal and Constitutional Affairs Committee. I am sure all honourable senators will want to hear from Dr. LeDain and members of his commission as to how their conclusions may have been altered or reinforced by further research and knowledge gained since the publication of their final report. It would also be most instructive to hear from the various law enforcement agencies, including the RCMP and members of the judiciary, as to their experiences and opinions in enforcing the law as it presently stands, and as it is proposed to be changed.

There are undoubtedly other individuals and organizations whose testimony would be invaluable. I suggest that honourable senators, after they have had an opportunity to hear those people and to study the material that will be provided, will be able to reach their own informed decision with respect to the ramifications of this bill. It merits the earnest consideration of this house.

**Hon. Joseph A. Sullivan:** Honourable senators, if the hour is not too late, I would like to make my contribution to this debate now, and I ask the Leader of the Government if I may do so.

**Senator Perrault:** I am delighted.

**Senator Sullivan:** Honourable senators, in rising to participate in this debate, I speak primarily as a medical man. After listening to the sponsor of the bill, with the compilation of medical statistics she gave us, I was wondering whether her training had been in law or medicine. I congratulate her on what she said, but that does not necessarily mean that I agree with what she said.

The use of soft drugs leads almost inevitably to the use of hard drugs. There is no such thing as "simple possession of marihuana," I would remind Senator Neiman. They are all either passing it on, or proselytizing. Furthermore, I am in favour of the death penalty for heroin traffickers. You now know exactly where I stand.

This is a medical problem, in the main. I question very much the knowledge of the average member of Parliament in this particular field. I interject that one remark primarily in the interests of the Senate. For years I have sat here and been insulted by certain people in the other place. When the government saw fit—and I congratulate the Leader of the Government on this—to have this legislation introduced in the Senate, a member of the other place again moved that the Senate be abolished. I sincerely trust that when I get through this dissertation, and when we have dealt with this bill, the people of Canada will know that it is not this house that should be abolished.

● (1530)

Before I discuss this legislation, let me read three headlines which appeared in the papers after the government announced it was going to introduce it. Listen to this headline from the *Globe and Mail* of November 27—Bill to End Jail for Pot Possession. What does that mean? Just imagine what it conjures up in the minds of habitual users. And listen to this headline from the Toronto *Star*—Ottawa Proposes Softer Sentences for Marihuana. Still another headline is: Ottawa Softening Marihuana Sentence.

In reading the report of the Commission of Inquiry into the Non-Medical Use of Drugs, which the sponsor of the bill quoted freely, and looking over the names of the members of that commission, I find that it was made up of lawyers, a psychiatrist and a director of social agencies. The only medical man was the psychiatrist.

The Dean of Arts of Sir George Williams University, Montreal, wrote the dissenting report in which he stated at page 311:

> I must dissent from the recommendation that the prohibition of the simple possession of cannabis be repealed and from part of the recommendation concerning cultivation.

At page 315 he stated:

> I must dissent from the recommendation of the majority of my colleagues and recommend that the prohibition on the possession of cannabis be maintained, for the time being at least. Possession of cannabis should be punishable upon summary conviction by a fine of $25.00 for the first offence and by a fine of $100.00 for any subsequent offence.

And:

> —with respect to the cultivation of cannabis other than for purposes of trafficking, I recommend that it continue to be an offence with penalties identical to those which I recommend for simple possession.

As a medical man, honourable senators, I fully concur with those conclusions. A clear knowledge of our relationship to our fellow creatures and to the work of life is indispensable. One of the first essentials in securing a good-natured equanimity is not to expect too much of the people among whom you dwell. Knowledge comes, but wisdom lingers.

In a historical address one of the most distinguished medical men of this century, the late Sir William Osler, made the following statement:

> I thought I could hear the voice of that great and good friend of mankind who in times of chaos still stoically counsels the cultivation of those virtues that most efficaciously contribute to the commonest of minds and to liberating people from their inherent terrors often as unnecessary as the terrors of the year 1000 were for people in the Middle Ages.

He stated that the supreme criterion for any man and for all mankind was equanimity, and he described it as one of man's most marvellous words, *aequus animus*, that is, an even anima or soul, a spirit that always keeps its water level through the wise combination of the levers and faucets that control this emotion.

This problem, honourable senators, is a medical problem. Let there be no mistake about that. The very latest scientific research information on this drug has stated in unequivocal terms that laboratory studies suggest that marihuana smoking interferes with reproduction, disease resistance and basic biologic processes.

I have gone into this problem extensively with the appropriate departments of the Faculty of Medicine of the University of Toronto, particularly the Medical Research Department. I have discussed it with people in medicine, pharmacology and pharmacy, and with the Director of Scientific Research of the Canadian Medical Association, Dr. J. S. Bennett.

Research conducted during the past four years in the Department of Pharmacology at the University of Toronto under Professor Kalow, Ph.D., M.D., head of the department, and Dr. Kalant, in conjunction with the Addiction Research Foundation of Ontario, has produced a number of potentially important findings with respect to the short- and long-term hazards of cannabis use. I will abstract these scientific findings in five paragraphs.

First, metabolic interactions with other drugs. Some of the ingredients of cannabis, especially cannabidiol and cannabigerol, are potent inhibitors of the reactions by which barbiturates, minor tranquillizers and numerous other drugs are inactiviated in the liver. As a result, simultaneous use of cannabis will greatly prolong the duration of action of these drugs, whether in young persons, middle-aged or old.

Second, interactions with other drugs in the brain. The major active ingredient of cannabis, tetrahydrocannabinol, now labelled THC, has been shown to enhance greatly the effect of a given dose of alcohol on psychomotor performance. This is in accord with the work of Rafaelsen *et al* in Denmark, and Manno *et al* in the United States, and the university's reports to the Le Dain Commission in Canada, concerning the greatly increased impairment in real or simulated driving skill when alcohol and marihuana are used together, compared to the effects of either one alone.

Third, tar content of cannabis smoke. This is where I disagree most vigorously with the sponsor of the bill, and I have here in an article the authenticated, proven research work on it. By analysis of smoke obtained from marihuana cigarettes, under a wide range of combustion conditions, it has been found that the smoke contains nearly 50 per cent more tar than the smoke of one of the highest-tar tobacco cigarettes, and eight to ten times that of the lowest-tar tobacco cigarettes. Since marihuana smokers are almost invariably tobacco smokers as well, a heavy marihuana smoker would add significantly to the risk of bronchopulmonary damage—in other words, bronchogenic carcinoma—already posed by the tobacco use.

Fourth, the persistence of THC in the body. Again this is another fact authenticated and proven. By the use of radioactively labelled THC, we have found that, after a single dose, measurable traces of the drug persist in the body for as long as 48 hours, especially in the fat. Therefore, daily use would probably lead to gradual build-up of body levels, and a more or less continuous state of partial intoxication. Clinical observations suggest that this may indeed happen in heavy users, and the following experi-

ments on learning by laboratory animals are consistent with it. The details are in that article.

And, fifth, the effects of cannabis on learning. In this final aspect of the investigation by these distinguished scientists, I believe Senator Davey's question is answered—and I should point out to him that a publication is coming out shortly on the effects of alcohol on young people. Dealing with the effects of cannabis on learning, it was found that when rats were given a single dose of cannabis extract daily, they showed marked impairment of appetite, reduced activity, and enhanced effect of alcohol, as mentioned earlier. After periods ranging from one to four weeks they developed tolerance to all these effects. However, they showed impaired learning ability which not only persisted but grew more marked as the cannabis administration continued. When the drug was stopped after three months, the learning ability gradually returned to normal. But if the daily dose was continued for six months the learning impairment became permanent. It became permanent. This is the important point—if the daily dosage continued for six months the learning impairment became permanent.

● (1540)

From these results these investigators concluded that if cannabis use becomes widespread the heaviest regular users will incur a variety of risks, including increased hazard of automobile accidents, increased risk of overdose effects from a variety of other drugs, increased risk of lung disease—including bronchogenic carcinoma—and possibly permanently impaired learning or memory. From surveys carried out by the Addiction Research Foundation, as well as by the Le Dain commission and the Shafer Commission in the United States, it is estimated that possibly 5 per cent of users might fall into this category.

In what I propose to say now I shall be digressing—and transgressing, as it were—for a moment into the legal aspects of the subject. In assessing the functions of the law, one must bear in mind the fact that the imposition of legal sanctions carries a social and economic cost in the form of the police and judicial activities entailed, and the personal hardship experienced by those convicted and punished for infractions of the law. On the other hand, all experience in this and other countries has shown that legal restrictions do deter many people who would otherwise use drugs. Even prohibition, though it was considered a failure for other reasons, did effectively reduce the total consumption of alcohol and the death rate from alcoholism. Therefore, the question to be decided in relation to any proposed reduction in legal sanctions against cannabis use is whether the reduction in social and economic costs of application of the law will be greater than, equal to, or less than the social and medical costs arising from increased use of the drug.

In attempting to decide that question, the Senate may find it useful to consider three subsidiary questions:

(1) will it be seen as discriminatory that imprisonment will be retained for those who are unable to pay fines imposed on them, but not for those who can afford to pay the fines?

(2) while the reduction in penalties for possession of cannabis may alleviate some of the social costs arising from enforcement of the law, is it necessary to link this with reduction of maximum penalties for trafficking? Does society need to show any special compassion for the large-scale trafficker of cannabis compared to the large-scale trafficker of any other illicit drug?

(3) Since the knowledge of the long term effects of cannabis use will obviously increase with time, and the balance of relative costs arising from law enforcement and from heavy drug use will become easier to assess, would it be worth while to make any changes in the law initially on a trial basis, as was done for repeal of capital punishment? If this were obligatorily linked to a monitoring of the costs of the law, the extent of cannabis use, and a follow-up of the effects on known users, the definitive legislative decision at the end of the trial period would be assured of a sounder basis.

The Canadian Medical Association recommended the transfer of marihuana and hashish to the Food and Drugs Act over five years ago. In the interim period a considerable number of casual users of marihuana have suffered jail sentences, and will continue to suffer from a criminal record resulting from same, which this association believes is most inappropriate.

The transfer of marihuana and hashish to Schedule H of the Food and Drugs Act, while a step in the right direction, does not solve the problem of casual users of these products obtaining and suffering from a criminal record. While it is not a Canadian Medical Association position in an official way, I believe I would be accurately interpreting the CMA's position and policy on this subject when I say that an amendment—and I intend to move a few in committee—should be made to this legislation whereby after an appropriate period of time—say, two or three years—the criminal record of an individual found guilty of so-called simple possession of marihuana would be erased. This of course would be conditional on appropriate behaviour—"the lack of being convicted of a second offence". Personally, I think this is a very important matter.

If my interpretation is correct, there is latitude provided in this legislative change for lesser penalties for trafficking. At no time has the Canadian Medical Association made any such suggestion. Indeed, they indicated that they did not have the expertise to offer opinions on this matter, but they have stated that there is need for review and clarification of the legal definition of "trafficking," and "possession for the purpose of trafficking." Hence, I think it is most wise that this bill go to the Standing Senate Committee on Legal and Constitutional Affairs.

It is the opinion of the Canadian Medical Association that the legal definitions of "trafficking" and "possession for the purpose of trafficking" should be reviewed and clarified; and that control of psychedelic drugs, cannabis products and similar substances, and the legal machinery for dealing with users, be health-oriented—that is, the Food and Drugs Act as opposed to the Narcotic Control Act, pending review of the current pertinent legislation.

There is still a climate of argument, contradiction, and indecisiveness over the physical, psychological and social ramifications of the use of marihuana, and no answer appears to be just over the horizon.

It is of importance to develop effective methods of prevention and education that are likely to deter individuals of all backgrounds, and at all levels of risk, from adopting pernicious patterns of drug use, whether of marihuana or other drugs abused in our society. To do so we need to better understand the factors in our own and other cultures which help to socially control drug use and to inhibit drug abuse. Although research in these areas frequently lacks the precision possible in laboratory sciences, it may prove to be in the end the most important in averting drug abuse and its health consequences. Such research should certainly include a better understanding of those aspects of individuals' lives that serve to make drug abuse less attractive, and provide tenable alternatives to drug use.

I now wish, honourable senators, to put on the record of this house a most valuable and important piece of research work. Bandura, of Stanford University, and his associates have found a genetic anomaly underlying aggression in both experimental animals and men. The discovery of the consequences of these anomalies, and of other types of brain damage, shatters the assumption made by criminologists and sociologists that the vast majority of cases of violent behaviour involve people with completely normal brains, and, furthermore, the use of drugs over a period of time accentuates this particular and specific characteristic. Medical science is on the verge of explaining why some people are more prone to the use of drugs than are others. For example, development of a vastly improved brainwave recording machine now in progress at Tulane University enables doctors to detect signals of trouble from deep in the brain without surgically implanting recording electrodes there. It may also become possible to treat these damaged deep nerve networks ultrasonically, thereby avoiding surgery—a piece of research work with which I am intimately familiar for I have carried out the same in regard to the disturbance of balance in the inner ear.

In a communication to me, Dr. Harvey Powelson, a leading research investigator at Berkeley, California, states:

> Canada seems to be on the verge of making a dangerous decision—whether to legalize marijuana—a decision that could ruin thousands of young lives.

● (1550)

Powelson has dealt with thousands of students on their bad "trips"; he has retracted a statement he made in 1967, when he said the use of marihuana and hashish were harmless. Now, in the light of his experience in dealing with over a thousand users since that time, he has proved beyond a doubt what I have already placed on the record, that while it gives a feeling of joy at first, it soon shows less pleasant side effects; it distorts the thinking processes, makes the person accept with illusory calmness unthinkable wrong actions, and robs the appetite.

Powelson warns, as do many other experts, that there is proof that continued use of the drug brings on insomnia, damages the brain cells and the chromosomes, and increases the risk of lung cancer.

In a personal letter, Dr. Kalant of the Department of Pharmacology of Toronto University, who was so kind as to comment favourably on certain work I had carried out, presented me with two copies of a book which I have here now. In that letter Dr. Kalant said:

> If I may be so bold as to say so, I think that it might be very helpful to the Senate if the Clerk of the Senate were to obtain a copy for each member before completion of the debate on the new legislation. Let me assure you that this is not a sales pitch, because we receive no personal gain from the book, having donated the royalties to the Foundation. But we feel very strongly about the ideas and issues discussed in it, and would really like to think that we had made a contribution to social policy in writing it.

As I said, honourable senators, I have that book here, It is *Drugs, Society and Personal Choice,* and I have a copy in English, and one in French. I propose to present these to the Standing Committee on Legal and Constitutional Affairs and I trust the members of that committee will read them. If they do so, I have no doubt as to what direction they will take.

I should like to quote another very respected authority in the field of medicine on this subject. Dr. Gustave Gingras, Executive Director of the Rehabilitation Institute of Montreal, and immediate past president of the Canadian Medical Association, said in March of this year:

> The widespread idea that marihuana and other cannabis drugs are either harmless or no more harmful than tobacco or alcohol is both wrong and dangerous.

I might add that in the book I have mentioned there is a very thorough review of the so-called experts in every media who seem to have all the answers to these problems.

Finally, honourable senators, all this exuberance over abortion, women's liberation, drugs, permissiveness, sex, et cetera, is nothing other than the belch and acid indigestion of an overfed, obese and hedonistic society. I understand *Varietas delectat cor hominis,* and "swinging" can give one some gratification, but how about the spirit, the soul? No man can serve two masters.

This is the age of permissiveness. In the name of freedom, people, including children, are allowed to be lazy, dirty, foul-mouthed, disgusting and violent. Abnormality is equated with normality; lawlessness with justice. The clever masters of our media suggest that patriotism is a hollow sham, that reverence for authority is weakness and that authority itself is stupid or corrupt. They convince many that there is no God and, of course, no sin.

We have learned to read without learning to think; we listen to radio and watch television in a sort of hypnotic trance and learn insensibly lessons that would be repugnant to common sense and ideals if we ever brought them to bear on the programs. There is an outcry against censorship and interference with individual freedom. Sadists, lechers and other abnormals, we are told, should not have to conceal their abnormalities. We should understand and sympathize with them; they have a right to their satisfaction. This is eyewash.

Even Jesus criticized the hypocrites of his day—those who cleansed the outside of the cup and platter, and left the inside foul with iniquity. Neither Jesus nor any other founder of a world religion suggested that people should flaunt their mental and moral diseases in public view. We should not smear the outside of the cup and platter with

excrement to make it correspond to the inside. We should instead wash the entire vessel thoroughly, making it sweet and clean and fit to contain the bread of life and the living water. We should not allow the legalists who like to follow the path of least resistance to discourage us. They are not to tell us what we cannot do, but how we can do what we know we should. Do not let the bleeding hearts discourage us in the name of freedom. It is a form of mental laziness and a refusal to face facts.

Honourable senators, I believe this permissiveness to be heresy, and in this regard I would quote the words of Sir Arnold Lunn:

> I believe that to be a heresy—you may call it, if you wish, the Gadarene heresy—which regards the educational process as allowing your charges to run violently down a steep hill and providing first aid at the bottom.

**Senator Davey:** Honourable senators, I wonder if I could ask Senator Sullivan a question. I am curious to know if he has any information as to whether the excessive use of alcohol and tobacco lead to more damaging effects on the individual than the use of cannabis.

**Senator Sullivan:** As I stated at the beginning of my presentation, these investigators, whom I have quoted and with whom I am associated, are in the process of publishing some literature in that connection. This book has to do with the effects of ethyl alcohol on people together with the use of cannabis, but another very interesting publication, and one which is most timely, will be coming out in the very near future. It is even possible that it will be available while this legislation is being studied in committee.

**Senator Davey:** But will it be available during the course of this debate?

**Senator Sullivan:** It probably will not be available during the course of this debate, but there is a possibility that it will be available during the committee stage.

On motion of Senator Deschatelets, for Senator Hicks, debate adjourned.

## NORTH ATLANTIC ASSEMBLY

TWENTIETH ANNUAL SESSION, LONDON, ENGLAND—DEBATE CONTINUED

The Senate resumed from yesterday the debate on the inquiry of Senator McDonald calling the attention of the Senate to the Twentieth Annual Session of the North Atlantic Assembly, held at London, England, from 11th to 16th November, 1974, and in particular to the discussions and proceedings of the Session and the participation therein of the delegation from Canada, and to the visit of the delegation from Canada with Canadian Forces in Germany.

**Hon. Paul Yuzyk:** Honourable senators, the only reason I am speaking at this late hour of the afternoon is that I shall not be here next week, and I should like to present my report regarding the Twentieth Annual Session of the North Atlantic Assembly.

The Twentieth Session of the North Atlantic Assembly, which was held in London, England, November 11-16, celebrated the 25th anniversary of the North Atlantic Treaty Organization (NATO), and its own 20th anniversary by focussing attention on human rights and the interdependence of the partners. In recent years this parliamentary institution of NATO with delegates from 14 countries—excluding Greece because democracy was not restored in that country until after the session—has grown in the scope of work and influence. Although military matters receive considerable attention, deliberations have greatly expanded in political, economic, educational-cultural, and scientific-technological affairs. The alliance promotes not only military co-operation of the member countries but also co-operation in other fields of national life.

The Canadian input was substantially in evidence at this session. The European allies now do not automatically lump us with the United States. They gave greater recognition to our role in various committees and finally elected the leader of our delegation, Mr. Paul Langlois, as the next Treasurer of the Assembly.

The work of the political and military committees has been ably presented by our colleague, Senator McDonald. I shall deal as concisely as I am able with the Committee on Education, Cultural Affairs and Communications. The Canadian component of this committee consisted of Mr. Ralph Stewart and Mr. Alex B. Patterson from the House of Commons, and myself from the Senate.

Under the leadership of Senator John V. Tunney of California, who was elected chairman at the Eighteenth Assembly in 1972, the Committee on Education, Cultural Affairs and Communications has greatly increased its role in NATO. He was re-elected chairman this year. The committee was very fortunate to secure the services of Lord Lyell of Great Britain as general rapporteur. He is a very capable, knowledgeable and energetic young man, whose hard work was much appreciated by the members of this committee. Lord Lyell presented an extensive report dealing with the state of the alliance, the free flow of information, cultural aspects of the Conference on Security and Co-operation in Europe, dissent in the Soviet Union, parliamentary relations, exchange programs and public opinion.

● (1600)

The section on the state of the alliance brought us up to date on the political differences among the allies, especially in the Middle East; relations with the European Economic Community; the importance of the United States; the military situation with references to the SALT agreements and the Conference on Security and Co-operation in Europe; the economic situation; and the Polarka affair regarding the plan for a Soviet invasion of Yugoslavia, now considered as an extension of the "Brezhnev Doctrine."

The report discussed the status and operations of Radio Free Europe and Radio Liberty, and the need for a subcommittee on the flow of information and people between East and West.

The section on the cultural aspects of the Conference on Security and Co-operation in Europe outlined the Soviet position of legitimizing the post-war division of Europe and particularly Germany, and the Western position of increasing the flow of information and people in and out

of the Warsaw Pact countries. The West has won some concessions, such as the consideration of cultural and human issues, which the East had previously avoided.

The section on dissent in the Soviet Union focused on the case of Alexander Solzhenitsyn, the Nobel prize winner, a landmark for a Soviet citizen to be forcibly exiled. Solzhenitsyn approves of the protests from the West to the Soviet authorities concerning human rights.

Although there are exchange visits between European and North American parliamentarians, the only forum for official trans-Atlantic parliamentary contact is the North Atlantic Assembly. It is recommended that the secretariat establish a program for an exchange of staff between the various parliaments in order to become familiar with the workings of the different institutions.

On the occasion of the twentieth anniversary of the Assembly the report urges fresh initiatives in the field of information in order to alert public opinion to the importance of the Atlantic Alliance, which "will not progress, nor indeed survive, without continual political support." Only with the continuing will and the unceasing efforts of member countries can the alliance progress, not merely as a defensive organization but also as a catalyst for the ideals and aspirations of the young political leaders of the alliance, most of whom are too young to remember World War II.

Lord Lyell also presented a separate document on dissent in the Soviet Union. A large section was devoted to Alexander Solzhenitsyn and his book *Gulag Archipelago*. Information was given about Andrei Sakharov, Pavel Litvinov, Pyotr Grigorenko, Zhores and Roy Medvedev, Andrei Amalrik, Andrei Sinyavsky, Yevgeny Yevtushenko, Vladimir Bukovsky, Valery Chalidze and many others—28 in all. The rapporteur's report states that most of the information on dissent in the Soviet Union emanates from secretly transmitted documents and manuscripts. Samizdat, meaning self-published writing, is distributed unofficially to avoid censorship and is smuggled at great risk to friends and organizations in western countries, demonstrating both the continuing vigour of literature in the Soviet Union and the courage of the dissenters, who are constantly under surveillance by the KGB, the dreaded secret police.

The report reveals that the Soviet methods for treatment of dissidents vary considerably:

1. Official persecution and harassment, which may involve such actions as dismissal from a job or removal from the Writers' Union;

2. Exile from Moscow, the centre of literary activity and protest;

3. Imprisonment and hard labour up to 15 years in Siberia;

4. Committal to mental hospitals;

5. Revocation of citizenship upon foreign travel, and a ban on any return to the Soviet Union; and

6. Forcible exile from the Soviet Union, such as was employed in the case of Alexander Solzhenitsyn.

Mr. Clayton Yeo, formerly of Winnipeg but now residing in London, outlined the work of Amnesty International and the efforts to secure the release of prisoners of conscience from Soviet prisons and hard labour camps. This is a very difficult task because Soviet authorities do not recognize prisoners of conscience, labelling them as criminals. Amnesty International has had some success and seeks the support of governments, parliamentarians, prominent persons and various organizations. Mr. Yeo confirmed the facts in Lord Lyell's report and drew attention to the widespread Ukrainian dissident movement among the writers and academics, and referred in particular to the case of Valentyn Moroz.

Pavel Litvinov, the grandson of Maxim Litvinov, the Soviet foreign minister during Stalin's regime, appeared before the committee. He was introduced by Professor Peter Reddaway, a noted British authority on the dissident movement in the Soviet Union. Litvinov urged the West to be cautious about the détente. Soviet leaders are interested above all in the technology and the food of the Atlantic states. Communist ideology in the Soviet Union has completely collapsed. The present Soviet leadership is clinging solely to power and is becoming senile. Pragmatism guides its actions. Dissent is growing everywhere in the Soviet Union, and it cannot be suppressed. The Soviet leadership wants to work in darkness and fears publicity. The democratic countries must take a strong stand on human rights and condemn the violations in the Soviet Union, which is not an internal matter as the Soviet Union is a signatory to the Universal Declaration of Human Rights. The Soviet Union is afraid of world public opinion. Western governments must defend the dissidents and human rights and heed the appeals of academician Andrei Sakharov, concluded Pavel Litvinov.

Senator Henry M. Jackson of Washington spoke on his amendment to the trade bill, which is expected to be passed soon. He stressed that the United States would not continue trade with the Soviet Union unless the latter agreed to a minimum of 60,000 emigrants of various nationalities from the Soviet Union the first year, the number to steadily increase each succeeding year. Apparently the Soviet leaders have reluctantly acceded to these demands because they need trade with the United States of America.

In the discussions that followed, as a member of the Canadian delegation I took an active part commending Lord Lyell for his excellent report, as well as Mr. Clayton Yeo of Amnesty International. Since I follow the dissident movement in the Soviet Union very closely, I submitted the names and cases of several Ukrainian dissidents such as Vyacheslav Chornovil, Ivan Dzyuba, Leonid Plyushch, Nina Strokata and other imprisoned women to be included in Lord Lyell's list, which the committee accepted.

In particular I presented the case of Valentyn Moroz, the Ukrainian historian, who has been on a hunger strike in Vladimir prison since July 1, but is force-fed by the Soviet authorities to keep him alive. Our information comes from Andrei Sakharov, the father of the H-bomb in the Soviet Union and the chairman of the Moscow Human Rights Committee, with whom the Moroz Defence Committee in Canada and myself are in contact by telephone. Transcripts of the recorded telephone talks are made available to our Secretary of State for External Affairs and to interested parties. I gave an account of the actions of the Moroz Defence Committee, the interventions of the Prime Minister, Mr. Trudeau, and Mr. Sharp and Mr.

MacEachen, as Secretary of State for External Affairs, the appeals of professional organizations, and the wide publicity given to the Moroz case in the Canadian press, television and radio.

● (1610)

My presentation must have impressed the members of the Committee on Education, Cultural Affairs and Information, for I was asked to present a paper on the situation of the non-Russian peoples in the Soviet Union at the next meeting in Copenhagen in May 1975. Subsequently, a telegram was despatched to Leonid Brezhnev, the Secretary General of the Communist Party of the Soviet Union, requesting the immediate release and hospitalization of Valentyn Moroz. This telegram was signed by Senator Tunney, Lord Lyell, Senator K. de Vries of Holland, Senator A. H. McDonald of Canada and myself. This was reported in the British press and in some Canadian newspapers.

The committee drafted a resolution on human rights expressing concern about the continuing suppression of ideas and persecution of dissenters in the Soviet Union and the other Warsaw Pact countries, about restrictions imposed on emigration and broadcasting, and urging that the member governments of the Alliance pursue agreements with the Soviet Bloc countries which would guarantee the free expression of ideas, the free movement of people and the free flow of ideas across national borders, and that they confirm their commitment to basic human rights and recognize the vital connection these freedoms have with a genuine East-West détente. This resolution was unanimously adopted by the Assembly.

To put this resolution into effect, it was decided to establish a "Subcommittee to study the Free Flow of Information." This subcommittee will be convened prior to the meeting in Copenhagen next May, when its first report will be submitted.

The Committee on Education, Cultural Affairs and Information was also concerned about the NATO Information Service, the necessity of public support for the continuing success of the Alliance, and the possible weakening of popular and parliamentary support. The following resolution was adopted by the Assembly:

> That the North Atlantic Council examine its activities in the field of public information in order to determine areas in which expanded efforts should be undertaken;
>
> a) increased distribution of information to members of parliament, with particular attention being given to delegates of the Assembly;
>
> b) improved and expanded coverage of the Assembly and its activities in NATO publications;
>
> c) inclusion of the Assembly as a regular part of the NATO visitors' program when appropriate;
>
> d) publicity about developments in member parliaments which have a direct impact on the Alliance.

The resolution on the Parliamentary Staff Exchange Program requested the standing committee to ask the international secretariat to study the feasibility of establishing and financing a small program of exchange between parliamentary staff members whose work directly benefits the Assembly. Participants would observe the operations of their host parliaments, and visit ministries and departments of government. Since the mechanics and financing of this project require further study, it was decided to approve it in principle only at this time.

Honourable senators, I had brought up the issue of the violation of human rights by the Soviet government and the heroic stance of Soviet dissidents, including Valentyn Moroz, in the same committee at the 18th Session of the North Atlantic Assembly held in November 1972, in Bonn, Germany. There was a brief, positive discussion, but no resolution was drawn up because no advance notice had been given. At that time, Senator Tunney of the United States was elected chairman of the committee. A new rapporteur was chosen, charged with the task of collecting information on the Soviet violation of human rights and the state of the détente. Lord Lyell discharged his responsibilities in an excellent manner. Now, for the first time, NATO has a more accurate picture of this situation in the Soviet Union.

We cannot sacrifice our high principles and ideals of freedom and democracy to accommodate the Communist regime just for the sake of the détente. The cultural exchanges between the East and the West have been preponderantly one-sided, greatly favouring the U.S.S.R. I am glad that we are taking a tougher stance, which the Soviet Union will have to respect. The Soviet Union must be made to realize that the Western powers insist that it live up to its commitments as a signatory of the Universal Declaration of Human Rights and also the détente commitments.

I should like to bring to the attention of the Senate the fact that Canadian delegations to international meetings must have continuity if they are to be effective. Experience has shown that we are at a great disadvantage when we send new persons who are not acquainted with the leading delegates of other countries, and with the procedures. It was much easier for me to take an active role in the Committee on Education, Cultural Affairs and Information because I had been on the committee two years ago, knew several members from other countries and, what is more important, knew how the committee functioned.

**Senator Choquette:** You will go back.

**Senator Yuzyk:** Thank you. The members of the Canadian delegation to this Assembly, after discussing this matter, advise that in the future most of the former members should be chosen again to provide continuity in Canadian external activities, as was stated so well by Senator McDonald. I also believe that the delegation from the Senate should be large enough to have a member on each committee of the Assembly.

**Hon. Senators:** Hear, hear.

**Senator Yuzyk:** On this occasion there were six committees and we had only three members. In this respect we were not adequately represented at the last Session.

On motion of Senator Lafond, debate adjourned.

The Senate adjourned until Tuesday, December 10 at 8 p.m.

# THE SENATE

Tuesday, December 10, 1974

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

Prayers.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that messages had been received from the House of Commons to acquaint the Senate that the name of Mr. Jelinek has been substituted for that of Mr. Forrestall, that the name of Mr. Isabelle has been substituted for that of Mr. Francis, and that the name of Mr. Francis has been substituted for that of Mr. Isabelle on the list of members appointed to serve on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Brewin has been substituted for that of Mr. Leggatt on the list of members appointed to serve on the Standing Joint Committee on Regulations and other Statutory Instruments.

## IMMIGRATION ACT

BILL TO AMEND—MESSAGE FROM COMMONS

**The Hon. the Speaker:** Honourable senators, a message has been received from the House of Commons to return Bill S-12, to amend the Immigration Act, and to acquaint the Senate that they have passed this bill without amendment.

**Senator Flynn:** Perhaps it was a simple bill after all.

**Senator Langlois:** They did it in record time too. Thanks to the Senate, it became simple.

## DOCUMENTS TABLED

**Senator Langlois** tabled:

Copies of Report entitled "Tomorrow's Capital," a regional planning concept proposed by the National Capital Commission, 1974.

Report of the President and statement of accounts of the Industrial Development Bank for the fiscal year ended September 30, 1974, pursuant to section 30(4) of the Industrial Development Bank Act, Chapter I-9, R.S.C., 1970.

Copies of contracts between the Government of Canada and the municipalities of Parkdale and Sherwood, 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 Canadian Grain Commission for the year ended December 31, 1973, pursuant to section 14 of the Canada Grain Act, Chapter 7, Statutes of Canada, 1970-71-72.

## THE SENATE

CHRISTMAS DECORATIONS

**Senator Haig:** Honourable senators, before the Orders of the Day are called, I wish to draw your attention to the beautiful Christmas tree which decorates the foyer of the Senate. It is a tribute to the joyous season, and deserves the congratulations of those responsible for its execution and decoration.

The tree itself is a donation of Senator Côté, and to him we give our thanks.

● (2010)

To the staff of the chamber, for their work and dedication, we offer our thanks, and we hope this representation will extend to our personal lives for many years to come.

I earnestly request, Madam Speaker, that you extend our thanks to those responsible for this beautiful decoration.

## FIRE LOSSES REPLACEMENT ACCOUNT ACT

BILL TO AMEND—THIRD READING

**Senator McDonald** moved the third reading of Bill C-18, to amend the Fire Losses Replacement Account Act.

Motion agreed to and bill read third time and passed.

## FOOD AND DRUGS ACT NARCOTIC CONTROL ACT CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, December 5, the debate on the motion of Senator Neiman for the second reading of Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code.

**Hon. Henry D. Hicks:** Honourable senators, I think Senator Neiman made a very good and balanced explanation of this legislation when she moved second reading,

and I do not think it is necessary for me to add too much to it, though there are two observations in particular that I want to make. Before doing so, I should like to say that I think Senator Neiman's presentation of the issue at stake in this bill was somewhat more balanced and rational than that of our good medical friend, Senator Sullivan, who seemed to me to be trying to get across the idea that in some way or other we were legitimizing or approving of the use of marihuana or soft drugs, and that the relaxations in this bill constituted a major change in the law. To me they do not do that, and it certainly would be wrong if anyone were led to think that they did.

Let us take a look at the clauses which deal with penalties for possession in the proposed legislation under the Food and Drugs Act as compared with the penalties imposed under the Narcotic Control Act. For simple possession the maximum penalties are roughly halved. But one should bear in mind that under the Narcotic Control Act the maximum penalties apply to any drugs, including hard drugs such as heroin and so on, and it is highly unlikely that for first offences the maximum penalties provided in the Narcotic Control Act would ever in fact be imposed by a judge or magistrate. It seems to me that to roughly halve the maximum penalties presently in the Narcotic Control Act for summary conviction under the Food and Drugs Act is not unreasonable. It brings the penalties more into line with those in other penal sections used by the courts of this land.

For trafficking, of course, the penalties are much more severe. But again we should realize that under the Narcotic Control Act this maximum penalty applied to heroin, opium and other hard drugs, whereas the maximum penalties that we are talking about under this new legislation apply only to marihuana or cannabis derivatives. Trafficking penalties on indictment under the Narcotic Control Act can be as severe as imprisonment for life, whereas the maximum penalty for trafficking in marihuana under this bill on indictment is imprisonment for not more than ten years. This seems to me to be a not unreasonable change. Similarly, the penalties for the import or export of cannabis will be reduced for this drug from the maximum which applied to any narcotic. They can be imprisonment for life but not less than seven years, and this bill proposes a penalty of not more than fourteen years', and not less than three years', imprisonment. I emphasize that these maximum penalties under the Food and Drugs Act apply only to cannabis derivatives, and not to the hard drugs with respect to which maximum penalties are imposed under the Narcotic Control Act.

However, the two sections that I hope will be given careful attention by the committee to which this bill will be referred are sections 52 and 53. On their face, they seem to me to be bad law. One of the things this bill would do is make it possible to proceed by way of summary conviction with lighter penalties for the various offences relating to marihuana or cannabis. The proposed new section 52 of the Food and Drugs Act is:

> For the purposes only of the Identification of Criminals Act, a person charged with or convicted of an offence under section 48 or an offence punishable on summary conviction under section 49, 50 or 51 shall be deemed to be charged with and to have been convicted of an indictable offence.

If we proceed by way of summary conviction, then the offence ought to be a summary conviction offence, and we ought not to say that for the purposes of the Identification of Criminals Act, or for any other purpose, a summary conviction can be regarded as a conviction for an indictable offence. I hope the committee will inquire from the officials of the department as to the reasons for this, and I hope they will be able to satisfy me and other honourable senators when the bill is returned to the chamber that there is a valid reason for making this distinction which, as I say, on its face, seems to me to be bad law in the extreme.

Honourable senators, my second comment has to do with the new section 53, which says that if you proceed against a person for trafficking, the procedure shall be conducted along exactly the same lines as if you were proceeding against the person for possession, and if the accused person is found guilty of possession, even though he has been accused of trafficking, you proceed on the same basis as if he had been accused of possession. If he is found guilty then subsection (2) of section 53 continues:

> ... if the court finds that the accused was in possession of the cannabis contrary to subsection 48(1), he shall be given an opportunity of establishing that he was not in possession of the cannabis for the purpose of trafficking, and thereafter the prosecutor shall be given an opportunity of adducing evidence to establish that the accused was in possession of the cannabis for the purpose of trafficking.

In other words, you proceed against an accused person for the offence of trafficking, the procedure goes along exactly the same lines that would be followed if he were accused merely of possession for his own use. If he is found guilty of possession, immediately the burden of proof shifts and he is placed on his defence, and must show that he did not possess it for the purpose of trafficking. Even after his defence is in, the prosecution may then adduce further evidence to show that he did possess the drug for the purpose of trafficking.

I am always suspicious of legislation of a criminal or quasi-criminal nature that shifts the burden of proof from the Crown to the accused person. Again, I hope the Legal and Constitutional Affairs Committee—which I presume is the committee to which this legislation will be referred—will inquire very carefully into the reasons for this shifting of the burden of proof. Personally, I am against such provisions in our criminal or quasi-criminal law, and unless there are very good reasons why the burden of proof should shift here then this section should be amended.

Honourable senators, I hope that when this bill is reported by the committee we shall see different versions of both sections 52 and 53. Aside from that, it seems to me that this is good legislation.

● (2020)

Years ago I remember a distinguished clergyman saying, in relation to prohibition, that with respect to sumptuary laws governments cannot go beyond the acknowledged customs of their people. It is said that we are in a position

now where as many as one million people in Canada have had recourse to soft drugs of one kind or another. Surely we cannot proceed as if all these offences were the most serious indictable offences envisaged when the Narcotics Control Act was written many years ago. In conformity with modern practice, I believe we should not make of these teenagers—some of them scarcely teenagers—criminals, by convicting them of an indictable offence before they are even 14 years old, which is presently the case under the Narcotics Control Act.

I do not think for one minute that this legislation in any wise gives the approval of the Parliament of Canada to the use of even the softest of drugs; but I do think it makes the penalties more reasonable, and has the beneficial effect of not branding as hardened criminals the young people who, in the kind of world in which we live today, seem, in ever increasing numbers, to be induced to experiment with these drugs.

Honourable senators, I support the legislation, but again I urge the committee to give careful consideration to the two points I have made relating to the new sections 52 and 53 of the Food and Drugs Act.

**Senator Sullivan:** May I say to the honourable senator that in no way did I intend to implicate the young people in my remarks on this particular legislation.

As a medical man, what I wish the honourable senator, as a layman, would do for my benefit, and that of the house, is differentiate between the habitual trafficker in marihuana and the habitual trafficker in any other narcotic drug.

**Senator Hicks:** Honourable senators, my distinguished colleague knows very well that I cannot do that any more than he can. To put it another way, he may be able to do it from his point of view as a medical practitioner, but the facts before all of us are that many of his colleagues in the practice of medicine hold divergent views. Unfortunately for us who have to legislate, this is not a matter on which the medical profession will give us a solid, united answer to the problems concerned. To me it is unfortunate that there are medical men who are on record as saying that there is no harm in the use of marihuana or cannabis derivatives and so on, while at the same time there are others on record who hold the view that to start smoking "grass" is to start on the road that leads inevitably to the use of hard drugs such as heroin and opium. All I can say is that I wish the medical profession would get its facts together, and present us with a solid front in an attempt to answer some of these difficult questions.

**Senator Sullivan:** I think the honourable senator must have been smoking marihuana himself, when he makes a statement like that.

**Some hon. Senators:** Oh, oh!

On motion of Senator Asselin, debate adjourned.

## DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

The Senate resumed from Thursday, December 5 the debate on the motion of Senator Hayden for the adoption of the report of the Standing Senate Committee on Banking, Trade and Commerce on Bill S-15, to amend the Department of Industry, Trade and Commerce Act.

**Hon. Jacques Flynn:** Honourable senators, when I moved the adjournment of the debate, it was simply with the intention of giving an opportunity to members of the Senate, who were not at the sitting of the committee, to look at the amendments. I am quite sure that all those who took the time to read them will realize that these amendments are worthwhile, and that they provide some safeguards in the application of this legislation.

This legislation has a definite purpose, and it should not be used for any other purpose than the one mentioned. It should help the Minister of Trade and Commerce to do certain things, none of which is to divulge information that should not be divulged or used for purposes other than those mentioned.

Motion agreed to and report adopted.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Langlois** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## FEDERAL BUSINESS DEVELOPMENT BANK BILL

SECOND READING—DEBATE ADJOURNED

**Hon. John M. Godfrey** moved the second reading of Bill C-14, to incorporate the Federal Business Development Bank.

He said: Honourable senators, explaining this bill to the Senate—

**Senator Walker:** Is it about hockey?

**Senator Godfrey:** —is somewhat easier than introducing a bill which originates in the Senate. I have had the advantage of not only being able to read the speeches in the other place, but also the evidence given before the House of Commons Standing Committee on Finance, Trade and Economic Affairs. Because of that I think I have a greater appreciation of what is involved in this legislation than if I had to rely solely on the bill and a briefing from the department.

The minister's speech emphasized that this bill creates a brand new crown corporation, which will bear the name "Federal Business Development Bank," to take care of the needs of small business which are not being met by the private sector, on terms and conditions that the small businessman can accept.

After reading all the evidence presented to the House of Commons committee, I am inclined to approach this legislation from a different angle. I think that this house will be able to understand this bill better when I de-emphasize the newness of this corporation and say that in my opinion it essentially provides for the carrying on of the Industrial Development Bank under a new name, under a different department, with somewhat increased powers and objects and with additional capital. I propose, therefore to briefly outline the history of the Industrial Development Bank

and its present method of operation, and then point out the changes which have been provided for in this bill.

The Industrial Development Bank was formed in 1944 for the purpose of giving financial assistance to small industries where such financial assistance would not otherwise be available on reasonable terms and conditions. As the name implies, it was initially incorporated to provide financial assistance to small businesses engaged in manufacturing; it was to be a bank of last resort and was to fill a gap then existing in the private sector. That the IDB was needed is illustrated by the fact that from the time the bank was established in 1944 up to its most recent fiscal year ended September 30, 1974, it had approved approximately 55,000 loans for a total of approximately $2.5 billion. These loans were made to more than 40,000 businesses employing approximately 700,000 people. At the end of the fiscal year 1974, there were 23,550 customers on its books, representing outstanding loans and commitments of $1.1 billion. The IDB authorizes a loan every 15 minutes of every working day.

Since it commenced business, the IDB established that although it was making loans to small business enterprises that could not obtain financial assistance from the private sector on reasonable terms and conditions, the bank could still be operated at a profit. After it had been in operation for 18 years, RoyNat was formed by two banks and three trust companies, which made loans to small businesses secured by straight industrial mortgages which at that time could not be taken by chartered banks.

● (2030)

There have been some criticisms of the IDB, some of which were expressed by witnesses appearing before the Commons committee, and I would like to briefly mention and deal with the main ones.

The first criticism is that it does not take enough risks; that it is too conservative in its lending policies and requires the borrower to give too much security. This would appear on the surface to be a valid criticism, because its loss experience is approximately equal to only 1 ¼ to 1 ½ per cent of net authorizations. However, what is more significant than this low loss ratio is the fact that approximately 25 per cent of all loans authorized become problem accounts. This proportion varies from region to region. The greatest incidence is in the Atlantic region, where the proportion was as high as 40 per cent at one time. At any one time approximately 12 per cent of their loans are actually in arrears; in some branches that is as high as 20 per cent, and in others as low as 8 per cent.

When the bank does encounter a write-off, the proportion written off is, on the average, approximately 50 per cent of the amount authorized. What few people realize is that one of the great contributions of the IDB is that they nurse these problem accounts along in such a way, and with such advice and help, that the borrowers are able to stay in business, and that is essentially why the actual losses are very small. The bank realizes that its job is not merely to protect its interest and see that the loans are repaid, but to help its small business customers by educating them in sound business practices so that they can survive and prosper.

Secondly, it was said that the bank took too long to process an application. Because of this criticism, the bank has streamlined many of its procedures, with the result that the average processing time of 35 days in 1968 has been cut to 15 days at the present time, with 50 per cent of all loans being authorized in 10 days or less.

The third major criticism—and this comes mainly from other financial institutions—is that it competes with the private sector, and that the private sector can now provide most of the financial assistance required.

I do not think there can be much criticism that the IDB competes with the chartered banks, because in every case where the IDB receives an application for a loan it communicates with the manager of the chartered bank of the applicant to let him know of the application, what it is for and how much is requested, and to ask his views on it. This gives the chartered bank the opportunity to make the loan itself if it so desires.

There was a submission to the House of Commons committee on behalf of the Federated Council of Sales Finance Companies, and on behalf of RoyNat Limited. They contended that the IDB is not a lender of last resort, because it does provide financing where it is available elsewhere under reasonable terms and conditions. This statement was challenged before the House of Commons committee by representatives of the IDB. They pointed out that until fairly recently RoyNat would not lend less than $25,000, whereas half of the IDB loans are under $25,000. Furthermore, RoyNat's average loan is around $200,000, while the IDB's average loan is $44,000, and in some branches would be around $35,000. The IDB maintained that this indicated an entirely different character from that of RoyNat; that RoyNat was essentially to help finance medium-sized businesses and that last year they only authorized something over 500 loans, whereas the IDB authorized between 9,000 and 10,000, and they were nearly all small.

RoyNat, in its brief to the House of Commons committee, contended that a substantial volume of the IDB:

> ... is a result of an interest rate structure that is usually below that charged for funds with a similar term provided by private lenders.

Evidence was given on behalf of the IDB that their:

> ... rates normally would be above what a chartered bank would charge for a term loan. At present that would be somewhat less than what RoyNat would charge for a term loan. They might be more of less.

The IDB follows exactly the reverse policy that is followed by private institutions in the private sector with respect to interest rates, because the IDB charges lower rates for smaller loans than they do for larger loans, on the theory that their job is to help small businesses and this is one way to do it.

Some members of the House of Commons committee were critical of the submissions of RoyNat and the Federal Council of Sales and Finance Companies because they presented no evidence of an actual case in which the IDB were making loans that were available on reasonable terms and conditions elsewhere. The representative of RoyNat replied by stating:

> As far as adequate proof is concerned, I think it is very difficult for the private sector to come forward and give you actual specific cases.

I find it difficult to accept this statement, and if representatives of the private sector take the position before the Senate Standing Committee on Banking, Trade and Commerce, when it is considering this bill, that the IDB has been making loans that were available on reasonable terms and conditions elsewhere, then I suggest they should be asked to come up with actual cases to prove their point.

The final major criticism that I have heard expressed about the IDB is that during a period of general monetary restraint the IDB's business increases, because funds are always available to it. When asked this question before the House of Commons committee, Mr. Clarke, the General Manager of the IDB, replied:

> As a rule in these periods, any statement of policy on the part of the government or of the monetary authorities is usually so expressed as to seek to exempt small business from the burden or impact of that period of restraint. To the extent that that is the case, for the vast part of our business we would normally then expect to continue to help small business. In a period of restraint we have not regarded ourselves as an instrument for frustrating the intentions of those responsible for financial or monetary policy. We would not seek or expect to be a refuge for people who in the ordinary course of events might expect to be affected by the situation of restraint.

Honourable senators, before discussing the differences between the new bank incorporated by this bill and the IDB, I should explain briefly two transitional provisions in the bill affecting the IDB.

The IDB Act places two restrictions on the scale of its lending operations. Firstly, the total direct and contingent liabilities of the bank shall not at any time exceed ten times the aggregate amount of the paid-up capital and reserve fund. Secondly, the aggregate of the amounts of the loans or guarantee liabilities outstanding in amounts in excess of $200,000 shall not at any time exceed $200 million.

Because, on the basis of current projections, the IDB will have to curtail its lending activities before the new bank can start operations, this bill increases the IDB's authorized capital by $50 million, thus providing it with new lending power for the last few months of its existence.

● (2040)

They have already reached the limit of loans exceeding $200,000, so that in order that they can continue to make those loans over the next few months, this restriction in the Industrial Development Bank Act is repealed.

Now what are the difference between the proposed new bank and the IDB? First, the most obvious difference is in the name. As I have mentioned, the IDB, when first incorporated, restricted its loans to manufacturing enterprises. Loans will now be made to any kind of business enterprise, so that the word "industrial" is somewhat misleading, and "business" more accurately described its activities. The addition of the word "federal," I presume, is merely to emphasize the federal presence where the bank operates.

[Senator Godfrey.]

Secondly, the new bank can engage in the business of leasing, which is considered a desirable addition in order to equip the new bank with the full coverage of the various kinds of financial resources that are available to present-day businesses.

Thirdly, section 16(1)(c) of the Industrial Development Bank Act requires that:

> —the amount invested or to be invested in the industrial enterprise by persons other than the Bank and the character of that investment are such as to afford the Bank reasonable protection.

This bill requires that it:

> —should be such as to afford a reasonable expectation of a continuing commitment to the enterprise by persons other than the bank.

This change, combined with the move of the bank from the Department of Finance to the Department of Industry, Trade and Commerce, will, it is hoped, have at least a psychological effect on the officers of the bank, so that they will be inclined to take a somewhat more venturesome approach to the needs of the small businessman than they have in the past.

I should point out, however, that the high percentage of their accounts which can be termed "problem" accounts, or which are actually in arrears, would indicate that they have been considerably more venturesome in at least the recent past than they have generally been given credit for.

Fourthly, as previously pointed out, the Industrial Development Bank Act provides that the aggregate of the amounts of the loans or guarantee liabilities outstanding in amounts in excess of $200,000 shall not at any time exceed $200 million. This bill contains no such limit, but in section 4(2) it does provide that the new bank:

> —shall give particular consideration to the needs of small business enterprises.

The IDB has a present equity capital base of $71 million, and a reserve fund of $33 million, with loans outstanding on September 30 of $983.6 million. The new bank will have an authorized capital of $200 million and a debt to equity ratio of 10 to one, so that it can make loans and commitments totalling $2.2 billion.

Fifthly, the new bank is to provide management counselling services now provided by the Counselling Assistance to Small Enterprises Program, known as CASE, of the Department of Industry, Trade and Commerce, which will be absorbed into the new bank.

Sixthly, the new bank will sponsor training programs for the promotion of good management practices. The bank will take over the owner-manager training program from the Department of Manpower and Immigration, which is oriented to specific aspects of small business management. The bank will also continue the one-day small business seminars provided by the IDB at different locations across Canada, particularly in small cities, towns and remote areas where such services are not otherwise available.

Seventhly, the new bank will have power to develop and operate an information service and publish and distribute information relevant to the bank, as well as provide advice on federal and provincial programs for small businesses

and on assistance available to small businesses from others. These information services will be provided locally through all offices of the bank, will be free to all interested persons and will be aimed at small firms that do not have the resources to seek help from the multiplicity of specialized sources of assistance to small businesses.

Finally, the composition of the board of the new bank will be somewhat different from that of the IDB. The IDB has the same directors as the Bank of Canada, with the addition of the Deputy Minister of Industry, Trade an Commerce. From the private sector on the IDB board there is a director from each province, with two from each of the provinces of Ontario and Quebec. The Governor of the Bank of Canada is the president of the IDB, and the government is also represented on the board of the IDB by the Deputy Minister of Finance.

The new bank will have two private sector directors chosen from each of the five geographical regions of Canada, and four persons selected from the Public Service of Canada. It is expected that the four from the Public Service will be the Governor of the Bank of Canada, the Deputy Minister of Finance, the Deputy Minister of Industry, Trade and Commerce and the Deputy Minister of Regional Economic Expansion. There is also a provision for regional councils each of not more than 12 members. There will be two directors for each region as well as a senior officer of the bank designated by the president, the balance being appointed by order in council from the private sector.

To sum up, the new bank will be substantially the same as the IDB as it exists today, with the addition of increased capital—

**Senator Flynn:** You said it.

**Senator Godfrey:** —and new programs, particularly management training and information services, which will give the new bank a much greater range than the present IDB. The new bank is conceived as a body which will continue to help small business by combining the financial services of the IDB with management and information services which will help to improve the general level of small business management in the country.

In conclusion, I should like to draw the attention of honourable senators to an amendment to section 36 of Bill C-14. This is the only amendment of substance since the bill was introduced into the other place. Its main purpose is to make it a legislative requirement that every application for financial assistance that involves a director or a member of a regional advisory council, or a person related to such director or member, be submitted to the board of directors for approval; and in addition it provides that information regarding the total amount of assistance given by the corporation under such circumstances be reported in the corporations's annual report. This amendment considerably strengthens the original section 36.

On motion of Senator Flynn, debate adjourned.

## TERRITORIAL LANDS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Sidney L. Buckwold** moved the second reading of Bill S-20, to amend the Territorial Lands Act.

He said: Honourable senators, in introducing this bill, I am very careful not to say it is a simple bill. However, I can say with some confidence that it is a short bill. I do not think that should be too debatable.

Bill S-20 amends the Territorial Lands Act. When I read the bill I asked for a definition, which is not in front of us, of what is meant by "territorial lands." The following definition was given to me:

> Territorial lands mean lands of the Northwest Territories or in the Yukon Territory that are vested in the Crown or of which the Government of Canada has power to dispose.

That defines the area about which we are talking.

**Senator Flynn:** What about the offshore land?

**Senator Buckwold:** As far as I know, it is not included in the definition of the territorial lands referred to.

Honourable senators, I should like to explain briefly the purpose of Bill S-20, to amend the Territorial Lands Act. I should state at the outset that the proposed amendment relates exclusively to one particular section of the act, namely, section 24. It is intended to modify the section in the act which prohibits employees of the Government of Canada from holding any interest in territorial lands, except under the authority of a specific order of the Governor in Council, and to remove from the act those penalties which are excessively premature and unnecessary.

The present restriction was contained in the old Dominion Lands Act, the predecessor of the current act, and was intended to ensure the integrity of transactions between employees of the then Department of the Interior and private industry. In 1923, the prohibition, which covered mining rights as well as land interests, was extended to apply to the officials of all departments of the Government of Canada. On the repeal of the Dominion Lands Act and the coming into force of the Territorial Lands Act in 1950, these sections were simply carried forward and expanded to prohibit shareholding or other pecuniary interest in any company or corporation which might have an interest in territorial lands.

Over the years, it has been the practice for crown employees to request approval by order in council to acquire territorial land for personal use, such as a summer cottage, a fishing shack, or that type of thing. This form of direct interest in territorial lands can be readily controlled and regulated within the machinery established to administer the lands in question; that is, through an order in council to deal with the physical acquisition of the land described. On the other hand—and this is the major problem—there has not been one single instance of an employee requesting a similar order in council to purchase shares in a company or corporation with a land interest in northern Canada. Short of voluntary or accidental disclosure of any such interest by an employee, there is no satisfactory way of monitoring transactions between crown employees and the private sector.

This leads to the further consideration of the ability of a person who invests in a company to maintain the kind of overview of that company's operations which is necessary to determine whether it has a direct or indirect interest in territorial lands. Recent extensive exploration activity in

the north has seen many companies, such as insurance companies, mutual investment funds and other financial institutions, acquiring various rights to territorial lands, such as oil and mineral rights. Interests in these lands are often transferred between holding and operating companies without public knowledge or notice to shareholders. Moreover, only a small percentage of crown employees have access to the kind of information about companies operating in the north from which they could derive a pecuniary interest. It seems unfair, therefore, to prevent employees generally from making investments on the same basis of financial risk as any member of the public.

With the promulgation of the conflict of interest guidelines for public servants on December 18, 1973, employees with any holdings that could place them in a potential situation of conflict of interest are expected to make appropriate disclosures. This eliminates the necessity for individual orders in council relating to shareholders, a requirement never practiced nor administratively possible to enforce, while at the same time ensuring the integrity of crown employees who invest in the corporate sector. Relying on the guidelines rather than the current section 24 of the Territorial Lands Act will also limit the generality of the restrictions we wish to see applied to those who would be most likely to benefit from privileged information.

The amendment before you is intended to accomplish this purpose. It will retain the requirement to have individual acquisitions of land sanctioned by orders in council but will make more realistic the application of prohibitions on crown employees in respect of any interests in territorial lands. Finally, but perhaps most importantly, it will remove the undesirable requirement for summary dismissal if the act should be contravened.

Honourable senators, I think that gives you the legal background in connection with this legislation. In simple terms, the effect of this legislation is that if a crown employee purchases land in the territories involved, an order in council is required; on the other hand, the government, by a general order in council, will be able to provide for the situations in general in which a shareholder of a company which has an interest in such lands will, in fact, not be breaking the law. As far as penalty is concerned, this bill will eliminate the serious penalty of summary dismissal, while retaining other forms of penalties in line with the act.

If it is the wish of the Senate that this bill be referred to committee, I am advised that it should go to the Standing Senate Committee on Banking, Trade and Commerce. I commend this bill for your approval.

**Senator Flynn:** Honourable senators, I should like to put a question to the sponsor of the bill. On the surface, it seems that an employee of the Government of Canada could, for example, buy some stock in a company listed on the stock exchange, such as CPR or Hudson's Bay Mining, or one of a number of corporations, and that company could, without that individual's knowing of it, acquire an interest in territorial lands. How is it proposed that that problem be solved? An ordinary shareholder cannot know what a large company may be doing as far as investments are concerned.

**Senator Buckwold:** That, of course, is exactly what the bill is trying to accomplish.

**Senator Flynn:** I am not against this bill.

**Senator Buckwold:** The intent of this bill is to relieve that problem insofar as the potential liability of a crown employee is concerned. If passed, it will provide the government with the opportunity to substitute authority for passage of orders in council in accordance with section 24(1), which could apply to a class or classes of purchases or acquisitions of interests in territorial lands, whether or not they were made or acquired before or after the issuance of the order in council. In other words, the government could pass a general order in council which would make these transactions quite legal in so far as public crown employees are concerned. That, really, is the intent of the act.

**Senator Flynn:** That may be so, but I am not entirely convinced. Therefore, I move the adjournment of the debate.

**Senator Choquette:** After you have spoken on it, we will know all about it.

**Senator Flynn:** It is not that simple.

On motion of Senator Flynn, debate adjourned.

## THE ESTIMATES

### REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (B) ADOPTED

The Senate proceeded to consideration of the report of the Standing Senate Committee on National Finance with respect to the supplementary estimates (B) laid before Parliament for the fiscal year ending March 31, 1975.

**Senator Langlois** moved that the report be adopted.

Motion agreed to and report adopted.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, December 11, 1974

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

Prayers.

## APPROPRIATION BILL NO. 4, 1974

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-42, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1975.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Senator Langlois:** With leave, later this day.

**The Hon. the Speaker:** Honourable senators, you have heard the motion and it cannot be debated without unanimous consent. Is there unanimous consent?

**Some Hon. Senators:** Agreed.

**Senator Flynn:** At the end of the Orders of the Day.

Motion agreed to.

## PRIVATE BILL

INTERNATIONAL AIR TRANSPORT ASSOCIATION—REPORT OF COMMITTEE

**Senator Haig,** Chairman of the Standing Senate Committee on Transport and Communications, reported that the committee had considered Bill S-18, respecting International Air Transport Association, 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?

**Senator Haig** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a) moved:

> That the Standing Senate Committee on Banking, Trade and Commerce have power to sit while the Senate is sitting today, and that rule 76(4) be suspended in relation thereto.

Motion agreed to.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

> That the name of the Honourable Senator Cottreau be substituted for that of the Honourable Senator Thompson on the list of senators serving on the Special Joint Committee on Employer-Employee Relations in the Public Service; and
>
> That a message be sent to the House of Commons to acquaint that House accordingly.

Motion agreed to.

● (1410)

## CONFLICT OF INTEREST

REFERENCE OF GREEN PAPER TO COMMONS COMMITTEE—QUESTION

**Senator Croll:** Honourable senators, the House of Commons endorsed the following resolution and passed it, and I quote:

> That the Green Paper entitled "Members of Parliament and Conflict of Interest" tabled on November 27, 1974, be referred to the Standing Committee on Privileges and Elections; and
>
> That, after the Committee has concluded its deliberations and submitted its report on the aforementioned matter, it be authorized to consider and make recommendations upon the subject-matter of Ministers and conflict of interest and Public Servants and conflict of interest.

My question is, what provision is being made, or has been made, for our participation in a matter which affects senators and members of the House of Commons equally?

**Senator Langlois:** The only thing I can say at this stage is that consideration is being given to this subject, and that the matter will be referred to this house in due course.

## DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

BILL TO AMEND—MOTION FOR THIRD READING—DEBATE ADJOURNED

**Senator Langlois** moved the third reading of Bill S-15, to amend the Department of Industry, Trade and Commerce Act.

**Senator Grosart:** Honourable senators, I move that the debate on third reading be adjourned to the next sitting.

Motion agreed to.

## FOOD AND DRUGS ACT
## NARCOTIC CONTROL ACT
## CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Neiman, seconded by the Honourable Senator Deschatelets, P.C., for the second reading of the Bill S-19, intituled: "An Act to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code".—(*Honourable Senator Asselin, P.C.*).

**Senator Asselin:** Honourable senators, as I am not ready to speak, I yield the floor to Senator Lawson.

**The Hon. the Speaker:** Has the Honourable Senator Lawson permission to proceed instead of the Honourable Senator Asselin, P.C.?

**Hon. Senators:** Agreed.

**Hon. Edward M. Lawson:** Honourable senators, in rising to speak to what I consider to be a very important piece of legislation, I want at the outset to congratulate Senator Neiman for the balanced, objective and unemotional way in which she presented this bill to the chamber. I think that the main difficulty we will have in dealing with this legislation will be to control our emotions so that we can properly consider its intent and purpose. I know that this will be difficult for me. In his speech Senator Sullivan referred to newspaper headlines which conveyed the impression that the government is showing increased tolerance and less concern about the use of cannabis and the kind of drugs specified in this legislation. Whether we like to accept it or not, that is the impression that is going to be conveyed, and one of the serious things we have to overcome in the legislation, as well as the inequities in the law that the legislation is concerned with, is the widespread idea, which is flowing from the mouths of some teachers and others, that there is no harm caused by the use of cannabis, or marihuana. A quick end should be put to that kind of misinformation.

After the bill had been introduced here I had occasion to listen to an "action line" type of program over a local radio station. It was an "interesting and intellectual" conversation between the radio host and the caller, who was an admitted user. The caller was explaining for the benefit of the radio audience how pleased he was that the government recognized that there was no harm in the use of marihuana and how people must understand that it was not like alcohol which has the effect of impairing driving ability, but on the contrary would improve your vision, make you able to see things in greater perspective and give you greater concern for other automobile drivers, improve your reflexes, and so on. That was the kind of garbage that was being poured out unchallenged for the benefit of countless poor, misguided souls to believe and accept.

For these reasons, while I understand the objective and the purpose of the legislation, I believe a real effort will have to be made to see to it that that kind of misinformation does not continue to go out unchallenged and that we do not appear to be giving our blessing to the use of marihuana or to its greater use, easier use or more acceptable use.

[Senator Grosart.]

Some excellent material and statistics have been put out about the effects of marihuana and the damage it causes. I do not think there is a need to go into any great detail on it, but I should like to read one review of the situation in the United States as reported in *Healthways* magazine of September, 1974:

> The United States is in the throes of a full-scale marihuana epidemic—and the situation is getting worse.
>
> That is the warning being issued by the Senate Internal Security Subcommittee following extended investigation.
>
> Use of marihuana and hashish have increased so dramatically over the past six years, says Subcommittee Chairman James O. Eastland (D. -Miss.), that:
>
> "On a per capita basis, the United States may be the number one cannabis-using nation in history."
>
> Senator Eastland blamed the "epidemic" on the casual attitude too many Americans have about the drug, many considering it "harmless." This is not so he said.
>
> Among other things, researchers have found that cannabis:
>
> Accumulates in the brain and gonads like DDT.
>
> Produces fetal deformities in animals—in addition to abortions and stillbirths—in a manner resembling the damage done by thalidomide.
>
> Results in breakage and serious damage to human chromosomes.
>
> Seriously reduces the body's ability to produce DNA, a critical component of all cells including the reproductive cells.
>
> According to Dr. Gabriel Nahas of Columbia-Presbyterian Medical Center, who recently published his findings on DNA damage caused by marihuana: "Impairment of DNA synthesis might be considered one of the most damaging long-range effects for any drug chronically used by a large segment of the population."
>
> Dr. Olav J. Braeden, director of the United Nations Narcotics Laboratory in Geneva, said recent research indicates that marihuana may be even more dangerous than had previously been believed.
>
> This is also the thrust of six recent scientific papers written by experts in various countries.
>
> "These scientists warn us," says the senator, "that widespread use of cannabis can do serious genetic damage to future generations—it is almost like playing Russian roulette."

I think that is a fair summary of all the studies and reports that have been made. Clearly, I am on the side of those who say it is a damaging drug and that it is a matter of serious concern that nothing should be done to encourage the use of the drug, or seem to give our blessing to its widespread use.

If we are going to do a proper job, we must offset the kind of misinformation that is being given. I do not know quite how we are going to stop it, but in the schools we should not let the students be told, "If you use this drug,

all of the things that are locked in your brain, all of the genius that is asleep there, will now be awakened. You will be able to write books, poetry, stories and will be able to make all kinds of mathematical formulas. All of these things will flow up unlocked by the use of this drug and you will live happily ever after." I think an abrupt halt should be put to that kind of garbage. Perhaps we should arrange for some students to go to places like Vancouver—and I am not proud to admit that I come from there when I say this—the drug capital of Canada, because if they visited that place they would see young people ranging from 12 to 16 years of age virtually mindless vegetables as a result of using this drug. They are crying out for help. In almost every case when I talk to my friends on the police force they tell me that every major hard-drug user has the same story: "I started out using the soft drugs. I started out using the non-addictive drugs." While marihuana may be held to be technically non-addictive, nevertheless it is part of the environment in which the people who use it are involved; they are surrounded by it, and that is addictive of itself.

There is a need for some educational balance so that these young people can see the other side, because if it is as good as some of them would have you believe, we have a duty to put LSD in the nation's drinking water so that we can unlock all these super-brains—that is, if you believe all that garbage. But if we do not believe it, it seems to me that we have a responsibility to make it very, very clear and to balance this misinformation by pointing out the dangers of the use or the continued use of cannabis. Furthermore, we certainly should not be so naive as to believe that everybody will be as objective as Senator Neiman in understanding the purpose of the legislation. Certainly these merchants of death who are selling the product, promoting it and distributing it, are going to take great comfort from anything said in this chamber or in our hearings that might lead one to believe that the government now recognizes that it is less dangerous or that the government is taking a more tolerant view of its use. I think we are going to have to be very careful in the conduct of the hearings and in what we say about the use of these drugs. I believe that this legislation will go to the committee of which Senator Goldenberg is chairman, and it is comforting for me to know that we shall have as chairman a man of his calibre, a man who has the ability to put an end to any kind of misinformation flowing around and who has the ability to keep the entire subject in its proper perspective.

● (1420)

I would hope that in the course of our committee hearings, those organizations and individuals—and I can understand that there should be some concern about individuals wishing to make representations—who have information or knowledge that would be helpful to us in the preparation of this legislation or even better legislation should be brought forward.

I think also, honourable senators, that it is extremely important, when we are talking about lesser penalties for the possession of these drugs, that we should not fall into the trap of giving the impression that we believe users are only going to have them for themselves, that they will import them only for their own exclusive use and have no contact or involvement with anybody else. Anybody who has the remotest contact with persons involved in the use of these drugs knows that nothing could be further from the truth, that the very people who are using them are doing so from a great feeling of insecurity and that they desperately need these drugs and the companionship and the environment and the contact with other users, and that the whole game is to smoke them and to share them, and to entice and seduce others into using them and sharing them.

Here I am not talking about pushers or traffickers; I am talking about individual users. Let us not be blinded by those who say, "I am going to import it for my own use, to go off into a quiet room to meditate and cogitate and have these bursts of genius." It does not happen that way. You need to talk to some of the groups involved with this, the police, the magistrates and some of the parents who have had to read the dreadful initials O.D., D.O.A.—overdose, dead on arrival. Let us talk to some of those people. You are not dealing with clinically clean drugs. You have the worst possible kind of product being used and abused by these individuals, who are supposedly using it only for their own use but who are also sharing it with others, leading to the serious damage that follows from that.

I think it is imperative that when we talk about this, while we try to set aside some of the emotion, we must keep in mind that we are talking about human frailties and concerns and we are not going to be able to remove totally all of the emotion. But I think it is imperative that we talk with judges, policemen, social workers, and parents whose children have been deformed or who have been turned into vegetables or who have died as a result of the misuse and the abuse of these substances.

I would only caution the committee in dealing with this bill that reading between the lines of the legislation I hear voices crying out for help, and when we come to consider this legislation we should be certain that we are doing more good than harm.

On motion of Senator Asselin, debate adjourned.

## TERRITORIAL LANDS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator Buckwold for second reading of Bill S-20, to amend the Territorial Lands Act.

**Hon. Jacques Flynn:** Honourable senators, I am not at all sure that I should have resumed this debate today.

**Senator Greene:** Well, then, why don't you sit down?

**Senator Flynn:** If I were to follow the example of Senator Greene, then I would never be on my feet and I would not contribute much to the work of the Senate. In saying that, I have no objection to Senator Greene's being critical of me as long as he has no objection to my being critical of him.

**Senator Greene:** Fair enough.

**Senator Flynn:** If he wants to speak on this measure, he can always adjourn the debate.

I was listening last evening to the speech by Senator Buckwold explaining this legislation and although from

reading his speech today I am quite satisfied that he gave a very good explanation of the bill, I doubt that anyone dealing with this matter for the first time—since it deals with a very unfamiliar section of an almost unkown piece of legislation in our statutes—would have been able last evening to grasp the purpose of this bill. That is why I had some doubts as to whether I should have delayed until later my contribution to the debate on this bill. It seems to me that this is a typical case of a piece of legislation that comes from a departmental official who has had a brainwave and says, "I think we should correct this; it is going too far." I say this, honourable senators, because there is one point in Senator Buckwold's speech that is quite revealing. As reported at page 371 of *Hansard*, he said:

> Over the years, it has been the practice for crown employees to request approval by order in council to acquire territorial land for personal use, such as a summer cottage, a fishing shack, or that type of thing. This form of direct interest in territorial lands can be readily controlled and regulated within the machinery established to administer the lands in question; that is, through an order in council to deal with the physical acquisition of the land described.

Now I come to the main part that I want to draw attention of the Senate to:

> On the other hand—and this is the major problem—there has not been one single instance of an employee requesting a similar order in council to purchase shares in a company or corporation with a land interest in northern Canada. Short of voluntary or accidental disclosure of any such interest by an employee, there is no satisfactory way of monitoring transactions between crown employees and the private sector.

I want to draw to the attention of the Senate that this legislation is based on no fact at all and no precedent that would justify the amendment. They say there is no reason for bringing in this legislation but they will bring it in anyway just in case. The result of proceeding in this way will be to reveal a lot of legislative shortcomings.

● (1430)

The Territorial Lands Act has been on the statute books for many years, but it deals only with the territorial lands of the Yukon and Northwest Territories. Section 2 of the act defines territorial lands as being:

> —lands in the Northwest Territories or in the Yukon Territory that are vested in the Crown or of which the Government of Canada has power to dispose;

I therefore ask the sponsor of the bill about offshore rights or the seabed that the federal government claims to be within its jurisdiction, especially since the decision of the Supreme Court concerning the seabed off the British Columbia coast. That judgment refers only to the British Columbia coast, and I do not think it can necessarily be applied to the Atlantic provinces or to the Province of Quebec. What about those territorial lands? This bill is not concerned with them, and that is where, in, at any rate, my perspective, the prospect of conflict of interest is most dangerous.

It is quite obvious that today everybody is concerned about conflict of interest—shades of Watergate or whatever else you want. I do not think the piecemeal approach

[Senator Flynn.]

to a solution adopted in this bill is the right way to deal with this problem, or what the bill is trying to achieve. This problem of the federal property in the seabeds off the British Columbia coast is not covered by this piece of legislation, and my quick study of the Statutes of Canada indicates to me that there is no other legislation dealing with this problem if it ever arises.

The second thing is that this bill is trying to soften up the legislation as it stands today. Section 24 of chapter T-6 of the Revised Statutes of Canada, 1970, the Territorial Lands Act, says:

> (1) No officer or employee of or under the Government of Canada shall, directly or indirectly, in his own name or in that of any other person, purchase or acquire any territorial land or any interest therein, nor shall he be interested as shareholder—

And I underline "shareholder".

> —or otherwise in any corporation or company purchasing or acquiring such lands or any interest therein except by or under authority of an order of the Governor in Council.
>
> (2) Every person who violates this section is liable to summary dismissal on the order of the Minister, but his dismissal does not affect the right that any person may have to bring against him any civil or criminal action.

This last part of the sentence is to me entirely useless.

In any event, what is provided here is that an officer of the government or employee of the government who acquires an interest in a territorial land or a share in a company which has an interest will be dismissed. The act tries to soften this up by saying that the order in council may apply:

> (a) to a particular interest in a particular corporation described in the order or to interests in a class or classes of corporations described therein; and
>
> (b) where the order so specifies, to a particular interest or to interests acquired before the making of the order.

When you read that you find that there is very little difference between the existing legislation and what this bill tries to achieve. We already have the provision of the order in council. We do not have any dismissal provided, but there is the possibility of an order in council. The only thing it achieves is to do away with the possibility of dismissal of an employee or an officer of a department who acquires such an interest, directly or indirectly.

However, this is not sufficient, first, because, as I said, it does not cover the real problem that we have today with the seabed, which may be under the jurisdiction of the federal government, and, secondly, because an officer of a department or an employee of the government may not know what a company in which he acquires a share or a few shares, especially of a public company whose stock is listed on the stock exchange, is doing.

Unless it is the intention of the government to use subsection (2) of the proposed new section 24 to exempt entirely from the application of section 24 all companies listed on the stock exchange—yesterday I mentioned CPR and Hudson's Bay Mining, and could have mentioned Bell

Telephone, which I think Senator McIlraith mentioned—which must acquire some territorial rights under the federal government to operate the services in distant territories, like Frobisher Bay or some other such place, an officer of a department or an employee may buy some shares and, without knowing it, contravene this act. If it were the intention of the government to exempt by an order in council all these companies, the stock of which is listed on the stock exchange, and which may be operated in a public way under government supervision, for instance, then I think this is not at all the proper way to achieve this end.

The last thing I want to draw to your attention is that there has been published, as you know, a green book entitled *Members of Parliament and Conflict of Interest*. In this green book, and especially in the draft bill concerning the independence of members of Parliament, a rule is set down which is not followed here—although I do not know why—concerning members of the Commons or senators, saying that we may not participate in a government contract. Clause 4(1)(b) of the draft bill says:

> if it is a contract with a corporation whose shares are publicly traded and the total number of the issued shares of the corporation held by or for the Member and his spouse or the Senator and his spouse, as the case may be, is not more than five per cent of the total number of shares.

This is an approach that appears to be logical on the surface. One may quibble about the percentage of shares allowed to be held by anyone. I think five per cent of the shares of a large publicly owned company is quite an important interest. That could be reduced to perhaps one per cent. But the point is that this avenue should have been followed in this piece of legislation.

For these reasons, I would suggest that the bill be referred to committee so that we can find out if there is something substantial behind it, and if it really will achieve what its initiator had in mind.

● (1440)

The last thing that I want to suggest that the committee deal with is a problem concerning the French version of the bill. It is faulty at certain points, but these shortcomings have been drawn to the attention of the officials, and it is my understanding that it is to be corrected by an amendment in committee.

For these reasons, I think this bill, although it would appear to be simpler than some of the bills we have dealt with up to now, should receive very particular attention in committee. I should hope that we would find out then if it is really useful, or if it is only the very limited plugging of a loophole, or the applying of an insignificant remedy to the problem the sponsor suggested it was intended to solve.

**Senator Greene:** Will the honourable senator permit a question?

**Senator Flynn:** Yes, certainly.

**Senator Greene:** Am I to understand from his words that he doubts whether there is federal jurisdiction over the off-shore continental shelf, or over the seabed to the extent permitted by international law? If this is his concept—as I understood it to be from his speech—is he speaking for his party in putting forward that contention?

**Senator Flynn:** The honourable senator is always interested in dealing with something other than the subject matter at hand, but I have no objection to answering his question.

I have been very careful to say that that is a decision of the Supreme Court, that the seabed off the shores of British Columbia is under federal jurisdiction. I did not go further. If Senator Greene wants to know my views as far as the other seabeds are concerned—let us say those off the shores of the provinces of Quebec, New Brunswick, Nova Scotia, and even Newfoundland—I would tell him that I doubt very much that they come under the federal government's jurisdiction. This, however, is not directly related to this bill. I was just talking incidentally about this. If the honourable senator wishes to have a debate on this part of the matter I have no objection. All he has to do is put a motion on the Order Paper.

**Senator Langlois:** Honourable senators, in the absence of, and on behalf of, the sponsor of the bill, I would like to comment briefly on the remarks made by the Leader of the Opposition. I am in accord with his suggestion that this bill be referred to one of our standing committees. Last night the suggestion was made by the sponsor, and others in this chamber, that this bill should be referred to the Standing Senate Committee on Banking, Trade and Commerce. Even though this committee has within its competence matters relating to natural resources, I should have thought that this particular bill has only very little relationship with that subject. It deals rather with the operation of the previous legislation having to do with the acquisition of land by employees of the government.

I would suggest—and it is my intention so to move—that this bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs, rather than the Banking, Trade and Commerce Committee. That is what I intend to do if the bill gets second reading.

**Senator Flynn:** I think it is a good idea, so that Senator Greene can raise his problems too.

**Senator Langlois:** I am not opening the door to him.

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?

On motion of Senator Langlois, bill referred to Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.

## ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL TO AMEND—SECOND READING

**Hon. Martial Asselin** moved the second reading of Bill C-214, to amend the Electoral Boundaries Readjustment Act.

He said: Honourable senators, in introducing this bill I shall not say it is a simple bill, because my leader does not

like the expression. I will say instead that it is a short bill, and a not very complicated one.

This is a private members' bill which, in the other place, stood in the name of the member for Edmonton West, Mr. Marcel Lambert, and which received the unanimous approval of that house. This is why it is before us now. It is rare that private members' bills ever get beyond second reading in the other place, so it is obvious this one struck a very responsive chord.

The bill deals with the Electoral Boundaries Commission and the way in which that commission operates. The Electoral Boundaries Commission, to refresh our memories, is that body entrusted, under the terms of the Electoral Boundaries Readjustment Act, with the task of dividing provinces up into electoral districts. Prior to that commission's being set up, electoral districts were decided upon by a committee of the House of Commons, and what that boiled down to, in effect, was that a cabinet minister from any given province saw to redistribution, and the house committee merely went through the motions. Needless to say, the redistribution achieved in those circumstances was not at all objective. Political advantage was all too often the only consideration in the making of changes, and it was therefore decided to have redistribution carried out by an independent objective body.

Although this has been an improvement over the former system, it has not worked out perfectly well, and the bill before us represents an attempt to iron out some of the kinks in the system.

What the bill seeks to do is to require that the Electoral Boundaries Commission for a province, when making its report, support with reasons its recommendations concerning: (1) the division of that province into electoral districts; (2) the description of the boundaries of each such district; and (3) the representation and name given to each district.

The reason for this is fairly simple. Section 20 of the Electoral Boundaries Readjustment Act allows that, on a notice of motion, a member of the other place may object to recommendations made in a commission report. It compels him, however, to specify "the provisions of the report objected to, and the reasons for the objection."

It was thought by the member for Edmonton West—and the House of Commons agreed unanimously—that the rules of debate in that house would be better observed if the recommendations of a commission were reasoned amendments to which debate might more effectively be directed.

● (1450)

Having the commission's reasons why it has acted the way it has will serve to limit debate—which in the other place is not a bad idea at any time. When a member sees why the commission did what it did he may be driven to the conclusion that, all things considered, that was the proper course to follow. If he does not agree then, at least, he will be able to point out to the commission where he considers they went wrong. Being in possession of the reasons that led to their conclusions, he can point out errors of fact or interpretation or faulty reasoning, if such exist. This will make for much better debate.



The amendment is commendable because, while the commission system, in theory, might be better than the old method, in practice it has not always worked marvellously well. It would appear that, preparatory to making their recommendations, certain commissions have not gone to much effort to acquaint themselves fully with the electoral districts they were redistributing. Apparently their members have not even been conversant with some of the most elementary facts concerning the geography and demography of the areas under study. As a result, they have made many inadequate recommendations, which the politicians have been hard pressed to correct, not knowing precisely why the particular recommendations were made.

Section 13 of the Electoral Boundaries Readjustment Act sets down certain criteria to be used by a commission in reaching its conclusions. However, this has not proven satisfactory. There are still serious discrepancies in the decisions of the various provincial commissions. No one is suggesting that decisions based on the same general facts must always be identical but, surely, the same logic and a coherent philosophy should appear to have been relied upon in reaching conclusions.

This bill will serve to make the commissions explain their decisions and that is never a bad thing. Pronunciamentoes *ex cathedra* do not have their raison d'être in anything that touches the political representation of citizens. People entrusted with the responsibility of making judgments on how and to what extent Canadians are to be represented in Parliament should be compelled to explain how they reach their various conclusions. That would seem to be elementary in a democratic system, but it was left out of the original act. The oversight is being corrected by this bill—and it is high time.

The bill deals with a matter of particular interest to members of the House of Commons. I refer to the redistribution of electoral districts and the fact that reasoned arguments should be given when changes are made by the commissions. Since this bill received unanimous approval from those whom it most intimately concerns, I think it should receive approval here also. Although I, personally, see no particular reason for sending this bill to committee, if any senator wants it sent to committee, I shall be pleased, as its sponsor, to move at the appropriate time that this be done.

I would refer those honourable senators who want to investigate or inquire about this bill to the proceedings of the committee of the other house where this bill was studied. They can look into the answers given by the returning officer who appeared before the committee and, in doing so, they will note that he agreed to the change proposed by this bill.

Motion agreed to and bill read second time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Asselin** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## APPROPRIATION BILL NO. 4, 1974

SECOND READING—DEBATE ADJOURNED

**Hon. Léopold Langlois** moved the second reading of Bill C-42, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1975.

He said: Honourable senators, as you will no doubt recall, royal assent has already been given to two supply bills covering estimates for the current fiscal year. The first provided interim supply for the months of April, May and June. The second, assented to on October 30, 1974, provided full supply for the balance of the main estimates as well as full supply for supplementary estimates (A).

The bill introduced today provides for full supply for supplementary estimates (B), which total $1,749 million. These latest estimates consist of approximately $802 million in statutory items; $801 million in budgetary items; and $146 million in non-budgetary authorities. The total estimates tabled to date for 1974-75 consist of budgetary expenditures of $24,515 million and non-budgetary expenditures of $1,436 million, giving a grand total of $25,951 million.

The second supplementary estimates were referred to the Standing Senate Committee on National Finance on November 26 last. These estimates were discussed in committee on December 5 with the President of the Treasury Board and his officials. The form of the supply bill is the same as that passed in previous years, except that additional borrowing authority in the amount of $2.5 billion is requested. The first supply bill for the current year provided borrowing authority in the amount of $3 billion. This additional borrowing authority is mainly the result of higher than expected sales of Canada Savings Bonds. If honourable senators so wish, I am willing, later on in this debate, to give further information in this respect.

The supplementary estimates covered by this bill would seem to be quite large. Over $1,200 million—three-quarters of the total—results from inflationary pressures. Some of the items included are for new costs created by inflation, but a large number cover increased expenditures adopted by the government to ease the impact of inflation on Canadians. This is consistent with the government's established policy of selective counter-measures to alleviate the severe effects that can be caused in some sectors of our society by rapidly rising prices.

● (1500)

For example, the government has doubled the provision made for subsidies for manufacturing milk and cream from the original $125 million included in the main estimates. It has also provided additional money for the beef quality premium program which operated until August 1974, and which has now been replaced by a price subsidization program. These two items are covered in the estimates in the form of a payment into the Agricultural Stabilization Account.

In addition, in relation to inflation, these supplementary estimates provide for the following:

First, payments to the provinces under the Federal-Provincial Fiscal Arrangements Act which have been increased by $202 million. These additional payments are the result of increased tax yields in certain provinces largely attributable to the effects of inflation;

Second, compensation to the railways of $118 million to offset the freeze on the level of freight rates throughout this year; and

Third, an additional $125 million for contributions to the provinces under shared cost programs affecting hospital insurance and university education.

Another portion of these supplementaries relates to economic development and supply, including such items as $18 million more in capital subsidies for the construction of commercial and fishing vessels; $20 million for a loan towards the completion of the heavy water plant at Glace Bay; and $55 million in loans to the CNR and $19 million to the Northern Canada Power Commission for hydro projects in the north.

Finally, there are social measures including $30 million for Indian Economic Development and other needs of our Indian and Inuit population, and $90 million related to the Local Initiatives Program for this season and last season.

These estimates, as in previous years, seek authority to finance new items through complete or partial offsets in other votes in this same program or other programs of a ministry where funds can be made available through the exercise of restraint, or where changing circumstances permit lower expenditures. Items which are completely offset are treated as $1 votes in order to bring them before Parliament for authorization. Here again, if honourable senators so wish, I am ready to give further explanation or information concerning these $1 items.

There is a total of 25 $1 items included in these supplementary estimates. These items consist of (a) items authorizing transfer from one vote to another—13 items; (b) items authorizing grants—6 items; (c) item authorizing the deletion of debts due the Crown—1 item and (d) items authorizing the write-off of losses in working capital advances, loan guarantees and amendments to previous appropriation acts—5 items.

Lists of these $1 items have already been prepared and were distributed to members of the National Finance Committee for their review. They were considered at the meeting when the supplementary estimates were before the committee.

Honourable senators, I think I have covered the most important features of this bill and if some further explanations are requested then, let me repeat, I am at your disposal to try to supply the answers.

**Hon. David A. Croll:** Honourable senators, I wish to speak to one particular item that appears in the schedule, to bring to the attention of the Senate that at the last general conference of the United Nations Educational Scientific and Cultural Organization, UNESCO, held in Paris in November of this year, it was decided by a majority vote not to spend money already allocated to the State of Israel in the sum of $24,000 or $25,000.

**Senator Grosart:** Would the honourable senator give us the vote item to which he is referring in the supplementary estimates?

**Senator Croll:** I am speaking with reference to the heading of External Affairs. There is no one specific item

to which I want to refer. My fear is that this money has already been voted and it may be spent.

I am told by the department that the contribution of the State of Israel to UNESCO is many times the $25,000 allocated. The Canadian contribution to UNESCO has already been voted, and so it is too late for me to ask you to do anything about that now and I do not so ask. But the Canadian contribution in the last two years has been $1.75 million, and for the next two years it is expected to be $2 million.

Canada voted for the general UNESCO budget, and I am told that it was discussed and voted on totally. It is after that that specific allocations for individual countries are accepted or rejected, and when the amount earmarked for Israel came to a vote, Canada voted against its rejection and against excluding Israel from the grant. However, the vote went the other way and Israel was excluded from the regional organizations, and cultural aid was withheld. This result came about through the endeavours this year of the communists assisted by the Arabs.

As I have said, honourable senators, nothing can be done now to withhold support since funds have already been voted and probably spent or, if not spent, at least committed. At this time the United States is seriously considering withholding any further contribution, and has so stated. Switzerland is cutting its contribution and other nations are ready to follow suit. Many European, United States and Israeli teachers, scientists and artists have declared that they will have nothing to do with the organization any more. My purpose in rising here today is to implore Canadians who contributed to UNESCO—teachers, scientists and others—to do likewise, and to withhold any contribution they have to make to UNESCO until such time as UNESCO comes to its senses.

● (1510)

This is an organization that has in the past actually prided itself on its non-political nature. This action will not enhance the agency's image abroad amongst scholars, intellectuals and other people of good will in the world.

I take this opportunity to serve notice that when money needs to be voted for this organization there will be others besides myself in Parliament who will raise their voices. At that time UNESCO will face a backlash, and a very heavy backlash, and I ask them to come to their senses and correct the wrong they are doing.

**Senator Grosart:** Could I ask the honourable senator a question of the very interesting point he has raised? I was aware of this in a general way from some statements made in the United States about their reaction. Is it the situation that we vote a lump sum to UNESCO, and then have no control whatsoever over the policy decisions that may be made, such as he has indicated, in respect of the spending of that $2 million? Is this the situation he is drawing to the attention of the Senate?

**Senator Croll:** You are quite right in what you say. A total budget is accepted. They then earmark so much for each country, and we have a vote on that earmarked money. We voted against denying this money to Israel, but we were in a minority.

**Senator Grosart:** Would the honourable senator in due course give us names of the countries that voted for this extraordinary decision by UNESCO, in view of the fact that UNESCO is said to have had a long background of non-political decisions? Hence the importance of the names of the countries who either abstained or voted against rejecting the UNESCO contribution to Israel. This goes far beyond UNESCO. It goes to the whole problem of our aid program, in which we have deliberately taken decisions not to allow political complexions of countries, or our political relationships with any country, to interfere with our general allocation.

[Senator Croll.]

I thank the honourable senator for raising this matter. I think it is something we should pursue in depth, because this could apply not merely to Israel. The same kind of situation could apply to any other country. UNESCO might decide that they are not going to extend various grants under the UNESCO program to Commonwealth countries or to any other country, and I think this is a matter that we should examine very, very carefully.

**Senator Godfrey:** May I ask the honourable senator a question? What is the proportion of money involved that has been denied to Israel in relation to the total budget of UNESCO?

**Senator Croll:** The total budget of UNESCO is $170 million.

**Senator Godfrey:** How much was Israel supposed to get?

**Senator Croll:** $25,000.

**Senator Godfrey:** $25,000?

**Senator Croll:** Yes.

**Senator Godfrey:** Are you suggesting that because they do not get $25,000 the other $169 million odd—

**Senator Croll:** We are contributing $1.75 million.

**Senator Godfrey:** But are you suggesting that everybody should stop contributing to UNESCO because of a decision not to give Israel $25,000?

**Senator Croll:** Yes. I am suggesting that, in order to correct this wrong, other people do not contribute to UNESCO. The people who contribute their services are scientists, artists and cultural people. I am suggesting that they withhold them. It is a very reasonable request. I am sure it will be heeded in the United States and other parts of the world, and I hope in Canada.

On motion of Senator Grosart, debate adjourned.

## BUSINESS OF THE SENATE

**Senator Langlois:** Honourable senators, I move that the Senate do now adjourn.

Before the motion is put, perhaps I may be permitted to remind honourable senators that a meeting of the Special Committee of the Senate on Science Policy will be held as soon as the Senate rises in Room 356-S.

**Senator Grosart:** Would the Deputy Leader of the Government be kind enough to tell us if there are any other committee meetings scheduled today after the adjournment of the Senate?

**Senator Langlois:** To my knowledge this is the only one. I understand the notice of this committee meeting has been sent out.

**Senator Grosart:** I am informed that the Standing Senate Committee on Banking, Trade and Commerce is now sitting, and that another committee—

**Senator Langlois:** We agreed to a motion permitting that committee to sit while the Senate was sitting.

**Senator Grosart:** I am aware of that, but I am informed that there is another committee that has called a meeting of its steering committee at the same time. As I understand it, we are in the position of having three committees sitting when the Senate adjourns.

I would again ask that there be some kind of control over decisions by committee chairmen to call meetings that conflict with one another. I would ask the Deputy Leader of the Government whether he will not consider having some kind of central control through the Committees Branch so that the committee chairmen have some knowledge of these serious conflicts?

**Senator Langlois:** I am glad Senator Grosart has raised this question. In his absence on official duty in Europe last week I put forward a suggestion, which I have discussed with the Leader of the Opposition, that there be a clearing house to co-ordinate the work of the committees, so that there is no undue duplication of their work. This suggestion has been accepted by the Leader of the Opposition, and I understand we are to have a further discussion on it this very week. I am glad this point has been raised, because this is a very important problem that we have to face and study.

**Senator Grosart:** Thank you.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, December 12, 1974

The Senate met at 2 p.m., Honourable Maurice Bourget, P.C., Speaker *pro tem* in the Chair.

Prayers

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** *pro tem* informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the names of Messrs. Forrestall and Baker (Grenville-Carleton) have been substituted for those of Messrs. Jelinek and Fairweather on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## DOCUMENTS TABLED

**Senator Langlois** tabled:

Text of Statement made in the House of Commons by the Secretary of State on December 11, 1974, announcing that the federal-provincial programme on bilingualism in education has been extended to include the Yukon and Northwest Territories.

## ADJOURNMENT

**Senator 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 tomorrow, Friday, December 13, 1974, at 11 o'clock in the forenoon.

Motion agreed to.

[*Translation*]

## THE HONOURABLE RENAUDE LAPOINTE

CONDOLENCES ON DEATH OF BROTHER

**Hon. Sarto Fournier (de Lanaudière):** Honourable senators, I should like to say a word on the passing away of one of the brothers of Madam Speaker.

Others may have done so before me, but I should like to express to the one who presides over our deliberations with such discretion, modesty and competence, our condolences on the recent passing away of one of the members of her family, her brother. We did not know him. He probably lived like most good people, very discreetly, but performing every day, every week and every year throughout his life, his duty as a citizen.

On my own behalf—for I have no authority to speak for everyone, but I feel that each and all honourable senators share my point of view in this regard—I express to our Speaker my condolences on the loss that bereaves her. We therefore offer her the assurance of our deepest sympathy.

**Hon. Léopold Langlois:** Honourable senators, I have had the opportunity, as indeed have the Leader of the Opposition and other honourable senators, to express personally our condolences to Madam Speaker.

I fully agree with the words just spoken by Senator Fournier (de Lanaudière) and, I am sure, so do all my colleagues.

• (1410)

[*English*]

## PRIVATE BILL

INTERNATIONAL AIR TRANSPORT ASSOCIATION
THIRD READING

**Senator Macnaughton** moved the third reading of Bill S-18, respecting International Air Transport Association.

Motion agreed to and bill read third time and passed.

## ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL TO AMEND—THIRD READING

**Senator Flynn** moved the third reading of Bill C-214, to amend the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read third time and passed.

## FOOD AND DRUGS ACT
## NARCOTIC CONTROL ACT
## CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Neiman, seconded by the Honourable Senator Deschatelets, P.C., for the second reading of the Bill S-19, intituled: "An Act to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code".—(*Honourable Senator Asselin, P.C.*).

**Senator Flynn:** Honourable senators, I understand that Senator Prowse wishes to speak and I would yield to him, on behalf of Senator Asselin.

**The Hon. the Speaker** *pro tem:* Has the Honourable Senator Prowse leave to speak?

**Hon. Senators:** Agreed.

**Hon. J. Harper Prowse:** Honourable senators, I should like to thank the Leader of the Opposition for his indulgence. This bill is apt to be misunderstood by many people. Nearly all who have followed the news on the radio, television or in the press will be surprised to find that this

bill does not make the use of cannabis or marihuana, legal in this country.

What we are concerned with on second reading is the principle or purpose of the bill, not the details of the various clauses. The purpose is to take prosecution for simple possession of marihuana out of the Narcotic Control Act. Under this act, all persons found in possession of marihuana have a heavy burden of proof thrown on them, and this is contrary to the doctrine which presumes that a man is innocent until proven guilty. Under the Narcotic Control Act—and as prosecutor I have seen this happen—there may have been evidence of a microscopic amount of cannabis having been in the pocket of a person's trousers. This was sufficient to put him into a position where either he had the burden of proving that he was completely innocent, had no knowledge of this and could have had no knowledge of it, or he would be faced with a conviction for trafficking and could be sentenced to life imprisonment. Now, that is the way the Narcotic Control Act reads.

But this is really a new phenomenon, one which has come upon us only since 1966. It was my privilege during the years 1963 to 1965 to act as the representative of the Minister of Justice and the Attorney General of Alberta in all prosecutions brought in Edmonton under the Narcotic Control Act. During that entire period it was considered a busy month if we had one case. Usually there were three cases every two months. That would have been the most we would ordinarily have dealt with during that entire period, and, of those cases, most of them involved known, hard-line addicts. In fact, during that whole period of time, there were only two cases which involved marihuana. One involved a person who had come up from the United States with seven ounces of marihuana hidden in his automobile—for which he was sentenced to ten years in the penitentiary. In the other case the narcotics squad of the RCMP, in making a routine investigation of known addicts, entered a building in which five or six users were gathered round, and the RCMP found on the floor the smouldering end of what turned out to be a cannabis or marihuana cigarette. As there was no particular proof of whose cigarette it was, we were unable to get a conviction. But during that two-and-a-half to three-year period in Edmonton, of all the narcotics cases we dealt with those were the only two involving marihuana.

In contrast to that situation, for the last seven or eight years the courts have been virtually inundated with cases involving cannabis. It is now the regular practice to have two prosecutors in the city of Edmonton to deal with prosecutions under the Narcotic Control Act, 99 per cent of which, as I say, deal with cannabis. I should say that there are a few cases involving LSD and one or two of the other mind-altering drugs as well.

I should like to refer for a moment to the LeDain Commission report. That report is still the subject of much controversy, but one thing all the commissioners were agreed on with respect to the end results of the use of cannabis was that cannabis was not, per se, or in a discernible way, the equivalent of heroin, for example, which is the hard drug with which we are most concerned and the use of which almost invariably destroys the user, not to mention the cost it imposes on society while that person is destroying himself or herself.

As Senator Neiman pointed out in her excellent introduction of the bill, more than half the people who are caught up in the use of this drug are adolescents. Unfortunately, not a few of them are barely beyond the age of puberty, which, as those of us who have raised children or can recall our own childhood know, is an age at which children experiment. Having suddenly become aware that they are in the world and are part of the society around them, they have an almost uncontrollable desire to try things out for themselves rather than to depend on what seems to them to be an endless stream of parental advice.

● (1420)

A great deal of damage has, in my opinion, been done by the kind of assumption that was made so frequently when the drug problem was starting, namely, that anyone who was going to use cannabis was going to end up using heroin. The experience of young people looking around in situations where experimentation was going on convinced them that that kind of statement, at least on the face of it, was utter, absolute rubbish, and they assumed that we, or those of us who were trying to give them advice, were not a credible source of information because we made that exaggerated statement, which they quickly found by their own experience to be incorrect. They came to the conclusion that we were old fogeys, that we should mind our own business, and that they could safely go ahead with what they were engaged in.

I remember talking one night to a young fellow of about 23 years of age who had done two years in the penitentiary for simple possession of marihuana. The LeDain Commission was then sitting, and he was wondering whether Parliament was going to legalize the use of marihuana. I said, "In no way will they be legalizing marihuana, or any of the other drugs." He said, "Why not? You legalized the use of alcohol, which has been acknowledged by many who have made a study of drug use to be the No. 1 problem in North America today." My answer was simply this: "What you say may be quite correct, but I am satisfied that if we were today dealing with the question of permitting the use of alcohol in our society for the first time, and in dealing with that question we had available to us all the information which years of abuse have given us, we would almost unanimously decide that the benefits were not worth the cost, and we would say, 'No way will we let it in'." It is here, however. It is here to stay. As individuals and as a society we have to learn to manage it as best we can.

The tremendous increase in the number of young people using marihuana created a particular problem for the courts. All those engaged in the criminal justice system—the police, the attorney general's department and others—were satisfied that anything that had to do with the promotion or the use of hard drugs like heroin had to be treated as a very serious crime against society, and that even a first offender deserved a severe sentence. The result is that under the Narcotic Control Act, which places cannabis in the same category as heroin, if the court comes to the conclusion that a person was found in possession of cannabis and had it knowingly in his control—that is, on his person or in any of the circumstances included in the definition of possession—then he is automatically placed in the position where he is no longer charged with mere

possession. The onus is on him to prove to the court that he did not have it for the purpose of trafficking. The presumption is that if he had any amount of the drug in his possession, no matter how minute, then it was in his possession for the purpose of trafficking and this carried with it a life sentence. Now, the penalties for possession of narcotics include seven years. They are all indictable offences. Here again I want to thank Senator Neiman for a very able description of what is meant by an indictable offence as compared to summary conviction.

So, honourable senators, magistrates all across this country found themselves time and time again having in front of them bright and able young people, boys and girls on the verge of manhood and womanhood, who had been carrying out what I would call normal experimentation for an adolescent, and the magistrates found they had to deal with them as though they were hardened users of narcotics such as heroin. These young people were faced with sentences of up to seven years, and even for mere possession the minimum sentence felt to be appropriate for conviction under the Narcotic Control Act was two years. This was penitentiary stuff. It meant taking a boy or girl out of grade 11, 12 or first year of university because of some momentary bit of nonsense, part of the normal process of growing up, and slapping them into a penitentiary with hardened criminals. When you do that, you are doing something to that person which in all probability will deprive society of the benefits that these people would be able to contribute to it after they had finished growing up.

This in turn led to two results. Magistrates were reluctant to convict, and wherever they could do so they started giving suspended sentences or various forms of probation. But these young people still had criminal records. Then we brought in the amendments to the Criminal Records Act by which, if these people subsequently showed that they had changed their ways and no longer broke the law, these records could be hidden away, but could, of course, be revived if there were further offences.

What this legislation before us now does is simply to say that for mere possession the person convicted will be treated under the Food and Drugs Act rather than under the Narcotic Control Act, where you find such things as "speed," for example, and amphetamines. I cannot remember offhand the schedule in which they are listed, but it also includes LSD and MDA and some of these mind-altering drugs. This change gives greater leeway to our courts to deal with these young people on the basis of the facts presented to them. They are not tied to a law written with something else in mind. All we are doing is providing the machinery which will enable the courts to deal with these people more reasonably, having regard to the facts with which they will be faced in each individual case without having to impose minimum sentences of seven years or having to accept responsibility for the various options thrown open to them.

But even here, honourable senators, we still retain the necessity for the accused person to prove his innocence until it becomes obvious that he is innocent, rather than leaving to the Crown the responsibility of proving his guilt until that guilt has been established beyond a reasonable doubt. Whether we might wish to change some of these things in committee when this bill goes there, as I think it should, is another question.

Let me say, based on all the information one gets, that the occasional use of marihuana in moderation by mature adult persons or by younger persons as a mere matter of experimentation is probably much less dangerous than some of the other things which they ordinarily might do. A single marihuana cigarette smoked by one person is very unlikely to cause his death, but a single bottle of whiskey consumed in one session by a person who has built no tolerance to alcohol will be fatal. As a matter of fact, I believe that even a "mickey" or a 12- or 13-ounce bottle of our 70-proof liquor gobbled down in one gulp could prove fatal for younger people or those who had never consumed liquor before. The danger with marihuana is that it is now being used in the high schools. This is where we want the police to be free to concentrate on the pushers, distributors and traffickers. As a person passes through puberty into adolescence and adulthood, he is faced with moving into a world in which he has lived largely in fantasy. He must then live in the world of reality as mature people must live out their lives.

● (1430)

If a person at age 14 finds that by the use of this cigarette, or of any other drug for that matter, it is possible for him to postpone facing up to reality, this then may become a way of life with him, and day after day he will refuse to face reality. These people escape responsibility by taking cannabis. This continues for three or four years and then their peer group, those of their own age, will have passed them by. At 18, by the time they will have reached the age of maturity, they will no longer have anything in common with their former age group; in fact, they will still be 14 as far as maturity is concerned. They become misfits in society, and are possibly beyond redemption.

I know a psychiatrist who became involved in a case of an 18-year old youth who was picked up as a user of marihuana, having been involved in the whole drug scene. He had played around with other drugs, which is a point I shall come to in a moment. The psychiatrist was called by the defence counsel to see whether he could help in the defence and if he could do anything for the boy. He said, because of the circumstances I have just related, that there was nothing he could then do for him. He could probably do something for the parents if they wished to come forward. He could have done something for the boy two years previously, but now he was so used to escaping from reality every time it faced him unpleasantly that the psychiatrist doubted if he would ever be able to learn how to face up to it in common with mature people. That is a pretty damaging thing to happen to an individual, but it is a true experience.

No one has accepted the argument that we are attempting to make access to marihuana easier. We are not doing that at all. We are endeavouring to enable the criminal justice system prevent the trafficker, the manufacturer and those who profit out of human weaknesses from operating. We do not want, as a corollary to that, to completely destroy a large segment of those who should be the leaders of the future.

Finally, I wish to deal with the suggestion that marihuana induces people to go on to heroin. There is no evidence that that in itself is true. But where a person uses marihuana in the company of people who habitually use other mind-altering drugs—those who are mainlining amphetamines and using heroin—it is a simple thing for that person to move on to other drugs, if he cannot be convinced of the difference between a drug that will not damage him too much if he uses it just once or twice and a drug that can undoubtedly damage him if he uses it at all.

So we are trying to let the Narcotics Act do the job which it was intended to do, and to move marihuana into an area where we can still go after the cause of our concern without having to go after the young person.

The number of people who go on to hard drugs do not do so because they use cannabis, but because, in order to use cannabis, they go into the drug subculture where the use of all drugs is common, and they are unable to make a distinction between the drugs.

At the time when most of us were going through that particular period of our lives, there were no non-dangerous drugs around. We may have wanted to experiment with the old man's alcohol supply, but the last thing in the world we were going to do was to shoot anything into our arms with a needle, or get involved with drugs.

Once young people discover they have been lied to about one drug, and they are in an area where other drugs are available—which are often pushed on them by the same people who pushed the cannabis—they will say, "Hell, I didn't even feel it. I might as well try the other thing and perhaps it won't bother me." That is where the damage lies. Not all users become addicts, but we cannot afford to have any addicts, because the cost to society is too great, apart from the cost to the addict.

We believe that these amendments will allow the police and law enforcement agencies in this country to deal with the key areas of production, supply, distribution, trafficking, and so on, without placing unfair and intolerable burdens on a great number of fine young people, on whom the future of this country depends, merely because of a moment's adolescent experimentation.

If, when considering the bill in committee, we look at it in that way, I submit, that we shall be doing a useful thing, not just for the young people of Canada in encouraging respect for the law, but also for the law enforcement agencies and the future of this country.

**Senator McIlraith:** I wonder if the honourable senator will permit a question?

**Senator Prowse:** Yes.

**Senator McIlraith:** In his remarks, which I found both interesting and useful, he used the expression "mere possession" several times, and at the conclusion of his remarks the expression was used in reference to the crime of possession. He referred to a young person who merely, in a moment's aberration, got possession of the substance. He went on to deal with the consequences of that type of situation. He said nothing about those who commit the offence of possession in a substantial way, as distinct from those who casually commit an offence. Since the offence in the legislation is possession and not mere possession, would the honourable senator care to elaborate on the other class of offence, possession only as distinct from trafficking?

**Senator Prowse:** Yes. The question of possession will now come under the Food and Drugs Act. The offence of possession is the same as that in the Criminal Code, physical control over any amount of the drug. The individual charged then has to establish that the drug was for his own use. The onus is on the accused to establish that it was for his own use. In other words, an accused has to satisfy the court that it was reasonable for him to have that amount of the drug for his own use. On the other hand, if the court comes to the conclusion, either because of the amount of the drug involved or the actions of the accused on being apprehended, that it is not satisfied it was for his own use, then he is subject to conviction of the offence of possession for the purpose of trafficking, which carries a much more severe penalty.

● (1440)

Also, on a charge of simple possession, the provincial court judge would have absolute jurisdiction to deal with the case. In other words, there would be no election. The offence would be dealt with by way of summary conviction, whereas under the existing legislation the Crown has an election as to whether to proceed by way of indictment or by way of summary conviction.

To summarize, if I was found in possession of cannabis and able to satisfy the court that it was for my own use solely, then, under this proposed legislation, it would not be a serious offence. On the other hand, if it was proved that I was in possession of the drug for someone else's use, or could not satisfy the court that it was for my use only, then I would be in much more serious trouble.

On motion of Senator Asselin, debate adjourned.

## APPROPRIATION BILL NO. 4, 1974

### SECOND READING—DEBATE CONTINUED

**The Senate resumed from yesterday the debate on the motion of Senator Langlois for the second reading of Bill C-42, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1975.**

**Hon. Allister Grosart:** Honourable senators, I compliment Senator Langlois on his excellent presentation in introducing this bill, and particularly on the frankness with which he dealt with one of the serious problems to which this bill gives rise. In the course of his remarks yesterday, he said:

> The form of the supply bill is the same as that passed in previous years, except that additional borrowing authority in the amount of $2.5 billion is requested. The first supply bill for the current year provided borrowing authority in the amount of $3 billion.

That sounds, on the surface, like a very simple statement. However, as I hope to indicate to honourable senators, clause 5 of this bill causes a major constitutional problem for the Senate. If honourable senators will bear with me, I will read clause 5, because it is essential to the point I hope to make. It reads as follows:

(1) The Governor in Council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by Parliament, by any Act heretofore passed, raise by way of loan, under the *Financial Administration Act*, by the issue and sale or pledge of securities of Canada, in such form, for such separate sums, at such rates of interest and upon such other terms and conditions as the Governor in Council may approve, such sum or sums of money, not exceeding in the whole, the sum of two billion, five hundred million dollars, as may be required for public works and general purposes.

Clause 5(2) reads:

Subsection (1) shall be deemed to have come into force on the first day of April, 1974.

Honourable senators, the problem arising out of clause 5 is the requirement under the British North America Act, the Financial Administration Act, and the Rules of the Senate that we cannot deal with any appropriation which has not been recommended by the Queen's representative. Rule 62 reads as follows:

The Senate shall not proceed upon a bill appropriating public money that has not within the knowledge of the Senate been recommended by the Queen's representative.

In this instance we are dealing with the appropriation of a sum of money that the Senate has no evidence whatsoever has, to quote the words of the rule, "within the knowledge of the Senate been recommended by the Queen's representative." On the other hand, the facts are that it has not been recommended by the Queen's representative. That fact was admitted, in effect, by the President of the Privy Council in speaking on this bill in the other place.

To indicate that I am not taking a political or partisan stand on this, perhaps I should say that there is also the clearest evidence, in the words of the President of the Privy Council, the Honourable Mr. Sharp, that he is very unhappy about the situation which developed because of certain strictures in the rules of the other place. In connection with this bill Mr. Sharp, as reported at page 2143 of *Hansard* of Wednesday, December 11, said:

I agree . . . that this was a most unusual proceeding. It was one that some of us were not aware of at the time the bill was introduced.

He then went on to say:

—I want to make it clear that I am not defending the procedure that followed. I hope we can avoid this sort of thing in the future.

Honourable senators might ask me to validate some of the general statements I have made. Perhaps I should begin by quoting the British North America Act, which applies equally to us as to the other place. Whatever the arguments may be about the power of the Senate—the authority of the Senate—to deal with financial bills, the fact is that if the Senate does not deal with this bill it cannot become law. Whatever the arguments may be as to whether we should refuse to deal with it or not, the fact is that unless the Senate deals with this bill, it does not become law. Section 54 of the British North America Act states:



It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

Honourable senators might ask how the government got into this impasse. It happened quite simply. Instead of presenting the bill in the "usual form," the phrase which Senator Langlois used yesterday, the government decided, at the last minute, to insert clause 5. There was no reference to the $2.5 billion in the estimates—the estimates, of course, having been presented on the recommendation of the Governor General. Normally, this would have been in the estimates, as it was before in the appropriation bill we passed in March of this year. However, someone slipped up this time, or someone deliberately tried to get away with it—I do not know which. But it is clear that the whole procedure is unconstitutional. There are two sections of the Financial Administration Act, in addition to what I quoted from our rules and the British North America Act, which make it clear that this bill cannot be passed in its present form, or should not be passed in its present form. Section 45 of the Financial Administration Act states:

The payment of all money borrowed and interest thereon and of the principal of and interest on all securities issued by or on behalf of Her Majesty with the authority of Parliament is a charge on and payable out of the Consolidated Revenue Fund.

That makes it very clear that what we are dealing with is an appropriation, apart from the fact that it comes to us in the form of an act, the short title of which is Appropriation Act No. 4, 1974.

● (1450)

Section 46 reads:

All money required under section 44 to provide a sinking fund or other means of securing repayment of securities, the remuneration and compensation of registrars and fiscal agents appointed under section 42 and all costs, expenses and charges incurred in the negotiation or raising of loans or in the issue, redemption, servicing, payment and management of any loan and any securities issued in respect thereof, may, with the authority of the Governor in Council, be paid out of the Consolidated Revenue Fund.

I quote those sections of the Financial Administration Act because somebody might say this is not really an appropriation, it is not the spending of money; it is the borrowing of money. The Financial Administration Act makes it very clear that because there are these charges involved—charges for the handling of the loan, interest thereon and, of course, the eventual repayment—then this kind of borrowing for which authorization is now sought is an appropriation dated back by clause 5(2) to April 1974. And I repeat, it is an appropriation which under the British North America Act, under the Financial Administration Act and under the rules of this chamber is unconstitutional.

Honourable senators might ask, "What do you think we should do?" The first option, of course, would be to follow

our rules strictly, and I am quite sure there is no question that if we were to do that we would not deal with the bill, but would send it back to the House of Commons saying, "Sorry, but under our rules the Senate cannot proceed upon a bill appropriating money that has not, within the knowledge of the Senate, been recommended by the Queen's representative." I repeat, not only do we not have that knowledge, but we have the knowledge that it was not so recommended. Clause 5 was not recommended to the other place by the Queen's representative. That is the situation that faces us.

If we send the bill back to the House of Commons saying that under our rules we cannot deal with it, we shall immediately, of course, become involved in the old argument—to which the minister in the other place made a passing reference—as to whether we can deal in this way with a financial bill. It does not matter what the legal argument is. The facts are that if we say we will not deal with it, it cannot become law. Should we do that? I am not myself convinced that it should be immediately necessary to take that drastic action if the Senate is prepared to accept some easier alternative.

I suggest that there are two alternatives. One is that we refer the whole bill back to the Standing Senate Committee on National Finance.

**Senator Flynn:** Not back.

**Senator Grosart:** The Leader of the Opposition corrects me. We can refer the bill to the National Finance Committee, because it has never been before the committee.

This raises, of course, another breach of our conventions, and an assurance that was given some years ago by the Leader of the Government that the Senate would not discuss the components of an appropriation bill before they had been before the National Finance Committee. In fact, the statement has been repeated over and over again in the last few years that that is the practice and convention of the Senate. I have to point out that this clause was never before the National Finance Committee. It was not in the estimates. Again I leave it to honourable senators to speculate why.

On that count as well as on the other it seems to me that if we want to find a way out of this we should at least send the bill to committee, where perhaps the minister will come and give some of the answers that I think he would like to give, because there was no opportunity to deal with it in the other place.

I say this without in any way criticizing the House of Commons, because under our rules that would not be permitted and I have no feeling of criticism. They suddenly found themselves bound by their own rules. On November 22 supplementary estimates (B) were laid on the Table in the other place. On December 10, Mr. Sharp, for the President of the Treasury Board, moved that supplementary estimates (B) be concurred in, and this was agreed to. Immediately Mr. Sharp moved that Bill C-42, the bill we are now considering, be read the first time and printed. That was agreed to, and he moved that it be read a second time and referred to the Committee of the Whole. At that point some questions were raised on clause 5, and I think the other place was in a mood to discuss this, but the chairman ruled that the committee was compelled "to pass the bill clause by clause, without debate." Under their procedure the bill went from first reading to second reading to being concurred in and third reading and passage all within less than ten minutes.

As I say, I am not in any way critical. The house was bound by its rules. The chairman gave that interpretation to the rules, and the matter, of course, could not be discussed further. The question was again raised on a point of privilege, but I shall not go into that. At that time the President of the Privy Council said that he did not like it at all, but there was no way out of it at that point.

So the bill comes before us. What do we do? I said one alternative was to refer it to the National Finance Committee. Another might be to refer only clause 5 to the committee, because that is the only clause in the bill that was not in the estimates and therefore not reviewed by the National Finance Committee.

Apart from the constitutional question and the obligation of Parliament to pay some attention to the British North America Act, to the Financial Administration Act, and to our own rules, there are other reasons why some questions should be asked about the bill in committee. When I say I have some doubts about the advisability of refusing to deal with it, I must add that I reserve the right to raise that point of order if the Senate is not able to agree to some kind of alternative that will at least put us in the position of being able to say, "We have done our best. At least we have given the minister an opportunity to answer some of these questions."

An amount of $2.5 billion is asked for in addition to the $3 billion that was granted previously by the March appropriation act. The government has extended its authority for debt financing by $5.5 billion. At the present time it has almost $5 billion of this in cash, because the Bank of Canada's weekly financial statistics statement, dated December 5, shows that the Government of Canada balance—that is, on the securities outstanding account—is $4.926 billion. We have absolutely no other information whatsoever, except a broad statement that this is for "public works and general purposes." From some of the evidence it is clear that it is not exclusively for public works, and nobody knows what "general purposes" are. That is another aspect I am quite sure the other place would have wanted to know about and which, had they not been bound by an anomaly in their rules, I am sure they would have insisted on knowing. That surely is the business of Parliament, to know the purposes, at least, for which the government intends to use supply, especially when it is in the sum of $2.5 billion, and particularly at a time when we must all be concerned about the federal government take from the GNP. The federal government debt—and that is the debt in this context—is up $4.2 billion in one year.

I think we would do some part of our job in the Senate if we refer this bill to committee and ask the minister, "What are you going to do with this? You have got $4.926 billion in cash on hand. Is it the intention to retire some of the national debt with this?" We know that there are maturing this year at least issues 425, 430, 435 and 452 totalling $1.7 billion; there are treasury bills in the amount of about $5.6 billion. Is that what this money is for? Is it going to retire debt, or will its effect be to increase perma-

nently the ceiling of about $30 billion which Parliament agreed on as sufficient for this year?

● (1500)

We do not know whether this is a temporary measure on the part of the government—whether it wants this temporarily to retire some debt in order to retain the legal ceiling authorized by Parliament—or whether this will actually create a new ceiling. I shall not go into the details of that. It would seem to be important that Parliament, through the Senate and through the Senate committee, obtain answers to such questions and to some others—questions seeking information about what the government intends to do with the $2.5 billion that it asks us to grant.

I suggest, therefore, to the Deputy Leader of the Government that this bill be referred to the National Finance Committee for consideration as soon as possible. We on this side have no wish to delay the bill. That is not the purpose of the suggestion I am making. I say, however, on behalf of this side, that I would have to reserve the right to raise the point of order as to whether, under our rules, we can deal with this bill when the evidence is conclusive that, if we follow our own rules, we cannot in conscience deal with it. I am suggesting an alternative, for the reasons I have indicated.

**Senator Langlois:** Honourable senators—

**Senator Flynn:** Is the honourable deputy leader going to close the debate? Before the debate is closed, I should like to know whether he is willing to refer the bill to committee.

**Senator Langlois:** Honourable senators, I am prepared to reply to the remarks just made by the Deputy Leader of the Opposition without closing the debate.

**Hon. Senators:** Agreed.

**Senator Langlois:** And I can tell the honourable Leader of the Opposition that I cannot agree to the suggestion that it was made in error.

**Senator Flynn:** I have no objection, if the Senate is willing to let the Deputy Leader of the Government speak now, on condition that he will not close the debate.

**The Hon. the Speaker** *pro tem:* Is that agreed?

**Hon. Senators:** Agreed.

**Senator Prowse:** Honourable senators, may I ask Senator Grosart a question before we go any further? I am very interested in what he had to say about the overlooking of the consent of the Crown to this particular bill. Could he offer us an opinion on this point? It is one thing to say that we would be breaking one of the rules of the Senate, but does he consider this is a condition precedent so that the bill becomes a nullity because that condition precedent is not met? Or is this a situation where the Crown, by giving its consent by signature later, would be presumed to have corrected what is obviously an oversight?

**Senator Grosart:** Honourable senators, I am not a legal expert. This point has been discussed. There are various ways it could be handled. The proper way—and it is not my opinion that it is the proper way; this is the opinion of others—is that the President of the Privy Council who introduced the bill, and the same President of the Privy Council who said he was unaware that clause 5 was there, should have made the correction. He said he did not know clause 5 was in the bill, and he intimated that had he known it was there he would not have introduced it. Clause 5 could have been withdrawn from the bill and there could have been a recommendation from the Governor General and another bill introduced.

There are various ways in which it could have been looked at. The point is, from the authorities I have quoted, that there is no question that this does require a recommendation. It could be done. It does not nullify the whole bill, the whole intention of the government to get this money under the bill before us. It does not nullify that. It could be remedied.

The President of the Privy Council said, "I hope this does not happen again; we have to do something to make sure it does not happen again." So there is no question that the government is aware that someone has blundered here. That is not the greatest criticism in the world of any government, to say they have blundered. Every government blunders once in a while.

**Senator Prowse:** May I ask for the senator's opinion here? Would he consider rule 63 which says:

> A bill of aid or supply shall not have annexed thereto any clause the matter of which is foreign to and different from the matter of the bill.

I do not know whether clause 5 of this bill comes under that or not.

If we proceed with this bill now, and if rule 62—and I presume a similar one elsewhere—is a condition precedent, then what we do is a nullity and everything is improper. Is this that kind of a problem, or is it something which can be corrected and caught up with by consent given later? This is the question I am concerned about.

**Senator Grosart:** The obvious answer is that there are many ways we can get around our rules.

**Senator Prowse:** Then it is not a nullity?

**Senator Grosart:** I am not sure whether we could suspend this rule. It is sometimes said that we can suspend any rule, that the Senate is master in its own house. But there are rules in our rule book the very nature of which suggests they should not be suspended—certainly not by mere leave, and possibly not even by consent. Whether this particular rule will come into that class or not, I do not know.

I hope Senator Prowse has the point of my remarks. I am really saying that we could suspend the rule, which would put us in a position at least to deal with the bill. We have already begun to deal with it, as we had a speech by Senator Langlois in introducing the bill last night.

Had we followed our rule, we might have said we should not have dealt with it. We on this side did not raise it at that time because we felt that there was a sensible way out. So we say the bill should be referred to committee. By so doing we in the Senate are, at least, putting ourselves in the position of having done something to improve it, instead of going against our own rules, against the British North America Act and against the Financial Administration Act. Then we will not be saying, "What do any of these acts matter? We do not care about them." That is all

I am suggesting. I am putting forward that alternative, while reserving the right—which would complicate the matter—to rise on a point of order to obtain a ruling on this, and that I do not want to do.

**Senator Langlois:** Honourable senators—

**The Hon. the Speaker** *pro tem:* Honourable senators, the Chair would like to be very clear on this question. I understand that the remarks which honourable Senator Langlois will make now are only to answer some of the points or questions raised by the honourable Senator Grosart, and he will not be closing the debate. I would like to make that very clear.

**Hon. Senators:** Agreed.

**Senator Langlois:** Honourable senators, I am pleased with the last sentence in the remarks of my honourable friend on the other side. He indicated that he was approaching this problem with an open mind when he said, if I take it correctly, that he was not willing to make a final pronouncement until he had heard what I had to say.

It is unfortunate that this storm blew up in the House of Commons. At this stage, I open a parenthesis to say that in my remarks I am far from being critical of the other place, or casting unpleasant thoughts on the remarks made in criticism here. We all make mistakes and we have to remember the old proverb *errare humanum est.* That is true today, and is probably more so in these Houses of Parliament than anywhere else, considering the pressure under which we are called upon to work on many occasions.

The tempest which blew up in the other place resulted from erroneous interpretations of terms used in the Constitution of Canada and the Financial Administration Act. It has always been considered, from time immemorial—and I have checked this with authorities—that a borrowing authority is not an appropriation, it is not an impost, it is not a tax. More than that, if my honourable friend is not prepared to accept this point, I bring to his attention the further point that whenever the Minister of Finance has been authorized by Parliament under the Financial Administration Act to borrow money, and the time comes to repay these debts, to reimburse the fund from which the money was borrowed, he puts an item in the estimates for the repayment of the borrowed moneys and at that point there is a recommendation by the Governor General—or, as in the case before us today, a recommendation by the Administrator of the Government of Canada—which is presented by way of a message to the House of Commons. I have checked that with the Law Clerk of the Senate. I also asked him to check with Mr. Gibson of the Legislation Section of the Department of Justice with respect to my interpretation, and Mr. Gibson has confirmed that my interpretation is correct.

● (1510)

But more than that, honourable senators, the interpretation I am putting before you has behind it a long-established practice in the other place of never including in the estimates, main or supplementary, any borrowing authority. The authority is sought only to comply with sections 36 and following of the Financial Administration Act, and thus give the Minister of Finance the authority to borrow. When it comes to the repayment of these debts, then an item under Public Debt, under the Department of Finance, provides the necessary funds to repay these debts. That is where parliamentary authorization to spend public funds is given, and that occurs only after these repayments have been recommended to the House of Commons by either Her Majesty the Queen or by the Governor General or by the Administrator of the Government of Canada.

This is the situation, and this is the reason why the bill presently before us includes clause 5 providing the parliamentary authority which was not included in supplementary estimates (B).

My honourable friend remarked this afternoon that there was no opportunity to discuss clause 5 in the other place. I do not think the facts support that position. In the first place, I received my copy of Bill C-42 on Monday, and clause 5 was in it. Moreover, this is a copy of the bill as it was when it was introduced in the House of Commons. I reiterate, clause 5 is in it.

But let me continue. My honourable friend says that the house was not given an opportunity to discuss clause 5. Let me refer him to page 2138 of the *House of Commons Debates* of Tuesday, December 10, 1974. My friend will notice that Mr. Lambert referred to this borrowing authority, and to clause 5 specifically. Mr. Fortin also criticized clause 5, and asked the minister to state to the house what the rate of interest payable under these loans is.

If my honourable friend would check pages 2138 and 2139 of the Commons *Hansard* he will see that the members of the House of Commons knew what they were doing, and that they did, in fact, discuss clause 5 to some degree. They were not led into the dark by the mistake—and I admit it was a mistake—made by the leader of the house and, incidentally, some members of the Opposition. However, far be it from me to cast any blame on them. Anyone can make a mistake. After all, there are new members in the other house. There is a new Speaker, and the leader of the house is new in that function. I do not know whether Mr. Stevens who raised the point is a newcomer but, even if he is an oldtimer, I repeat, anyone can make such a mistake. We all make mistakes. We are not infallible.

**Senator Grosart:** May I ask the honourable deputy leader a question, since he has asked me to read page 2138 of the House of Commons *Hansard* for December 10?

**Senator Langlois:** Do you have a copy of it?

**Senator Grosart:** Yes, I have, thank you. I ask the Deputy Leader of the Government if he is aware that the discussion he refers to takes up not quite a column, and ends with this statement by the chairman of the committee:

> Order, please. I ask the hon. member to resume his seat. I simply wish to refer him to the decision arrived at by the House last Friday which compels the Committee, at this stage, to pass the bill clause by clause, without debate.

Is the honourable deputy leader aware of that statement? Is he also aware of the statement that copies of this bill were presented to the members of Parliament only as the chairman of the committee was walking to the Chair?

That is the statement that was made in the House of Commons, and it has not been denied. Is he aware of that?

**Senator Langlois:** I was not aware of the particular statement you are referring to, but if you read further on page 2138 you will see that when clause 5 was called—"On clause 5—*Power to raise loan of $2,500,000,000 for public works and general purposes*"—the following exchange took place:

> MR. LAMBERT (EDMONTON WEST): Could I ask the Minister of Finance to tell us the exact purpose of clause 5 which is in addition to the usual form of an appropriation bill? We are now being asked to approve the granting of additional authority to the Governor in Council to borrow sums of roughly $2.5 billion, as I read it. There may be a valid explanation, but I think it should be on record.
>
> MR. TURNER (OTTAWA-CARLETON): The hon. member is very observant, as usual. The reason we need extra borrowing authority is because of the extra liquidity given to us as a result of the very successful Canada Savings Bond campaign.

And then the chairman spoke and brought to the attention of the members what my honourable friend has just said. But even after the chairman had said this, Mr. Fortin said:

> Mr. Chairman, I rise on a point of order. I did not hear clause 5 was carried and I had a question for the Minister of Finance concerning the proposed interest rates on the $2.5 billion bond issue.

The chairman then said, "Order," and addressed a few remarks to the committee, after which Mr. Fortin rose once again and said:

> Mr. Chairman, I rise on the same point of order. Thank you, Mr. Chairman, but I put the question at this point to show that we are now giving the Minister of Finance authority to borrow $2.5 billion. A completely ridiculous procedure. I believe this system of carrying the motion will be abolished when we debate amendments to the procedure.

So again there was a reference to the $2.5 billion borrowing authority sought by the Minister of Finance.

**Senator Grosart:** I know it is not the intention of the honourable deputy leader to mislead the Senate, but will he not agree that every statement he read from the Opposition in the committee was on a point of order, and that they were on a point of order because debate was not allowed?

**Senator Langlois:** Well, clause 5 is mentioned just the same.

**Senator Grosart:** But only on a point of order. There was no debate.

**Senator Langlois:** I do not want to be critical of the way the members of the House of Commons debate. It is not my function to criticize them. In fact, our rules forbid that we be critical of the other house.

**Senator Grosart:** I am not being critical of them, but I am critical of you for not giving us the facts.

**Senator Langlois:** I am simply reading *Hansard*. If you are not satisfied with what I have read, read it again yourself.

[Senator Grosart.]

**Senator Grosart:** Perhaps I can help the honourable deputy leader by pointing out that I am a little confused by his reading of Mr. Lambert's statement. In quoting Mr. Lambert, the honourable deputy leader pronounced it "as I read it"—in other words "as I have read it,"—whereas it should be "as I read it," meaning, "as I read it now." And Mr. Lambert did say, "as I read it," meaning "now," because he had just, at that moment, received his copy of the bill.

**Senator Langlois:** That may be so, but the fact is that clause 5 was discussed.

**Senator Grosart:** There was no debate, and it is a most important point that he had only at that moment received his copy of the bill.

**Senator Langlois:** Well, *Hansard* is there for anybody who wants to read it, and I am saying in answer to my honourable friend's point that the House of Commons did not know that clause 5 was in the bill and therefore did not discuss it.

**Senator Grosart:** That is right, they did not.

**Senator Langlois:** Even if it was done on a point of order, there is plenty of evidence to indicate that they were aware of that clause, and that they discussed it and asked questions of the Minister of Finance.

**Senator Forsey:** May I ask the Acting Leader of the Government a question? Did he not note in the chairman's statement the words, "without debate?" Those words are there repeatedly.

**Senator Langlois:** That has nothing to do with what we are discussing now. I do not want to discuss the position in the other place, or whether the chairman there was right or not. That is not my concern.

**Senator Grosart:** Senator Forsey is absolutely right. In his statement the chairman said that there was to be no debate, and that is the point we are making. Please do not tell us there was debate when, as Senator Forsey so aptly points out, the chairman said that the bill was to be gone through "without debate."

**Senator Langlois:** If I cannot convince you, I can only suggest that you once again read *House of Commons Debates*.

**Senator Grosart:** The chairman there said there was to be no debate. That is the answer.

**Senator Forsey:** There could not be any debate.

**Senator Grosart:** That is right. There could not be any debate.

**Senator Langlois:** But they did debate it just the same.

**Senator Grosart:** No, they did not. It was only on a point of order. Please don't insult our intelligence.

**Senator Buckwold:** There is more than one way to have a debate.

**Senator Langlois:** That is right. There is more than one way to have a debate, and they passed it. I am sorry that Senator Grosart's position is so weak that he has to resort to suggesting that I am insulting his intelligence—but that is his concern, not mine.

Now, the Honourable Acting Leader of the Opposition also made reference this afternoon—

**Senator Flynn:** That is good. Is it because I have been quiet that you are calling him the acting leader?

**Senator Asselin:** He is the deputy leader, but the leader is here.

**Senator Langlois:** I am sorry if I misspoke. I was looking for a note which I must have misplaced. Well, I have dealt with the points raised by my honourable friend, except for his reference to the Rules of the Senate.

● (1520)

I agree with him that rule 62 would prevent this chamber from passing this bill if we came to the conclusion that there is some illegality about it. I agree with that. I am not, however, prepared to agree with him when he says that the Constitution was violated, because we are dealing with the Financial Administration Act and not with the Constitution of Canada. When the mistake was made in the other place by both sides, and even by His Honour the Speaker, the leader of the house expressed the hope that this would not happen again and gave an undertaking to that effect. That would not have been good enough if there were some illegality about the bill, but it was accepted in the other place. However, if we passed it, and it were illegal, this bill would be unimpeachable.

I have before me Hood Phillips' *Leading Cases in Constitutional Law*, and I refer to the first chapter, the title of which is, "Parliament: (1) Legislative Supremacy: Act of Parliament not impeachable." This is from a decision in *Edinburgh and Dalkeith Railway Company v. Wauchope*, (1842), 8 Cl. & F. 710. I quote from the judgment of Lord Campbell:

> I cannot but express my surprise that such a notion should ever have prevailed.

He was referring there, of course, to the proposition that an act of Parliament, once passed, could be attacked for vice of procedure.

> There is no foundation whatever for it. All that a Court of Justice can do is to look to the Parliament roll: if from that it should appear that a bill has passed both Houses and received the Royal Assent, no Court of Justice can enquire into the mode in which it was introduced into Parliament, nor into what was done previous to its introduction, or what passed in Parliament during its progress in its various stages through both Houses. I trust, therefore, that no such enquiry will again be entered upon in any Court in Scotland, but that due effect will be given to every Act of Parliament, private as well as public, upon what appears to be the proper construction of its existing provisions.

**Senator Grosart:** Would the honourable Deputy Leader of the Government mind my asking him if he has heard of the British North America Act, because I did mention section 54? Is he suggesting that any act of the Parliament of Canada that contravenes the British North America Act cannot be nullified?

**Senator Langlois:** An act of Parliament is unimpeachable once it is passed.

**Senator Grosart:** Would the honourable senator tell us how many acts of the Parliament of Canada have been found unconstitutional by the Judicial Committee of the Privy Council? He is talking about Scotland here, under a unitary system of government.

**Senator Langlois:** The supremacy of Parliament exists in Canada as it does in England, or Scotland, or wherever you want to mention. The Parliament of a nation is always supreme in its decisions.

**Senator Grosart:** Outside the British North America Act?

**Senator Langlois:** This is not a question of constitutionality. It is a question of procedure.

**Senator Grosart:** We are dealing with section 54 of the British North America Act.

**Senator Langlois:** In this case it is a question of procedure only.

**Senator Grosart:** It is not procedure, if I may so suggest to the honourable Deputy Leader of the Government. The whole point is whether this bill that is before us comes within the powers of the Parliament of Canada under the British North America Act, and some of our own rules.

**Senator Langlois:** On the other hand, the courts have decided the point. However, I have given an explanation, and my honourable friend has not challenged my position so far, that the borrowing authority in this bill is not an appropriation *per se*. That is the point. It has been considered in that way ever since Confederation, and I do not see why today, because we have newcomers in the other place—

**Senator Grosart:** Oh, no, no—

**Senator Langlois:** —we should decide to change a long established practice.

**Senator Grosart:** I am sorry to keep interrupting the honourable deputy leader, but he has said he does not want to criticize the other house or its members. He has referred to them on several occasions as newcomers, however, and has suggested that they are responsible. This is a direct criticism of the members of the other place. May I ask the honourable Deputy Leader of the Government if he has read enough of the background of this situation to realize that the main argument in this was presented by the Honourable Marcel Lambert, a former Speaker and a former minister of the Crown, who can scarcely be described as a newcomer to that place?

**Senator Langlois:** My honourable friend is jumping up in the air for nothing at all once more. He has got off the track with this tempest in a teapot that he has raised this afternoon, and now he wants to go off on another tangent. Well, that is his business.

When I commenced my speech I enunciated the old Latin proverb *errare humanum est*, and I explained that in Parliament we are prone to make mistakes, and newcomers are not exempt from this. I have been a newcomer myself in the other place, and I was prone to make mistakes at that time as I am still making them today, if for no other reason than we have to work under pressure. This matter only came to my attention late this morning, and I had to do some research on it. I spent a lot of time under

pressure dealing with it, but if I make mistakes, it is not because I am a newcomer in the Senate—I have been here seven years now—but because I am human. Even an older member can make this kind of mistake if he works under pressure, as we are so often called upon to do. It was not my intention to direct unpleasant remarks at the members of the other place, and I said so in my opening words this afternoon. I cannot understand how my honourable friend can justify the position he has just taken in trying to ascribe that intention to me, and in trying to change the meaning of what I have said.

**Senator Grosart:** You made that remark in clear reference to Mr. Stevens, as *Hansard* will show.

**Senator Langlois:** I said that I did not know if he was a newcomer or not. I mentioned that.

**Senator Grosart:** All right. Let us forget it.

**Senator Langlois:** If you consider that an attack, let me point out that I also said that Mr. Sharp, the leader of the house, made a mistake in interpretation. He also made another one that I would like to point out. I did not particularly like this last one. I am sometimes accused by my friend of being too honest. There was one remark by Mr. Sharp which I find hard to accept.

**Senator Grosart:** And I referred to it.

**Senator Langlois:** Yesterday afternoon, when he was told by Mr. Baldwin that he should bring the discussion that occurred in the other place to the attention of the Senate, so that we would have time to prepare ourselves to deal with the subject matter in a decent way, Mr. Sharp replied:

> Mr. Speaker, I would not concede the other place has that kind of jurisdiction over money bills.

Not only do I object to that, but I took that position this morning when this was brought to my attention, and before I came to the conclusion I have expressed this afternoon that there is nothing wrong with the legislation as introduced in this house, and in the other. I even told officials of the Treasury Board that if I came to the conclusion that there was any illegality attached to this bill I would propose one of two things—that I should either ask for leave to withdraw the bill, or move an amendment striking out clause 5. That was my first reaction. I am not bowing to my friend. This is the position I would take. I am now convinced by my own research and by advice I have received from persons in authority that the proper course was followed in this instance.

● (1530)

I now wish to deal with another matter relating to this bill.

**Senator Flynn:** If the honourable senator wishes to leave this matter and deal with the bill generally, then I must inform him that I also intend to speak on the points raised by Senator Grosart. If he wants to make his remarks closing this debate he can do so later, because I intend to speak further on the matter just raised.

**Senator Langlois:** I am not closing the debate, but I do not want to be repetitious.

**Senator Flynn:** You bet you are not closing the debate now. I want to speak on the points just raised by Senator Grosart.

[Senator Langlois.]

**Senator Langlois:** Do you want to speak now?

**The Hon. the Speaker** *pro tem:* It was understood that the remarks of Senator Langlois would not close the debate.

**Hon. Jacques Flynn:** If he wants to deal with the particular points presently at issue, he can go ahead; but if he wishes to concern himself with the bill generally, then the deputy leader will have to delay his comments, because I want to say among other things that I am very disappointed. I am very disappointed at the attitude taken by the Deputy Leader of the Government. I am disappointed at his implying that he will not agree to refer this bill to a committee. He says that he has consulted, that he has obtained opinions and because he is convinced that he is right in saying that this bill is unimpeachable—and I shall come back to that in a moment—there is no reason for the Senate to doubt his word, and that we should be prepared to accept his view and pass the bill.

Honourable senators, I think it would be completely unacceptable for the Senate to take the position that having been given the opinion of the Deputy Leader of the Government we should be satisfied and seek no further. I think this bill should be referred to a committee, if there is any doubt whatever as to any of the points raised, or points that could be raised, pertaining to its legality, its constitutionality or its propriety.

Senator Langlois has told us about the theory of British courts that an act of Parliament is unimpeachable in saying that when Parliament has passed a bill a court should not look into the procedure. That may well be so, but what is he suggesting here? Is he suggesting that if he can impose, with the majority that he has behind him, a decision which is illegal, nobody will contest it? Is it an invitation to the Senate to do away with our rules and to do away with our procedures? Is that what he is implying? Does he suggest that when we find something illegal we should not look into it?

**Senator Langlois:** I did not say that.

**Senator Flynn:** It is what you implied.

**Senator Langlois:** You are using your imagination.

**Senator Flynn:** No, I am not using my imagination. I am using the judgment that you have quoted. If there is something wrong with this bill—despite your view, despite your infallible opinion that it is correct—don't you think it is the duty of the Senate to correct it? You say, "We are not going to refer this to a committee. Nobody behind me wishes to know whether in the opinion of a committee this is right or wrong."

**Senator Langlois:** Nobody behind you?

**Senator Flynn:** No, nobody behind you. Perhaps I could apply it to some of the people around me as well because we are surrounded completely; we are outnumbered.

I say it is improper, honourable senators, for the Deputy Leader of the Government to take this attitude because it is the duty of the Senate to look into these matters whether they be problems of procedure, problems of propriety or problems of constitutionality, and the Deputy Leader of the Government should have acted right away to refer this bill to the appropriate committee so that we could look into this and get an opinion other than his own which, as

he has himself admitted, is hearsay insofar as the Department of Justice and the Law Clerk of the Senate are concerned. I do not doubt that he has obtained these opinions, but I would rather hear them for myself in committee than hear them through him.

**Some Hon. Senators:** Hear, hear.

**Senator Flynn:** That is the first point I want to make, honourable senators. The refusal to refer this bill to the committee is quite unacceptable.

The second point I want to make is this: let us look at the proceedings in the House of Commons for a moment. The government was not aware, or members of the government, to be more precise, were not aware, that Bill C-42 included the borrowing authority contained in clause 5. This is the implicit admission in the statement made by Mr. Sharp and which was read by Senator Grosart from page 2143 of the House of Commons *Hansard*. This is what it says:

> HON. MITCHELL SHARP (PRESIDENT OF PRIVY COUNCIL): Mr. Speaker, I agree with the hon. member that this was a most unusual proceeding. It was one that some of us were not aware of at the time the bill was introduced.

Just imagine that, honourable senators. One member of the government—the house leader—is not aware of the provision in the bill.

**Senator Grosart:** And he introduced the bill.

**Senator Flynn:** Yes, he introduced the bill. And now the deputy leader tells us that the House of Commons knew what it was doing. That is simply not so.

Secondly, he said that the bill had been circulated for several days. This again is not the case. You just have to read the proceedings in the House of Commons and you will find that first reading of the bill was given that day. I think Senator Grosart quoted from the appropriate page:

> MR. SHARP (FOR MR. CHRÉTIEN) thereupon moved that Bill C-42, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975, be read the first time and printed.
>
> Motion agreed to.

Then immediately afterwards it was given second reading. It is obvious from the facts of the situation, just as it is obvious from what has been quoted by the Deputy Leader of the Government himself—and here I agree with Senator Grosart—that Senator Langlois was misrepresenting the facts, as far as the proceedings in the other place were concerned. I regret to say that, but it is a fact. There was no debate. There would have been a debate, as is quite obvious from reading *Hansard*, if the opportunity had been granted, but there was none. It was an order of the house that the supply bill should be disposed of without debate. Why? Because it is taken for granted, and often it has been the case here, that a supply bill is only an enactment of the estimates which have been tabled and discussed and studied in committee. But that was not the fact in this instance. That is why the problem was raised in the House of Commons. It was raised previously in this place because very often the supply bill does not reflect exactly the estimates.

In this case, as was admitted, it does not reflect the estimates because the estimates do not provide for the borrowing power contained in clause 5. But there are other instances of which I shall give you two or three examples.

In this case, for instance, we have supplementary estimates (B), and clause 2 of Bill C-42 provides spending authority in the sum of $947 million. Then it says in clause 3(2):

> The provisions of each item in the Schedule—

That is in supplementary estimates (B).

> —shall be deemed to have been enacted by Parliament on the 1st day of April, 1974.

But this is not to be found in supplementary estimates (B). Do honourable senators realize what this means, in fact? It means that all the supplementary estimates (B), which are estimates that the government found afterwards it needed, could have been spent in advance by the government without any authority of Parliament, and thereby confirm illegalities. We are here giving retroactive authority to the government for the spending of these amounts. These amounts do not appear in the estimates, but they are in the supply bill, and I want to know a lot more about them.

● (1540)

The next point to which I wish to draw the attention of honourable senators is in connection with a bill which we discussed some time ago. With respect to the estimates it was completely the reverse situation. We provided $300 million for winter works, to be spent during three years—the current year and the two following years. That was contained in the estimates in the first section of the bill. We were providing for the spending of the whole amount set down in the estimates, which included the extra $300 million for that current year. Therefore, we were authorizing the expenditure of the $300 million during the one year rather than over the three years as had been provided in the estimates.

I raised that problem at the time here and in committee. We were given an opinion by the Department of Justice, but that opinion was not entirely convincing because, after all, these mistakes are not necessarily mistakes made by the Government, but rather, sometimes, by the officers of the department, and they tend, naturally, to attempt to cover their errors. I do not think we should do the same. We are not here to absolve public servants of their mistakes and we should not take it, as the Deputy Leader of the Government seems to be taking it, that these mistakes are necessarily to be attributed to the government. When we find errors we should correct them. That task of correcting legislative errors is not only within our competence, it is our principal duty, and we should not be afraid to carry it out.

Senator Grosart has insisted that we are not being critical of the government, but of a situation which should not have arisen and which we wish to correct. It is the duty of all senators here, of whatever party, not to hesitate a moment. If something needs correcting, then let's correct it. There's nothing to worry about. The government will not fall because we have done our duty. On the contrary, departmental officials will likely be more careful in the future. That is all I want. And if, in committee, we can be

convinced that there is nothing to it, that it is a tempest in a teapot, then well and good. However, I am not presently convinced that it is a mere tempest in a teapot.

I remarked that the government was not aware of this borrowing authority contained in Bill C-42 and I have proven that. I have also proven that the House of Commons could not have been aware. That fact was proven quite clearly by the record of the other place and the point of privilege raised there yesterday.

Now I wish to mention that, on the point of privilege raised there with regard to this question, the Speaker could do nothing else but say that it was raised too late and that there was nothing he could do. The House of Commons is not a court of justice and the Speaker could not rule that the house had not proceeded according to the rules and regulations, or in accordance with the British North America Act. He cannot say that, because he is not a court of justice. He can only rule that the point of privilege should have been raised earlier, when he probably would have ruled that he could do nothing. That is the gist, I would say, of the ruling of the Speaker in the other place, which I maintain was correct.

Suppose, however, discarding the judgment quoted by Senator Langlois, that a bill is illegal and could be quashed by a court, which I contend it could. I do not mean if it is only a question of indifferent procedure, but suppose it could be quashed. Do you not think that it would be the duty of the Senate, before the bill receives royal assent, to correct the mistake so as to avoid litigation which could follow? My contention is that if a bill is adopted in contravention of an essential procedure of the Senate, or in contravention of the British North America Act, a court of justice could quash it. Therefore, if we find something wrong at this stage, we should do something about it and determine the question in committee. Again, I do not here rely on hearsay opinions of persons who have not appeared before us.

The legislation has been received in the Senate, and Senator Langlois stated that it is not an appropriation. Perhaps this is an argument which could be valid; perhaps borrowing authority is not an appropriation. I will say, however, that it is not correct to present a bill entitled "An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975, and then proceed to include something which is entirely outside the scope of the title or the purpose of the bill. If borrowing money is not appropriation, then why include borrowing authority in an appropriation bill?

I will ask a secondary question: Why is the borrowing authority phrased as it is in clause 5 of the bill? Allow me to read it:

> The Governor in Council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by Parliament, by any Act heretofore passed, raise by way of loan, under the *Financial Administration Act*, by the issue and sale or pledge of securities of Canada, in such form, for such separate sums, at such rates of interest and upon such other terms and conditions as the Governor in Council may approve, such sum or sums of money, not exceeding in the whole, the sum of two billion, five hundred million dollars—

[Senator Flynn.]

I do not know, had Mr. Howe been here, if he would have considered this amount to be peanuts, that he would have said, "What's a million?" However, the clause continues:

> —as may be required for public works and general purposes.

I underline the phrase "as may be required for public works and general purposes." Are you, or are you not, appropriating the funds raised under the borrowing authority comprised in this bond issue by saying "as may be required for public works and general purposes"? You may reply that it is not the intention to do so, but who knows? If Senator Langlois is right, that we should never worry about devices of procedure and language, the government could very well use the additional $2,500,000,000 provided by clause 5 for public works and other general purposes without any other authority than clause 5, and without having to explain anything by way of estimates.

You say it is not an appropriation, to which I reply that it is very questionable whether it is or is not an appropriation. What should we do? Again I ask the Deputy Leader of the Government to reconsider his position of not referring this bill to committee. In my opinion, if the bill is an appropriation bill, a money bill, as referred to in rule 62, or an appropriation bill as referred to in section 54 of the British North America Act—yes, the bill is certainly called an appropriation bill, as Senator Grosart indicates to me—if this is a bill falling under section 54 of the British North America Act or rule 62, we should have the sense of responsibility to look into it and introduce the necessary correction. If it is an appropriation bill, then especially have we no choice but to inform the government that we will delete clause 5, and it can introduce another piece of legislation requesting the authority of Parliament to borrow $2,500,000,000.

● (1550)

Do you not think that this is really the thing to do? It is quite obvious that the Commons have been taken by surprise—not only the Commons, but even several members of the government. We should give them the opportunity to consider this matter. I, for one, would hate to think that the House of Commons did not know what it was doing when it passed this bill. We want to give them an opportunity to reconsider, to adopt a bill which would give, properly, clearly and knowingly, power to the government to borrow this huge sum of $2.5 billion.

We should, if we really believe that we are here for a useful and valid purpose, act in accordance with that purpose and make the recommendation that appears necessary. It may be technical or it may be substantial—I do not know—but one way or the other, we are here for this purpose and we should get on with it.

I have often met people in what is now the National Assembly of Quebec, who regretted the abolition of the Legislative Council because they are now unable, without the Council, to make corrections to legislation, corrections of the type called for here. Less than two weeks ago a minister of the Quebec government told me precisely that.

If we do not have the courage in the Senate to do this, to seize this opportunity to do our duty, then we will deserve the criticism that has so often been levelled against us.

We must do something about this matter. I urge Senator Langlois to refer this bill to committee. We shall look into it there. If we reach the same conclusion he did, that there is nothing to worry about, then, very good; but if we are able to help Parliament, if we can dispel any doubt, any hesitation, or clarify any problem—be it of propriety or procedure, or of the rules of the Senate as they apply to a matter like this—then we shall have done an excellent job.

Again I urge the Deputy Leader of the Government to reconsider his position. We have a marvellous opportunity to justify, in terms that can be understood by the people, why we are here. We have an opportunity here to do that for which the Senate was created—to take a second look at legislation and correct it, if necessary, before it goes any further. Shall we miss this occasion? I hope not.

On motion of Senator Macdonald, debate adjourned.

The Senate adjourned until tomorrow at 11 a.m.

# THE SENATE

Friday, December 13, 1974

The Senate met at 11 a.m., Honourable Maurice Bourget, P.C., Speaker *pro tem* in the Chair.

Prayers.

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** *pro tem* informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
OTTAWA

December 13, 1974

Sir,

I have the honour to inform you that His Excellency the Governor General will proceed to the Senate Chamber today, the 13th day of December, at 11.45 a.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the
Governor General.

The Honourable
The Speaker *pro tem* of the Senate,
Ottawa.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** *pro tem* informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Olivier has been substituted for that of Mr. Francis on the list of members appointed to serve on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## BUSINESS OF THE SENATE

**Senator 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 Monday, December 16, at 8 o'clock in the evening.

● (1110)

In accordance with the usual practice, I should like to outline the business to be dealt with next week. As I mentioned to the Leader of the Opposition in private this morning before the sitting began, my original intention had been to make the motion for adjournment for Tuesday evening, but when I was informed of the amount of work in sight for us next week I had to change my mind, as it is obvious we are going to have quite a busy week.

In addition to the legislation now before the Senate, it is expected that we will receive at least three bills from the Commons next week. On Tuesday, the Standing Senate Committee on Agriculture will meet to continue its consideration of Bill S-10, to amend the Feeds Act; the Standing Senate Committee on Banking, Trade and Commerce will meet to give further consideration to Bill C-15, respecting oil and gas in Indian lands. Bill C-14, to incorporate the Federal Business Development Bank, may also be referred to that committee. The Special Joint Committee on Employer-Employee Relations in the Public Service will also meet on Tuesday. On Wednesday there will be meetings of the Banking, Trade and Commerce Committee and the Transport and Communications Committee, the former to continue its study of competition in Canada and the latter its examination of the television program, "Les Beaux Dimanches."

Next Thursday there will be meetings of the Standing Joint Committee on Regulations and Statutory Instruments and of the Special Joint Committee on Employer-Employee Relations in the Public Service. The Standing Senate Committee on Legal and Constitutional Affairs will meet next week to consider Bill S-20, to amend the Territorial Lands Act, but the date and time of that meeting has not yet been determined. A notice will be issued in due course.

**Senator Flynn:** Honourable senators, concerning the business for today, we have been informed that His Excellency the Governor General will be here at approximately a quarter to twelve to give royal assent to certain bills. May I ask what is expected of the Senate today in dealing with the program at hand? I am assuming that after royal assent we will not resume the sitting but will adjourn until Monday night, in which case we have approximately 25 minutes left now in which to deal with the matters that are before the Senate. May I ask what is expected of the Senate in this short period of time?

**Senator Langlois:** As you have suggested, as soon as royal assent is over it is proposed to adjourn until Monday evening. As for the time left to us now, I intend to move in a few minutes from now that we adjourn during pleasure to await the arrival of His Excellency the Governor General.

## DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

BILL TO AMEND—THIRD READING—ORDER STANDS

On the Order:

Resuming the debate on the motion of the Honourable Senator Langlois, seconded by the Honourable Senator Croll, for the third reading of the Bill S-15, intituled: "An Act to amend the Department of Industry, Trade and Commerce Act."—(*Honourable Senator Grosart*).

**Senator Grosart:** Honourable senators, I intend to stand this order, but as the adjournment on third reading is in my name I feel I should ask the deputy leader if there is any particular urgency for disposing of it now. If there were, I could speak on it, but my time would seem to be rather limited. Nevertheless, I want to make it clear that I have no intention of holding this bill up if there is any urgency in having third reading.

**Senator Langlois:** There is no urgency at all. It is a Senate bill and will have to go to the other place in any event so that it could not possibly get royal assent this morning. There is no urgency at all.

Order stands.

The Senate adjourned during pleasure.

## ROYAL ASSENT

At 11.45 o'clock 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 give the Royal Assent to the following bills:

An Act to amend the Immigration Act.

An Act to amend the Electoral Boundaries Readjustment Act.

An Act respecting the Boundary between the Provinces of Alberta and British Columbia.

An Act to amend the Fire Losses Replacement Account Act.

An Act respecting British Columbia Telephone Company.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

———

The sitting of the Senate was resumed.

The Senate adjourned until Monday, December 16, at 8 p.m.

# THE SENATE

Monday, December 16, 1974

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Department of Transport for the fiscal year ended March 31, 1974, pursuant to section 34 of the Department of Transport Act, Chapter T-15, R.S.C., 1970.

Copies of a contract between the Government of Canada and the Municipality of Wetaskiwin, 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).

## BUSINESS OF THE SENATE

**Senator Perrault:** Honourable senators, before the Orders of the Day are called, may I suggest, because of the importance of the supply measure, Bill C-42, and the fact that our numbers are somewhat diminished this evening owing to adverse weather conditions, that we deal with this item tomorrow when more members will be in attendance. I simply put forward this suggestion for the consideration of the Opposition.

**Senator Grosart:** Honourable senators, I presume this suggestion would normally come when the Orders of the Day are called, but certainly we have no objection to it. We welcome it, having regard to the fact that the Leader of the Opposition is not here. This is a matter of such importance that the Leader of the Opposition should be here when it is being dealt with further. He regrets that he is snowbound in Montreal, but he is on his way.

**Senator Langlois:** It is a good place to be snowbound.

## DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

### BILL TO AMEND—THIRD READING

The Senate resumed from Friday, December 13, the debate on the motion of Senator Langlois for the third reading of Bill S-15, to amend the Department of Industry, Trade and Commerce Act.

**Hon. Allister Grosart:** Honourable senators, as you know, this bill was referred to the Standing Senate Committee on Banking, Trade and Commerce, whose report was accepted by the Senate. I should like to compliment the chairman of the committee, Senator Everett, and Senator Flynn and others who were responsible for suggesting an amendment, accepted by the Senate, which would increase some of the safeguards to privacy which were originally in the Statistics Act, but which were not carried through into this bill.

I should like to make some further comments on two other matters raised in committee, and again I thank those responsible for raising them. As honourable senators will recall, the purpose of this bill is to give detailed and special access to the papers of the collectors of customs and import documents to officials of the Department of Industry, Trade and Commerce, as well as the access presently allowed under the Statistics Act to sworn employees of the Department of Statistics Canada, as it is now known.

One of the matters which I and others raised, when this bill was before us on second reading, was the extraordinary situation by which the access permitted to the sworn employees of the Department of Statistics Canada by virtue of the Statistics Act had been extended, by what was called an "interdepartmental arrangement," to the employees of the Department of Industry, Trade and Commerce. I am glad to see that that question was discussed in committee. We have the simply amazing situation where the officials quite frankly said, "We may be expressing ourselves in bureaucratese when talking about interdepartmental arrangements." They admitted quite frankly that although there was an implied prohibition in the Statistics Act to the disclosure of this information to anyone other than an employee of Statistics Canada, at the discretion of the minister to whom Statistics Canada reports, or that of the Minister of National Revenue, this was extended by what is called an "interdepartmental arrangement" to the employees of another department. They then come before us and say, "We have not got all the access we need. We want more." In the discussion they said, in effect, "Well, we kind of admit that the way we went about it was rather circuitous. We now want to regularize this."

● (2010)

I want to suggest at this time, because we have a Joint Committee on Regulations and other Statutory Instruments, that that committee might want to take a careful look at this, to see how the discretionary power given to the minister can be extended indefinitely, as it was in this case, in spite of the clear intention of the Statistics Act to limit this to certain employees who would be sworn. As the act now stands, this can go on forever. There is nothing now to prohibit another "interdepartmental arrangement" extending access to this information to any employee of the Government of Canada, or an importer, or an interested man from the street, or anybody else. I think it should be on the record that this is the situation we are now facing.

Perhaps I can quote the chairman of the committee. He said:

> What do you mean by "an interdepartmental arrangement"?

Mr. MacKinnon, replying for the department, said:

> By way of an interdepartmental arrangement with Customs, between Revenue (Customs Division) and Statistics Canada.
>
> THE CHAIRMAN: You mean that, up to date, the customer would consent so that you could see the record that you now want statutory authority to see?
>
> MR. MACKINNON: It was worked on the basis of this interdepartmental arrangement. One of the conditions was that any employees who were permitted to see a document had to be sworn in under the secrecy provisions of the Statistics Act, section 6.

Then Mr. Ritchie, another official of the department, broke in and said:

> Honourable senators, perhaps I may explain it. We may be expressing ourselves in bureaucratese when talking of "interdepartmental arrangements." The legal basis on which we had access was in terms of employees of our operation being sworn in under the Statistics Act, pursuant to the provisions of that act, and therefore, having access to these documents.

So, we have the clearest possible case of the bureaucrats—and this is the word the departmental representative used—saying, "We can extend this thing indefinitely."

There is nothing clearer than that the original intention was that the number of persons who could have access to this information would be limited to employees of Statistics Canada; but because there was a secondary requirement that those employees be sworn, the interdepartmental arrangement was, "Well, anyone we want to have access to the information, we can swear."

So, they took the supplementary condition and made it the primary condition. They can still say, "Anyone we want to swear can have access." There was a discussion as to whether a temporary employee, who was just employed by the Department of Industry, Trade and Commerce for one day, could be sworn. Apparently under the act they can bring in anyone, swear him, under their interpretation, and this person then has access to the documents.

The official said again, replying to the chairman:

> Mr. Chairman, that is the rule which has been adopted in the past and part of the reason why we are hoping to get this through.

There again, honourable senators, that is the clearest evidence that the department itself knows that it has gone far beyond the intent and perhaps, even, the letter of the act, and now it comes before a Senate committee and says, "We were all right, but we must get this through now." In other words, "We were wrong." And this is the kind of nonsense presented to a committee of the Senate.

Finally, he said, "You know, we were going rather a circuitous route which has, among other things, some technical implications," and he says, in effect; "You know, we had to take a taxi and go all the way downtown; we don't want to do this any more; we don't want to go that circuitous route." But they have gone this circuitous route of making a complete mockery of the statute as it stood.

My second point relates to another situation. I had raised the point that this announced policy of the department to go through invoices ad lib and say, "If we can find anything here that is now imported, we can then suggest to a Canadian company that they can make this, and then perhaps we will subsidize it," I suggest would be clearly recognized around the world as another form of non-tariff barrier, the very kind of thing that Canada more than anybody else is seeking to take out of the general spectrum of international trade. This point was raised, and the reply from the departmental official was, "That, senator, is a far cry from a policy of import substitution behind the protection of non-tariff barriers."

I was not able to be in committee because I was in Europe talking to some of the officials of the countries who are members of the European Community, and I raised this very point with them. They said, "Well, of course, that has already been recognized by the OECD as a kind of non-tariff barrier." Yet we have officials saying that it is not. "This is not a non-tariff barrier. We are not going to use it that way at all." A little later under questioning the same official, talking of explicit policy under the provisions of the Textile and Clothing Board, said:

> —we have in Canada under the provisions of the Textile and Clothing Board pursuant to which we undertake an import analysis for the purpose of considering measures of restriction.

And an import analysis is the very thing we are talking about. If that is not creating a non-tariff barrier, then I do not know what it is doing. It is fair to say that the official was making a distinction between the automatic extension of import substitution under this bill and the restrictive use of this material that might be used where there was explicit policy. But still it is very clear that this authority, this additional access we are asked to give, can be used for trade restrictive purposes. Again it is fair to say that the officials said that the use envisioned would not constitute such an infringement. This is all very well, and we are glad to have the officials say that they do not intend to use it in this way in spite of the fact that they say they have already used it in this way. However, we will have to take their word for it, and I hope that the Joint Committee on Regulations and other Statutory Instruments will take a continuing look at this kind of situation, because as I understand it that is the purpose of the structuring of that committee, to see at what point the discretionary power given here will flop over into other restrictive practices that will be highly damaging to Canada's position in international trade.

**Hon. Douglas D. Everett:** Honourable senators, since I dealt with this bill on second reading and proposed certain amendments to it, I feel I should rise following Senator Grosart's speech and perhaps deal with some of the points he made.

I believe he said that the practice of the department makes a complete mockery of the old Statistics Act. I am afraid I cannot agree with his point on that. The department has had an opinion from the Department of Justice which, as I understand it, is that the actions of the department have been entirely legal and within the ambit of the Statistics Act. However, if that opinion is wrong, then, in

fact, Bill S-15 brings such a practice under the direct control of Parliament. I am sure the honourable senator will agree that that is to be commended; that it is far better to bring such actions under the direct control of Parliament than to leave them as a departmental arrangement under the Statistics Act.

● (2020)

As to the question of the non-tariff barrier, this bill attempts to provide information on which Canadian manufacturers can build manufacturing plants to produce goods which are now imported into Canada. This is something that is done to a far greater degree than is proposed in this bill by both the United States and the United Kingdom. Indeed, at the present time this does not offend the GATT rules. It is permitted under the GATT rules and, surely, the protection is that if the department officials go too far and use this as a form of import substitution, then the matter will be raised under the GATT rules, and Canada will have to act accordingly. However, I do not believe that Parliament, in dealing with a legitimate situation under the GATT rules, should assume that those rules may be broken.

In my opinion, we are indebted to Senator Grosart for raising the point. In his speech, which I both heard and read, and which I thought was an excellent speech on the subject, he indicated that this is the type of situation which could arise. Therefore, we are warned and apprised that it is possible but, with respect to the honourable senator, I do not consider it a reason for not proceeding with this bill, which puts this practice, which is allowed under the terms of GATT, directly under the control of Parliament.

Motion agreed to and bill read third time and passed.

## CAPITAL PUNISHMENT

COMMUTATION OF SENTENCE—QUESTION

Leave having been given to revert to Question Period:

**Senator Riley:** If the accused kidnappers of Raymond Stein, and murderers of two policemen in Moncton, New Brunswick, are convicted of kidnapping and murder, is it the intention of the Leader of the Government in the Senate to participate in the commutation of their sentences?

The Leader of the Government is not in his place this evening. I do not want to put him on the spot, but I should like to have that question answered.

**Senator Langlois:** Let it stand as notice.

## NATIONAL FINANCE

ESTIMATES OF MANPOWER DIVISION OF DEPARTMENT OF MANPOWER AND IMMIGRATION—MOTION TO AUTHORIZE COMMITTEE TO EXAMINE AND REPORT—DEBATE ADJOURNED

**Hon. Douglas D. Everett,** with leave, pursuant to notice for Tuesday, December 17, 1974, moved:

> That the Standing Senate Committee on National Finance be authorized to examine in detail and report upon the estimates of the Manpower Division of the Department of Manpower and Immigration for the fiscal year ending the 31st March, 1975.

He said: Honourable senators, in addition to its prime function of examining the spending estimates of the government in each fiscal year, the Standing Senate Committee on National Finance has in recent sessions undertaken detailed examinations relating to areas assigned to it by the Senate.

The first examination was the operation of the Canadian economy, during which the committee received written submissions and verbal evidence from leading economic thinkers throughout Canada and around the world. The result was the publication of our report, *Growth, Employment and Price Stability*, which is considered one of the most important reports on the operation and management of the Canadian economy to be published in the last decade.

In the last session the committee decided to hold hearings on Information Canada. These hearings related not only to Information Canada itself, but to the management and control of information services throughout the federal government, which the committee estimated cost the Canadian taxpayer in excess of $200 million per year. The ensuing report, *Information Canada*, was given wide publicity by the news media throughout Canada. Not only did the report detail guidelines for the operation of Information Canada, but it also recommended methods for the control of information expenditures throughout the federal government.

In the motion which is presently before the Senate, the committee is seeking the power to examine the operations of the Manpower Division of the Department of Manpower and Immigration.

In our study of growth, employment and price stability it was pointed out that the Canadian economy is largely managed by the main economic levers of monetary, fiscal and exchange rate policies. While the proper deployment of these policies can result in an economy that is achieving its potential growth with price stability and full employment, these policies cannot deal with the structural problems of the economy. These structural problems can create a tight labour situation in one segment of the economy at the same time that very high unemployment is being suffered in another segment. Accordingly, our report recommended certain manpower policies which are designed to reduce structural unemployment to a minimum. It is this type of policy which is administered by the Manpower Division of the Department of Manpower and Immigration.

● (2030)

The Manpower Division is spending approximately $550 million in this fiscal year. It operates 390 manpower centres across Canada, and these manpower centres are charged with the responsibility of finding jobs for unemployed Canadians. Manpower centres undertake a number of functions in fulfilling this responsibility:

1. They act as employment agencies.

2. They counsel those seeking employment.

3. Through contractual arrangements, they provide training for job seekers to improve their skills as required by the job market.

4. They provide advice and assistance to employers to enable them to fill their job vacancies.

5. They arrange on-the-job training programs with employers.

6. They provide mobility grants to bring job seekers to areas where jobs are available.

In addition, the Manpower Division administers special programs for groups that have particular problems in the job market. They also administer job creation programs, such as LIP, OFY, LEAP and CEP.

In examining the work of the Manpower Division, it is not the initial intention of the committee to find fault with the principle of job creation or, indeed, the present methodology. Rather, we wish to discover whether, in practice, the operation lives up to the theory. The sort of questions we will ask are these:

1. Do job seekers find Canada Manpower centres effective in getting them jobs?

2. Do employers make use of Canada Manpower centres in filling job vacancies?

3. What is the quality of the counselling provided to job seekers at Canada Manpower centres?

4. Are the training programs provided by these Canada Manpower centres training job seekers who are fitted for job vacancies?

5. Is the mobility program working?

6. Could employers provide better information to Canada Manpower centres about their job vacancies?

7. Are Canada Manpower centres providing fast, efficient and courteous service?

8. Are the special services provided to disadvantaged job seekers effective?

9. Do the job creation programs have a worthwhile cost effectiveness?

We are presently inviting submissions and general information from job seekers, employers and others who have had experience with the operations of the Manpower Division. In the New Year we propose to begin hearings and to receive evidence from officials in the various operations of the Manpower Division; from job seekers and employers; from training organizations; and from persons who have specific knowledge about the implementation of Manpower policies.

The work being done by the Manpower Division is important to the Canadian economy. The question your committee wishes to ask is: At $550 million per year, is the Canadian taxpayer getting his money's worth?

**Senator Benidickson:** Honourable senators, when a motion is set down for a specific date, it is unusual to ask for unanimous consent to advance it. Some honourable senators may have planned to speak on this motion tomorrow, the date for which notice was given, although I do not know. For that reason, I think the debate on this motion should be adjourned.

While I am on my feet, I commend Senator Everett for his motion respecting such a study. I think it would be a very useful exercise. Senator Everett may not be aware that about 12 or 14 Canadians returned over the weekend from a two-week visit to West Germany. The purpose of that visit was to study the very successful manpower training, and employment and unemployment, programs in West Germany.

The group consisted, I think, of four members of Parliament and representatives of industry and labour, and in addition was led by officers of the Canadian Council of Social Development. They will be able to make representations to the committee when this study gets under way in the new year.

On motion of Senator Benidickson, debate adjourned.

## BUSINESS OF THE SENATE

**Senator Perrault:** Honourable senators, in moving that the Senate do now adjourn, may I say that this is going to be a busy week for the Senate. We shall be sitting every day this week. I know we all appreciate the efforts made by honourable senators to brave the snowstorm of eastern Canada in order to get here this evening. Hopefully our numbers will be larger tomorrow so that we can get on with the very important business that will be before the house.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Tuesday, December 17, 1974

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

Prayers.

## REPRESENTATION BILL, 1974

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-36, to provide for representation in the House of Commons, to establish electoral boundaries commissions and to remove the temporary suspension of the Electoral Boundaries Readjustment Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Senator Perrault,** with leave of the Senate and notwithstanding rule 44(1)(f), moved that the bill be placed on the Orders of the Day for second reading later this day.

Motion agreed to.

## APPROPRIATION BILL NO. 5, 1974

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-45, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1975.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Senator Perrault:** Honourable senators, with leave of the Senate and notwithstanding rule 44(1)(f), I move that this bill be placed on the Orders of the Day for second reading later this day.

**Senator Grosart:** Honourable senators, I think we have a convention here that an appropriation bill such as this is not presented to the Senate until it has been reported on by the Standing Senate Committee on National Finance. Is that not a fairly well-established convention here?

**Senator Langlois:** Honourable senators, this bill involves only one item. It was not referred to the committee in the other house. Moreover, it is a simple bill. Of course, that expression is taboo in this house, but in any event I do not think honourable senators would find it necessary to send this bill to committee. I should point out that I consulted the Leader of the Opposition, who seemed to be in agreement with the suggestion of giving it second reading later this day.

**Senator Flynn:** Yes, I agree with that position. There is no surprise in respect of this bill so it can be sent to committee afterwards. However, if this had been the case with Bill C-42 we would have had no problem.

**Senator Langlois:** That will come later.

Motion agreed to.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Superintendent of Insurance for Canada on Small Loans Companies and Money-Lenders licensed under the Small Loans Act for the year ended December 31, 1973.

Supplementary Estimates (C) for the fiscal year ending March 31, 1975.

## INDIAN OIL AND GAS BILL

REPORT OF COMMITTEE

**Senator Macnaughton,** Acting Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-15, respecting oil and gas in Indian lands, 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?

**Senator Langlois** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## FOOD AND DRUGS ACT
## NARCOTIC CONTROL ACT
## CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, December 12, the debate on the motion of Senator Neiman for the second reading of Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code.

● (1410)

[*Translation*]

**Hon. Martial Asselin:** Honourable senators, I would like in the first place to congratulate Senator Neiman for the introduction she made of the bill now under consideration. As usual, she has done it with much tact, intelligence and in clear and concise terms.

I also wish to congratulate those senators who took part in the debate—Senator Sullivan, Senator Hicks and the others who also made a contribution.

It is a sensitive question and I find it difficult. The bill referred to the Senate by the government gives rise in that institution to an extremely important and sensitive discussion. This debate, as you know, is followed very closely by the young generation who is requesting that major changes be brought to the use of marijuana and cannabis sativa. It is also followed, as we see in newspaper reports, by the older generation who, by the way, would like Parliament to pass a stricter legislation on the use of marijuana, a legislation with teeth which could possibly provide harder penalties than at the present time.

These two positions are therefore totally irreconcilable, because the older generation find it difficult to adapt to changes as sudden as those which youth have undergone these last few years. I believe the Senate should take its responsibilities courageously, without show of emotion, and consider in what way we could bring about changes acceptable to society as a whole.

Let us say, first of all, that the present *status quo* is no longer acceptable. It is not a remedy to solve the problem and correct the situation. The use of cannabis sativa has become a custom and a habit amongst about 50 per cent of our young people. By taking a step backward, we would show to the young generation unforgivable ignorance of the problem we are faced with.

What arguments, medical, scientific or legal should we put forward to find a positive and intelligent approach to the solution of the problem we are faced with?

I think we all have looked through the LeDain report on this complex matter. There again, having read this report, we are unable to come to final conclusions about the consequences of the use or non-use of some drugs.

We heard a very learned dissertation by Senator Sullivan, a doctor of great reputation who demonstrated to us that, in his opinion, the use of marijuana by the young necessarily led to harder drugs. Other doctors hold opposite opinions.

The fact still remains that from what I read and heard on the question it is not proven that marijuana is used by our young as a whole and that it inevitably leads to harder drugs later on. I know a good many who have used and still use marijuana and are satisfied with that drug; they do not go for heroin or other high potency drugs. So let us say that those are debatable solutions that are not conclusive. We are still doing research.

I read recently that an American doctor, Margaret Mead, a researcher of international reputation on those questions of narcotics, could not reach the same conclusion as some scientists, or doctors, as to the damageable effects of marijuana on the health of individuals.

Of course, I would not go as far as discussing the conclusions of researchers and the medical conclusions of those who studied that question but I conclude from all that that we still do not have sure evidence that the use of marijuana necessarily has disastrous effects on humans.

So the fact now still remains that when in a society a law is not respected by a large proportion of its people consideration must be given, of course, to amending it. That happens in all countries. We had evidence of that in the twenties when the United States prohibited the sale of alcohol. They were forced to pass legislation to abolish it.

The bill before us does not even get anywhere near the drug problem. It merely softens the penalties for the convicted. I think it is an extremely negative approach to the question, an extremely negative approach.

Of course, the government of this country, like any other government throughout the world, is in hot water, when the time comes to deal with drugs and marijuana. However, I contend that by introducing this bill reducing penalties, the government is not considering all the aspects of the problem we are faced with. It does not solve the problem in any way. If we want to be realistic, we must find out what the actual situation is and not close our eyes to the truth. I think we must resolutely come to grips with it.

More and more Canadians today smoke marijuana. That is a fact. On the other hand, thousands of young Canadians have criminal records because they were found temporarily in possession of marijuana. Some of them were unlucky enough to get caught, not while trafficking but having marijuana in their possession; these young people are often invited to smoke a "joint" and the police, coming unexpectedly, catch them. They are brought to courts. They are sentenced and get a criminal record in the process.

● (1420)

The present legislation does not do away with the criminal record at all. The offence is merely transferred from one statute to another, but the consequences are the same for the young people who have criminal records. We know that in Quebec a youngster who has a criminal record will never be able to become a professional man. He will be unable to study law or attend medical school. He will be unable to study engineering or become a notary.

The third finding that we must make is that the underworld controls the sale and importation of drugs. It is the underworld or the mafia, in other words. There is no reference to it in the bill.

At the present time, the government has no educational program to make people aware of the consequences of the use of the drug involved. There is no national scheme. There is no television program. There is no researcher going through large centres to advise young people and people generally. No. We only have a legislation prohibiting the drug. In addition, marijuana sold on black market is often of a very poor quality, thus endangering the health of the users.

What does the government do to meet the existing situation? We are presented with a legislation alleviating penalties for possession of marijuana, for trafficking, for importing, and for growing it. As regards statements that penalties are alleviated for possession, I am in complete agreement with Senator Hicks, who gave the example of an individual found with marijuana, who had to prove to the court that he had the drug, not for trafficking purposes, but for his own personal use. This is contrary to the main thrust of our Criminal Code, according to which the accused is innocent until the Crown proves him guilty. The burden of proof is reversed, as it was by the act pertaining to automobile drivers found with more than 0.8 per cent alcohol in their blood. People were forced by an act of Parliament to incriminate themselves. Moreover, when it is established that the percentage of alcohol in the

blood is above a certain degree, there is no possible defence. There is automatic conviction. It may be stated that the Supreme Court made a ruling on this issue. This is so. But the fact remains that this is contrary to the Criminal Code. Criminal law provides that the accused is innocent until the Crown proves him guilty.

I agree that in committee this provision of the bill should be amended as indicated by Senator Hicks.

What does Bill S-19 do? It is simply aimed at controlling demand, but in no way controls demand, traffic nor possession. May I repeat, honourable senators, the bill makes absolutely no change in the existing situation.

Prime Minister Trudeau told young people in 1973—this was reported in the August 12, 1973 issue of the Calgary *Herald*—the Prime Minister told those young people he was meeting that in his opinion drug use was a personal matter. It was comparable to alcohol. In saying so, the Prime Minister was not encouraging young people, and he said so too, to use or smoke marijuana or cannabis. I think he was reflecting an important concept of the legislator to the effect that the State should not consistently dictate every individual his personal behaviour by passing legislation. A clear cut distinction between morals and the law should be made here. The act which is passed by the legislator aims at protecting society as a whole. People with a philosophical background know quite well that morals are what prompt an individual to choose between two alternatives. That choice is extremely sacred to the individual. The State has too often tried to pass legislation in order to dictate the individual's personal behaviour. He is denied every freedom of action. The State wants to solve every individual matter of conscience.

Looking at this bill, I think it suggests no motivation, no spirit to tell young people: stop smoking marijuana and other similar drugs. There is nothing to that effect in the bill. In imposing sentences, it only has a negative effect. Penalties are somewhat less stringent, but you will still have a record if you are found guilty of being in possession of drugs, even temporarily.

Honourable senators, we have been through—and you possibly even more than myself—that experience of the 20's when—as I was saying—a prohibition act was passed in the United States. The rocketing sales of alcohol, with the consequences you know, during those years have never been matched, simply because an act prohibited alcohol consumption, an act to impose prohibition. This is human nature and it cannot be changed. It was not changed in 1920 and it will not be changed in 1974.

As I said before, the underworld and the mafia control the sales of drugs.

I repeat that, in this society, the laws of the state have to be changed when a large minority of people no longer obey them. That is indeed what we do every day here and in the House of Commons. How many pieces of legislation passed 25 or 30 years ago are sent back to us simply to be adapted to current circumstances through our modifying, changing or amending them. Therefore we have to face the fact that thousands and thousands of Canadians, most of them young people, use drugs, that it has become, as various senators said, almost a national disaster, and that the Canadian society is being endangered by a minority of citizens. What must the state do? I do not want to shock anybody today, but I will be outspoken. I think that, if we pass this bill as it is now, we are not facing up to our responsibilities, because we do not go to the heart of the problem. We simply adopt a legislation for people to say: Parliament has gone into the matter. We have passed a legislation to reduce penalties. But what is that in terms of educational means for the population and the youth?

[Senator Asselin.]

● (1430)

What will that stop? What will stop the traffickers, the pushers, from obtaining drugs and reselling them? Is it the penalty? We have extremely severe penalties, but that did not stop those people. I suggest that in the same way most provinces control the sale of alcohol the government should consider similar action with respect to marijuana and certain drugs.

I said earlier that the legislation now before us only controls demand. It does not control possession. It does not control sale in any way. I know of no perfect mechanism whereby the government could control sale. However, if the government were to set up a mechanism to control sale, possession would be controlled at the same time. This would mean that minors would be protected; they could not buy it. That would also mean that the product sold by the government would be of better quality. That would equally mean that traffickers would have no more market since sale would be made by the government. Sale would be controlled by the government. Then, we would, of course, need legislation with teeth to deal with those who would be caught trafficking, extremely severe legislation that could even provide imprisonment for a first offence for those who, despite government control, would still engage in illegal sale. Severe legislation would be necessary and, I repeat, legislation with teeth. We would need legislation sentencing to imprisonment those convicted of trafficking.

Honourable senators, I expressed in a few words my opinion on the present legislation. This debate, as you know, is being followed by the whole Canadian people, and the Senate has a challenge to meet. We must do it with pride, without emotion. When this bill is sent to committee we will have to voice our personal opinions and if amendments and changes need to be made, we will have to do it. I put this question to you; honourable senators, are we going to pass a legislation—the bill now before us—which I think falls far short? This bill, as I say, does not settle in any way the problem we have to solve. On the other hand, do we want to lose forever the necessary means to correct an unacceptable situation? That is I think the challenge the Senate must accept.

● (1440)

[*English*]

**Hon. Fred A. McGrand:** Honourable senators, this bill is the result of serious consideration by the departments of government concerned with the drug problem in Canada. It does not offer a final solution. It recommends for the present the course our society must take to cope with addiction to drugs.

Marihuana has been compared to alcohol and to the hard drugs. Alcohol is a water-soluble drug that is eliminated quickly from the body. Marihuana is a fat-soluble drug that accumulates in the fatty tissue and is eliminated

slowly. It has a very high affinity for brain tissue with the possibility of either short-term or long-term damage. It can produce sharp personality changes and can lead to a marked deterioration in what is considered good mental health, and it gives a false feeling of well-being.

Marihuana is one of the oldest and most widely used mind-altering drugs known. The Chinese described it in their literature almost five thousand years ago. It has been used in India for religious ceremonies for over two thousand years. What part it has played, if any, in the decline of ancient civilizations is not known, but it has been found in tombs erected at that time. Marihuana is used by about two hundred million people throughout the world today. Until recently it was used mainly by the lower socio-economic minority groups.

The plant contains a large number of different chemicals, only a handful of which have so far been separated and studied in depth. The main constituent that affects the nervous system of man is known as THC. In the body, this substance undergoes metabolic changes so that at least one product is several times stronger in the body than as originally found in the plant. Another recent research finding in the field of learning and education has demonstrated that marihuana interferes with the transfer of knowledge from the short-term memory bank to the long-term storage from which it may be retrieved at a later date. The importance of this finding is that if young people take this drug, it interferes with their acquiring knowledge, developing skills and absorbing the countless facts that shape future personalities and abilities. Furthermore, the presence of marihuana in the body may effect a change in the chromosomes which carry the whole genetic background from one generation to the next. It can lead to mutation of certain cells.

During this debate, it has been emphasized that this bill is not a surrender to those who would legalize marihuana. If marihuana were legalized, there are those who would try to put on the market what they would consider a better prepared and less dangerous product.

We live in a very permissive society. The death penalty which only a century and a half ago was the punishment for 240 crimes against the state is now limited to capital murder; even so it has not been carried out in Canada for the past decade. If this bill passes and becomes law, you can be sure that a year or two from now there will be a campaign to remove some of the restrictions on marihuana: if people have the right to smoke it, then they have the right to buy it—and to buy a safer product, of course; and, if people cannot buy it, they must grow their own. There are also commercial interests that could put a so-called improved product on the market in a matter of months. The arguments will be that if technology can take the caffeine out of coffee, it can take the dangerous elements out of marihuana, and that, even if it is harmful to the individual, the individual surely has a right to it so long as it does not harm others. Again: is it fair to deprive one person of marihuana and yet encourage another to buy alcohol by permitting a distillery to advertise whisky? Is it more habit-forming or does it cause more psychological dependence than reading murder mysteries, watching television or playing cards?

Those who advocate a change in the law can produce a thousand users who will declare that over the years they have smoked they have never had the desire to turn to hard drugs; a thousand criminals will declare that their "life of crime" was never influenced by marihuana; commercial interests will assure the public that they can produce a harmless product. I would like to know more about the extent of this habit. Is marihuana a passing wave that is now at its crest and will fade away in the next generation?

This problem has been around for a long time—time enough for us to have most of the answers. Is it true that the majority of teenagers who smoke marihuana give up the habit in their early twenties? And what percentage of smokers in their early twenties are still smoking in their thirties? No doubt there will be demands to lessen the controls on marihuana; it will be argued that people have the right to do their "own thing" and groups will probably appear on Parliament Hill urging "marihuana on demand". There is in the United States today a powerful lobby group known as "the National Organization for the Repeal of Marihuana Laws", and there is now a hearing in progress before the United States Senate.

It can also happen here!

**Hon. Ernest C. Manning:** Honourable senators, I should like to add a few comments to the debate on this particular piece of legislation. We have heard a number of constructive and well-thought-out assessments of this bill. Without reservation I should like to identify myself with two of them, one being the comments just made by Senator McGrand, and the other the excellent assessment of this legislation given last week by Senator Lawson.

It has been pointed out repeatedly that this bill is in no sense a solution to the drug problem as we know it today. In fact, it does not purport to be. If there was an obvious solution to a problem of this magnitude, it undoubtedly would have been translated into legislation long ago. We have to recognize that there is no simple solution to this problem, which has been with us for a long, long time, and which has reached increasingly serious proportions in recent years.

● (1450)

The basic fact we have to keep in mind in discussing this question is that prevention is certainly far more effective than attempted cures. We spend a tremendous amount of effort and money on care and rehabilitation for those whose lives have been partially, if not wholly, destroyed by the illicit use of drugs, but we do not spend nearly enough time on or give enough attention to the aspect of prevention, which I believe is the key to dealing with this whole problem. I have tried to examine this legislation from that standpoint. Frankly, I cannot see that this legislation contributes anything in the area of prevention. The specific provisions of the bill are of no great significance, but the psychological impact of this bill is entirely contrary to any real concern in the field of prevention.

Senator Lawson pointed out in his speech last week that, rightly or wrongly, the public assessment of this legislation and the assessment in most of the news media of Canada, has been that it represents a backing away on the part of the government from the degree of concern it

has had over the illicit use of drugs. That conclusion is perhaps unwarranted, having regard to the provisions of the bill, but it is the interpretation that has been placed on this legislation in many newspapers and in many comments on the legislation.

Certainly, this impression has become quite firmly established in the public mind, and I submit that that in itself is detrimental to the concept of prevention. Anything that gives to our young people the erroneous impression that the use of marihuana, or of the more severe drugs, is not a matter of deep concern, certainly contributes nothing to efforts to prevent the destruction of people's lives in this way.

As has been pointed out, there is considerable conflicting medical opinion as to whether the use of marihuana does lead inevitably, or in the majority of cases, to the use of more damaging drugs. My own belief is that it does, but I cannot submit any very meaningful argument in support of that belief, because there is a conflict of medical opinion. I do, however, submit that whether the use of marihuana inevitably leads to the use of more serious drugs, it is a door, perhaps the principal door, most frequently used by young people for their entrance to the drug subculture of our times. For that reason it assumes an importance far greater than would otherwise be the case. Anything that gives young people the impression that this common entrance into the drug subculture is to be treated as less serious than in the past, constitutes a disservice to our young people. It is an unwise and undesirable step to take.

The other aspect of the bill with which I cannot agree is the provision for the lessening of penalties for those possessing marihuana for the purposes of trafficking. I recognize all the arguments that have been advanced about the right of the individual to mar or destroy his own life, if that is his choice. There is a counter-argument to that, but let me set that aside for the moment. The trafficking in any drug for the profit of an individual or group of criminals at the expense of the well-being and even the lives of thousands of young people, is one of the most serious offences committed against society today.

Any proposal that the penalty for trafficking be reduced in any way causes me great concern. I personally would go much further than even the present law. I have been an advocate of the retention of the death penalty for murder, and I see little difference between destroying a young person's life through the use of drugs and destroying it outright. Perhaps that is beside the point for the purposes of this bill, but I point out that under the present Narcotic Control Act, possession for trafficking, even of marihuana, can lead to life imprisonment. Under this bill it is reduced to a maximum of ten years, which, under our present way of coddling criminals, probably means about four years. This is a serious and retrogressive step.

I am not going to labour this matter. I express these concerns because I believe they are shared by many thousands of citizens across this country. They are certainly shared by thousands of parents who have gone through the agony of seeing their young people's lives marred or destroyed as a result of something held to be a harmless thing but which in the end leads in so many cases to the use of more serious drugs, with the terrible consequences that result therefrom.

It is my sincere hope that when the bill is examined in committee, much attention will be given to its psychological impact on young Canadians rather than merely to its legal provisions, which are minor and in a sense insignificant. That is not the direction in which the danger lies. Rather, it lies in the psychological impact, and that must be our concern.

On motion of Senator Petten, for Senator Davey, debate adjourned.

## APPROPRIATION BILL NO. 4, 1974

SECOND READING

The Senate resumed from Thursday, December 12, the debate on the motion of Senator Langlois for the second reading of Bill C-42, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1975.

**Hon. John M. Macdonald:** Honourable senators, it is not my intention this afternoon to speak at any length on this bill. Indeed, I am not even going to discuss whether or not a borrowing resolution is an appropriation, or if the bill is in conformity with the British North America Act, or the Financial Administration Act, or with our own rules and regulations. I do think, however, that since a controversy has arisen as to this bill, it cannot be resolved unless the bill is sent to committee where it can be gone over in detail with people who have knowledge of these matters.

● (1500)

You will recall that the Deputy Leader of the Government mentioned the other day that when he first read the bill he had some doubts as to its legality. He said that he told the officials of the Treasury Board that unless he was convinced as to its legality he would either withdraw the bill or move an amendment to clause 5. He went on to tell us, if I recall correctly, that after having done some research and having received advice from persons in authority, he not only was convinced of the legality of the bill but he was convinced that the proper course had been followed.

Honourable senators, I am sure he will understand that it is no reflection on him when I say that we too would like to have the opportunity of hearing from these "persons in authority". We would like to know who they are and to question them in committee to obtain the benefit at first hand of the advice they gave him.

There is another reason why this bill should go to committee, and I feel it is a good one. It is simply that I have not heard any good reason why it should not go. It would be greatly in the public interest for this bill to go to committee because the authorization sought concerns $2.5 billion. That is a very large amount of money even in this day and age, and yet authorization was given in the House of Commons without debate. And all that is said is that this is "required for public works and general purposes." I would think the Minister of Finance would welcome an opportunity to appear before our committee and tell the people of Canada what he proposes to do with this huge sum of money. What are the public works he has in mind?

What are the other purposes he has in mind? He is asking too much of us when he says, "Leave it to me; trust me." Perhaps we do, but at the same time I think he owes it to the people of Canada to give some indication as to how this vast amount of money is to be spent.

Honourable senators, all I ask today is that the Deputy Leader of the Government reconsider his position and allow this bill to go to a committee.

**Hon. Léopold Langlois:** Honourable senators—

**Senator Flynn:** Are you closing the debate now?

**Senator Langlois:** Yes.

**The Hon. the Speaker:** Honourable senators, if the Honourable Senator Langlois speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Langlois:** Honourable senators, it is not my intention this afternoon to rehash the debate which took place on Thursday last, even though it was, to my mind, a very interesting one. However, I should like to open my remarks today by endeavouring to reply to some of the questions put to me in the course of this debate. These questions were raised, first of all, by the Leader of the Opposition, and I want to refer to what he had to say at page 393 of Senate *Hansard* when he posed his first question. This is what he said:

> In this case, for instance, we have supplementary estimates (B), and clause 2 of Bill C-42 provides spending authority in the sum of $947 million. Then it says in clause 3(2):
>
> The provisions of each item in the Schedule—
>
> That is in supplementary estimates (B).
>
> —shall be deemed to have been enacted by Parliament on the 1st day of April, 1974.
>
> But this is not to be found in supplementary estimates (B). Do honourable senators realize what this means, in fact? It means that all the supplementary estimates (B), that are estimates that the government found afterwards it needed, could have been spent in advance by the government without any authority of Parliament, and thereby confirm illegalities. We are here giving retroactive authority to the government for the spending of these amounts. These amounts do not appear in the estimates, but they are in the supply bill, and I want to know a lot more about them.

My reply to this long question—

**Senator Flynn:** It was not a question; it was an affirmation.

**Senator Langlois:** It is an affirmation or a question, or a mixture of both, but my reply is that, first of all, there is no item contained in the supply bill presently before us which is not contained in supplementary estimates (B). I am unable to understand when my friend refers to $947 million—this point was not too clear to me—and adds that this is not in supplementary estimates (B), and then refers to the retroactive effect he was complaining of, but I would try to enlighten him by referring to page 5 of supplementary estimates (B). I have a copy in my hand, but I do not know if my honourable friend has a copy.

**Senator Flynn:** Go ahead, and I shall try to follow you.

**Senator Langlois:** On that page he will see six columns and if he looks at the total of the fifth column he will find an amout of $1,748,658,100. By looking at the third column on the same page, he will see the total of statutory expenditures is $801,502,500. If my friend deducts the latter amount from the previous one I mentioned he will find that the result is the $947 million to which he referred. In other words, honourable senators, this is the difference between the total of the budgetary expenditures and non-budgetary expenditures less statutory payments. When these first two totals are deducted the real amount voted under these estimates is $947 million.

**Senator Flynn:** I never said that.

**Senator Langlois:** You said it was not included in the estimates, and I say that it is there in black and white but you have to do a little calculation to get at it. That is the only explanation I can find for my honourable friend's being unable to find it.

**Senator Flynn:** If my honourable friend will allow me, I point out that he has completely missed my point, as his advisers seem to have done also. What I said was the amount that we were invited to spend, the $947 million, was not in the original main estimates. This refers to amounts which the government required after the main estimates. Therefore, honourable senators, why say that you could spend these amounts as of the 1st day of April when, in fact, you are being asked now to vote these amounts. That is the only point I made. I am not questioning the figures given by the Deputy Leader of the Government.

**Senator Langlois:** Well, I don't want to start a second battle of the Plains of Abraham on this question.

**Senator Flynn:** Your example is badly chosen.

**Senator Langlois:** I suppose it is not important, anyway, but the fact that you are Irish and I am French could start quite a big battle.

● (1510)

**Senator Flynn:** I think we all have mixed blood here.

**Hon. Senators:** Hear, hear!

**Senator Langlois:** I grant you that. That is probably not what you intended to say, but I read again part of your speech at page 393, and you were referring to Bill C-42 and to the amount of $947,155,600, which you referred to as a retroactive appropriation under clause 3(2). You then said this was not to be found in supplementary estimates (B). You were not referring to the main estimates then.

**Senator Flynn:** No, I was referring to clause 2 and supplementary estimates (B). Supplementary estimates (B) did not say this amount was deemed to have been enacted by Parliament as of the 1st day of April, 1974. That is a clause in the bill, which is not referred to in the supplementary estimates (B). That is quite clear, but I suppose your adviser missed the point again.

**Senator Langlois:** I am prepared to follow you, but it is still as clear as mud to me.

**Senator Flynn:** Yes, evidently it is, because you are not even able to explain it.

**Senator Langlois:** Let that be, or let the chips fall where they may. I am endeavouring to understand what my honourable friend said, but the more he says, the less I understand, so let it go at that.

However, I would now attack what he really had in his mind when he said in the second part of his argument that we were trying to give retroactivity—

**Senator Flynn:** That is right. That is quite clear.

**Senator Langlois:** —to the amounts voted. First he indicated that probably there was something sinister—he did not use the word "sinister"—there was an attempt to cover up for expenditures made before this bill was presented. Let me tell him this: Most items in the supplementary estimates are part of a continuing program or programs provided for in the main estimates.

**Senator Flynn:** Not necessarily.

**Senator Langlois:** They are, except for a bill introduced this afternoon which does not provide for the continuation of a program in the main estimates, but that is an unusual bill. It was introduced for first reading today as, I hope, the last supply bill for this year. However, since these estimates refer to programs already started there must be some continuity, and the wording of clause 3(2) has been chosen to assure this continuity of spending.

For example, the Minister of Public Works has in his estimates an item covering a housing or accommodation program. If during the course of the year he runs out of the funds provided in the main estimates, either because rentals increase or unforeseen additional accommodation is needed, he will return to Parliament and obtain more funds in the form of a supplementary supply bill in order to continue that program which was included in the main estimates. In that sense this continuity is assured by this reference in the supplementary estimates to the beginning of the fiscal year.

I can assure my honourable friend that there is no sinister intention there to attempt to cover up for expenditures which have not been authorized but which were made before authorization was sought and obtained from Parliament.

**Senator Flynn:** But are you not ratifying by clause 3(2) any amount covered in the supplementary estimates (B) that would have been spent in advance of the passage of the bill?

**Senator Langlois:** No, it is a question of accounting, to my mind.

**Senator Flynn:** No, no.

**Senator Langlois:** I have been in communication with Mr. Bruce MacDonald, the Secretary of the Treasury Board, from whom I obtained the explanation which I am now giving you.

**Senator Flynn:** What did you think he would tell you? He would not tell you anything else.

**Senator Langlois:** Why?

**Senator Flynn:** Of course he would not. He would not say he was wrong in preparing the bill or the estimates.

**Senator Langlois:** Are you contending that he was wrong?

[Senator Flynn.]

**Senator Flynn:** No, but he could have been.

**Senator Langlois:** I would never say that against a man when he is not in front of me.

**Senator Flynn:** We can quickly clear the air. If the deputy leader wishes this discussed in order to allow Mr. MacDonald to clear himself, then let us refer the bill to committee.

**Senator Langlois:** These items have been considered by the committee, and my honourable friend was there.

**Senator Flynn:** Not the provision for retroactivity.

**Senator Langlois:** These programs were all before the committee.

**Senator Flynn:** But not the provision for retroactivity.

**Senator Langlois:** The provision is contained in the bill, I grant you that, but all these moneys requested in supplementary estimates (B) were before the committee.

**Senator Flynn:** But Mr. MacDonald could not be questioned as to the retroactivity of clause 3(2) because it was not in the supplementary estimates, and now you tell us the money could have been spent under this provision. I would like Mr. MacDonald to come before us and tell us what the deputy leader is telling us now.

**Senator Langlois:** This is not my honourable friend's first year in this house.

**Senator Flynn:** I hope it is not my last either.

**Senator Langlois:** This provision has been contained in such bills for many years. It is not something new.

**Senator Flynn:** I am bringing you something new, then.

**Senator Langlois:** Probably something new, but what a funny way of putting it. You are not improving; to my mind you are getting worse.

**Senator Flynn:** Perhaps I am not, but neither are you. You are getting more stubborn every year.

**Senator Langlois:** The programs mentioned exist in other legislation, which includes previous appropriation acts passed by Parliament. However, the government may at times need more money, and this is why it must resort to supplementary estimates, which it is doing by the bill now before us.

I do not think I can add anything else to this, but I shall answer another question which was put to me by my honourable friend and is to be found at page 394 of *Hansard* of December 12. It reads as follows:

> I will ask a secondary question: Why is the borrowing authority phrased as it is in clause 5 of the bill. Allow me to read it:
>
> > The Governor in Council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by Parliament, by any Act heretofore passed, raise by way of loan, under the *Financial Administration Act*, by the issue and sale or pledge of securities of Canada, in such form, for such separate sums, at such rates of interest and upon such other terms and conditions as the Governor in Council may approve, such sum or sums of

money, not exceeding in the whole, the sum of two billion, five hundred million dollars—

Then—

**Senator Grosart:** Finish it.

**Senator Langlois:** Then my honourable friend made a reference to the late Mr. Howe.

**Senator Grosart:** May I suggest to the deputy leader that he finish the reading? He has left out the last clause, which is very important.

**Senator Langlois:** Yes, but allow me to finish. My honourable friend has a bad habit of rising and interrupting the speech of any member of this house in order to make untimely observations.

● (1520)

When I was interrupted, I was about to say that Senator Flynn referred to the late Mr. Howe and made one of his funny jokes about him, and then finished reading clause 5:

—as may be required for public works and general purposes.

This clause is a standard clause which has been found in appropriation acts for many years.

**Senator Flynn:** A standard clause?

**Senator Langlois:** Practice is very important in a parliamentary institution. My honourable friend should know that.

**Senator Flynn:** I do know that, but I do not see why we cannot improve on practice.

**Senator Langlois:** You will have to show what improvements you have in mind.

**Senator Grosart:** We will do that in committee.

**Senator Langlois:** Madam Speaker, I have been continually interrupted. I listened to him the other day for a full afternoon. I did not say a word, and now they cannot take it, as usual.

**Senator Flynn:** Are you begging the assistance of Madam Speaker?

**Senator Langlois:** No. I am referring to your manner of conducting debates in this house, which is far from being exemplary. As I said, this clause has been in appropriation acts for many years. It merely seeks the approval of Parliament for the borrowing of money, as provided for in section 36 of the Financial Administration Act, which reads:

No money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament.

The words of the clause make it clear that this authority is additional to any existing authority, and it gives authority to the Governor in Council to set rates of interest and other terms and conditions.

The phrase "as may be required for public works and general purposes" removes a restriction on the purpose for which borrowed moneys may be used as opposed to funds from other sources, the control over disbursements being the subject of the legislation. This is not an appropriation *per se*. We are not voting new moneys. We are borrowing money to ensure the continuity of funds to provide for the public service of Canada. That is all we are doing.

It is true that the other day an objection was raised—I do not want to put words in his mouth, but I think it was raised by my honourable friend the Deputy Leader of the Opposition—that clause 5 of the bill was an appropriation as it provided for the payment of interest, commissions, et cetera. To this objection I replied that as soon as the loan is authorized, the money so borrowed under it falls within the public debt of Canada. I added that it is only when the Minister of Finance is called upon to make payments under that item that he has to come to Parliament and, through a resolution and a supporting message from the Governor General, ask for money to repay the loans he has made.

But my honourable friend then asked, "What about interest; what about commissions?" I refer him to page 8-14 of the main estimates, Department of Finance, under the heading "Public Debt Program." There he will see that moneys are provided to the Minister of Finance to take care of interest and annual amortization of bond discount, premiums and commissions—payable in Canada, and payable in other countries; interest on other liabilities; annual amortization of bond discount, premiums and commissions; and servicing costs and costs of issuing new loans. So long as the Minister of Finance has money left in his main estimates to take care of whatever amounts become due in connection with those loans, he does not have to come back to Parliament. He will come back to Parliament if the loans fall short under this item and he has to pay more commissions, or more interest on bonds already issued or bonds to be issued in the near future. It is at that time that the message from His Excellency the Governor General comes to the House of Commons to obtain the necessary funds to supplement what was provided for in the main estimates.

I should like to refer briefly to the remarks made this afternoon by my good friend, the Whip of the Opposition, Senator Macdonald, who said I stated that when this situation arose in the house last week, and was brought to my attention, my first reaction was—I was quite frank and honest about it—to pick up the telephone and tell the officials of the Treasury Board that unless I was satisfied that there was no illegality attached to the bill, I would have to follow one of two alternatives, namely, to ask for leave to withdraw the bill, or let someone move a motion in amendment striking out clause 5. I have established clearly enough to all members of this house, in the short time that I have undertaken my present functions, that I have never adopted the attitude that I was here either to defend the government or to attack the Opposition. I am here only to do what I consider to be my duty, which is to get legislation through. That is all. Once that is done, that is the end of my functions, so far as I am concerned, and I shall try to carry out my responsibility in that fashion for as long as I remain in my present position.

As soon as I had formed my own opinion as to what had occurred in the other place, I took the additional step of checking with the appropriate authorities. I went to the Department of Justice, and I received confirmation that all that had taken place in the other house was legal; that there was no illegality whatsoever attached to what had

been done; that they had followed in the other place the practice which had been followed ever since Confederation. I therefore had no alternative but to recommend that the bill be passed and be made law, and that is what I did.

Before I left Ottawa on Friday, I asked our Parliamentary Counsel, Mr. Hopkins, to obtain from the Department of Justice a written opinion, since apparently some doubt had been cast upon my reporting of the opinion I had obtained, and which was regarded in this house as being hearsay. I have received—

**Senator Flynn:** I rise on a point of order.

**Senator Langlois:** Again?

**Senator Flynn:** Not again. The former occasions were not on points of order, but during the course of debate. I realize now that my honourable friend does not like debate. He likes to speak as though he were alone in this place. The question which I now raise is whether it is proper for the Senate to listen to an opinion of someone from a department without that person being called to explain before a committee of this house. My honourable friend may do as he wishes, but I think he weakens the case for his apparent refusal to send the bill to a committee.

**Senator Langlois:** Madam Speaker, I can hardly understand the position which the honourable Leader of the Opposition has taken. The other day he challenged the opinion which I was reporting. Today I have it, and I even read it to him this morning. I can give him a copy of it now. It is an unqualified opinion. If there is a question of legality, then this house is entitled to go to the source, and the only source is the Department of Justice from whom I have a written opinion.

● (1530)

**Senator Flynn:** I realize that. I am not discussing that. My honourable friend always distorts the positions I take. My point is that if he wants to put forward the opinion of this individual, then this individual should appear before the committee of this house so that he, himself, can give that opinion, and be subject to questioning. I do not see why I should accept the opinion of a third party who is not here and who, by the way, is an official of the government. I have the right to question that individual.

I do not object to your reading this letter into the record, but I think it is unfair of you to take the attitude that you are going to refuse the Senate the opportunity to consider this bill in committee where it can question this individual whose opinion you wish to put before us.

**Senator Langlois:** First of all, Madam Speaker, I am not refusing anything: I have no right to refuse anything. I am in the hands of the Senate on that point, as are all honourable senators. The Senate will decide what it wishes to do, and I cannot say anything either for or against.

**Senator Flynn:** You certainly can.

**Senator Langlois:** Perhaps my honourable friend is basing his point on the well known rule of law that the best evidence be available to the court. We are not before a court of law, and we have no such rule in this parliamentary institution.

[Senator Langlois.]

**Senator Asselin:** As to the legality of the question, it is certainly proper for the Opposition—or anyone, for that matter—to ask that witnesses appear before a committee to submit to questioning.

**Senator Langlois:** It is not a question of legality: this is an opinion which I have obtained. I will read the opinion. It is addressed to myself, the Honourable L. Langlois, Deputy Leader of the Government, The Senate, Ottawa, and is dated December 16. It reads as follows:

Dear Senator Langlois:

Mr. E. R. Hopkins has conveyed to me your request for written confirmation of an opinion that I expressed verbally to Mr. Hopkins on Thursday last to the effect that a vote on clause 5 of Bill C-42 does not constitute a vote for the appropriation of part of the public revenue or of any tax or impost in contravention of section 54 of the British North America Act.

In my view, that opinion, as expressed by you in the Senate on December 12 and as recorded at page 389 of the Debates of the Senate for that day, is correct. Although clause 5 of Bill C-42 accords to the Governor in Council the authority to raise, by way of loan, sums of money required "for public works and general purposes", it does not, in itself, appropriate public revenue to those purposes nor does it invoke the statutory appropriations provided by sections 45 and 46 of the Financial Administration Act.

The exercise by the Governor in Council of a borrowing authority such as that contained in clause 5 of Bill C-42 will indeed have the effect of invoking the statutory appropriations provided in the Financial Administration Act but that act by the Governor in Council is separate and distinct from Parliament's act in conferring the authority to borrow. The appropriation under the Financial Administration Act resulting from an act of the Governor in Council was effectively created by Parliament at the time it enacted the Financial Administration Act and not by virtue of the enactment of a borrowing authority such as that contained in clause 5 of Bill C-42.

Although the distinction which I have drawn is a highly technical one, I am nonetheless satisfied that it is a valid distinction in law. My opinion in this regard is supported by the Parliamentary practice over the years of from time to time approving Appropriation Bills containing borrowing authorities without specific recommendations therefor and by the Government's practice of including in the Estimates amounts required for repayment of borrowed moneys and payment of the costs of borrowing and items appropriating to specific purposes moneys borrowed by it.

Finally, I wish to express my view, not previously expressed to Mr. Hopkins, that the opinion which you expressed in the Senate to the effect that the courts would not look behind Bill C-42 if it were adopted by both Houses of Parliament and received Royal Assent is correct.

Yours truly,

F. E. Gibson,

Director,

Legislation Section.

I am ready to table the original of this letter, together with a letter which accompanied it. This letter was forwarded to me through the good offices of our Parliamentary Counsel, accompanied by the following letter:

December 16th, 1974

The Honourable J. G. L. Langlois,

Deputy Leader of the Government in the Senate,

The Senate,

Ottawa.

Dear Senator Langlois:

I enclose the opinion of the Director of the Legislation Section of the Department of Justice with regard to clause 5 of Bill C-42.

I concur in that opinion.

In the foregoing circumstances, it would appear that Rule 62 of the Rules of the Senate is not applicable.

Yours sincerely,

E. Russell Hopkins

Parliamentary Counsel

If I may be permitted to do so, I will table these letters.

**Some Hon. Senators:** Agreed.

**Senator Flynn:** I will table my own opinion, too.

**Senator Langlois:** Very good.

**Senator Flynn:** This is foolish.

**Senator Langlois:** We on this side of the house are bound, as is the sponsor of the bill in the other place, by the opinion of the Minister of Justice.

**Senator Flynn:** Certainly not.

**Senator Langlois:** I will not be bound by your opinion.

**Senator Flynn:** We are certainly not bound by the opinion of the Minister of Justice.

**Senator Langlois:** I challenge your statement, and would ask you to establish it. This opinion, to my mind, clears the way. Speaking for myself, I see no reason why a committee should be convened to go through estimates which have already been studied by that committee.

**Senator Flynn:** That is not the point.

**Senator Langlois:** We have had difficulties before with the House of Commons, and we have not always come out the winner. This time, I feel, we have set the course to be followed. This divergence of views which we have had with the other place, I think, will certainly indicate that the Senate is doing a good job and is fulfilling a worthwhile role in our parliamentary system in Canada.

**Hon. Senators:** Hear, hear!

Motion agreed to and bill read second time, on division.

MOTION TO REFER BILL TO COMMITTEE NEGATIVED

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Jacques Flynn:** Honourable senators, I move that this bill be referred to the Standing Senate Committee on National Finance.

In my opinion, Senator Langlois' speech this afternoon supports entirely the motion which I have just made. In his concluding remarks, he said he did not see any use in this bill's being referred to the National Finance Committee, as that committee has already considered all of the items in the estimates. It is quite obvious that he does not understand, or refuses to understand, the points I have made.

What I am concerned about is the difference in this bill when one compares it with the estimates. The first thing, of course, is that clause 5 of this bill was not included in the estimates. This is something completely beyond the estimates—so far beyond, in fact, that the Deputy Leader of the Government has explained that it is not an appropriation. As a matter of fact, he used that as the basis for his argument that we can dispose of this bill without its being referred to committee. I dare anyone here to tell me that our National Finance Committee has considered clause 5, and the borrowing authority of the Minister of Finance for $2.5 billion. I dare anyone who opposes this motion to refute this.

● (1540)

The second thing that I dare anyone opposing this motion to deny is that the two clauses that make the estimates retroactive to April 1 have not been considered by the committee. When did the committee give consideration to what is suggested in clause 3(2)?

> The provisions of each item in the Schedule shall be deemed to have been enacted by Parliament on the 1st day of April, 1974.

Senator Langlois says there are continuing programs. This is not entirely true. But even if there were, is he suggesting that because there are continuing programs the minister is permitted to continue spending money after exhausting the funds available, before the passage of this bill? Is that what he is suggesting? I would like to find out.

**Senator Langlois:** I never suggested that.

**Senator Flynn:** You say you did not. Then I would like the minister to tell me about this.

The third provision that is different from the estimates is, of course, subsection (2) of clause 5, which says:

> Subsection (1) shall be deemed to have come into force on the first day of April, 1974.

This has a retroactive effect. It means that borrowing could have been done without authority in April, or since April and before the passage of this bill. I would like to hear the Minister of Finance, or at least an official of the Department of Finance, explain this.

The other question is whether this is an appropriation or not. I should like to question those who have given an opinion. Mr. Gibson is never going to say that the Department of Justice or the people who drafted this bill were in error. I am not surprised that he gave the opinion he did. I might say that I have grave doubts about the validity of Mr. Gibson's opinion. He may be a great lawyer; I may be a very poor lawyer, but I am entitled to my opinion as much as he is. What is more important is that the Senate is entitled to form its own opinion, not by hearsay, not by letters tabled, but by questioning the minister in committee.

I cannot understand the attitude the deputy leader takes in opposing this motion. I never thought there was any sinister purpose in his refusing to send this bill to committee, but if he persists in opposing this motion I am going to begin to think that there may be. What do you have to hide, for goodness sake? Why are you so adamant in refusing to send this bill to committee? If you persist in refusing to send this bill to a committee I shall be forced to think you have something to hide.

**Senator Langlois:** If you want to stick your neck out, I don't care.

**Senator Flynn:** I know you don't care, but sometimes I care about what you say. I have tried to understand what you are saying, and I admire your loyalty to the government. You say that your only duty here is to pass legislation. Our duty as a Senate, and our duty especially on this side of the house, is to see to it that no legislation goes through without proper examination. It is our duty to make sure that everything is in order, that there is nothing wrong, that nothing is hidden behind decisions such as the one you have taken here today in an effort to persuade the Senate not to let this bill go to committee.

**Hon. Allister Grosart:** Honourable senators, I find it very difficult to understand why the Deputy Leader of the Government appears to have taken the stand on this or any other bill that when there is a request that it go to committee he will apparently take the position that he does not want it to go, and therefore hope to influence the vote on his side. Surely it is the practice of the Senate, when there is discussion about a bill and when any senator—as has happened time and again—asks that it go to a committee, it goes to a committee. Why the exception in this case? We have had apparently innocuous, "simple" bills, as they are sometimes described by the sponsors, that have almost automatically gone to committee. I agree with the Leader of the Opposition that we have to wonder why this bill should be an exception out of the hundreds that have been before the Senate, and that have been referred to committee merely on the request of a senator.

One suggestion made was that the substance of the bill had already been before the National Finance Committee. I do not think there is any question in anybody's mind that clause 5, the one we have been discussing at some length, has not been before the National Finance Committee. Even if that were not the case, even if everything in the bill had been before the committee in the estimates, surely that would be no reason for refusing to send this bill to committee in accordance with our normal procedure with other bills.

It might be asked why we would want to have it referred to committee. I am obviously making an ineffective plea to the deputy leader. I shall wait until he has finished his conversation. I have no objection to it, of course.

**Senator Langlois:** Do you think I missed something?

**Senator Grosart:** I think perhaps you did. You might have, and I am sure the deputy leader, who has a very fair mind, would not want to miss any part of my argument as to why this bill should go to committee, because there are some questions that really need to be asked.



Let us start with the letter from Mr. Gibson. Mr. Gibson, of course, gave the original advice, because he is Director of the Legislation Section of the Department of Justice. He obviously gave the original opinion that they could proceed in this way. We have now had read to us his opinion that his first opinion is still sound. Surely we are entitled to question him on how he reached that opinion, and to make some contrary suggestions that he might not have thought of. It is quite possible he has not thought of them. One in particular is, of course, the fact that clause 5 is retroactive.

The Deputy Leader of the Government has said, for example, that there are funds provided already in the main estimates. I think the reference was to page 8-14 of the main estimates, where we are told provision is made for the necessary funds to pay interest, transfer and other charges in connection with borrowings by the government. Surely we are entitled to ask in committee, "Are there funds there? What funds are there? Are there sufficient funds to meet the position that the Deputy Leader of the Government has indicated?"

Then I would suggest that a quite proper question the Senate should ask is, "Has any of this $2.5 billion already been borrowed?" We have no evidence whether it has been borrowed under the retroactive clause, and whether we are actually now sanctioning a large borrowing, running into billions of dollars, and sanctioning it retroactively. Surely the Senate is entitled to know if this is so. Surely we are entitled to know if any charges have been incurred that would bring clause 5 under sections 45 and 46 of the Financial Administration Act, which is specifically referred to in clause 5.

The Deputy Leader of the Government has told us that there are funds available from the main estimates. How do we know? Surely we are entitled to call the minister or officials of the Treasury Board before the committee and ask, "What funds have you left? Have you actually spent money in excess of the funds that we are told are there?" These are questions that are normal and appropriate to be asked in committee.

● (1550)

Then, in view of the quite vigorous defence which the deputy leader has made of the action taken by the government, surely we would be entitled to ask the minister who introduced the bill what he meant when he said that he was not aware that clause 5 was in it, that this was a most unusual practice—in spite of the fact that we have been told that this has been regular practice—and that he hoped that it would not happen again. This is the statement of the minister who introduced the bill, who is obviously annoyed because—

**Senator Langlois:** Madam Speaker, I rise on a point of order. My honourable friend is continuing in the same vein as his predecessor in discussing the bill, not the point of order. I think he should stick to the point of order and not discuss the bill or what has taken place in the other house.

**Senator Grosart:** Honourable senators, in reply to that I should remind the Deputy Leader of the Government that I am not speaking on a point of order. I am speaking to a motion to refer this bill to committee.

**Senator Langlois:** I did not mean a point of order.

**Senator Grosart:** The deputy leader has just risen and said I was speaking on a point of order. I can understand his confusion.

**Senator Langlois:** I rise on a question of privilege at this point, Madam Speaker. I was guilty of *lapsus linguae*. I meant "motion," not "point of order." My honourable friend should stick to the motion before us, and not go into the contents of the bill, as he is doing.

**Senator Grosart:** On the point raised, honourable senators—I address myself, as our rules indicate, to honourable senators, and not to Her Honour the Speaker—my answer, of course, is that I am speaking to the motion. I have so far done nothing but suggest questions which should be asked in committee. Surely I cannot be closer to the motion, or more within the motion, than to carry on in that vein. I am saying that here are questions that have not been dealt with in any way, shape or form in the chamber, and, surely, to draw to the attention of the Senate that these questions have not been answered, and should be answered, is not going beyond the motion itself.

I say again that it is quite beyond my understanding why the deputy leader takes this position. Except perhaps in one case, I do not remember in the 12 years I have been here that there has been refusal to send a bill to committee on a motion, and I would suggest to him that it is a most dangerous precedent to create, because time and time again we facilitate the business of the house by saying at this stage, "Let us send the bill to committee," because there are questions that can be answered in committee which cannot be answered in the house. I cannot think of an instance where this is more applicable than it is with respect to this bill, because we have had quoted to us opinions of an official of the Department of Justice, of our own Law Clerk—I have some doubts about the propriety of that, but I am not raising that at the moment—and other opinions, vague statements of "high authorities," and we have had no opportunity to question the authors. If our committee system is not set up to give us the opportunity to question evidence that has been put before us in a general way, I don't know what the committee system is for.

I therefore suggest to the deputy leader that it would be very much in the interest of the Senate to send this bill to committee, and ask these questions. A reference to committee need not delay the bill unnecessarily, and again I make this plea to him: Please do not stand in the way of what is the normal procedure in this chamber.

**Hon. Douglas D. Everett:** Honourable senators, I have to be extremely sympathetic to the points put forward by the Leader of the Opposition and the Deputy Leader of the Opposition in their commendable zeal to have Parliament control the expenditure of government. But I remind those senators that one of the objectives of referring the supplementary estimates to the Standing Senate Committee on National Finance is to overcome the problem created by supply bills coming to this house at a time close to adjournment. Indeed, in this case supplementary estimates (B) were referred to the Standing Senate Committee on National Finance, and it did hear evidence from the President and officials of the Treasury Board.

**Senator Grosart:** On clause 5?

**Senator Everett:** I will come to clause 5 in a moment but, before I do, I should like to say that the Leader of the Opposition raised the problem of clause 3(2), which deems that the provisions of the supply motion shall be retroactive to the first day of April in 1974. I would like to bring to the attention of the Leader of the Opposition that this is a standard clause.

**Senator Flynn:** I don't care whether it is a standard clause. We did not discuss it.

**Senator Everett:** It has appeared in every supply bill that has come before this house, and every time we examine the estimates and supplementary estimates we know that such a clause will appear in the supply bill.

**Senator Flynn:** You did not know.

**Senator Everett:** Indeed, we do.

**Senator Flynn:** You did not know. Don't say that! You did not know.

**Senator Everett:** Indeed, we do know.

**Senator Flynn:** No, you did not know, because you did not have the bill.

**Senator Everett:** Indeed, we do. I can refer you, for example, to the Appropriation Act No. 2, 1973.

**Senator Flynn:** I am not talking about an act. I am saying that by the estimates you cannot know.

**Senator Everett:** In the estimates? I know by parliamentary practice. Indeed, I do know, because in the case of every supply bill that comes before this house that clause appears, and in the Appropriation Act No. 2, 1973 it says that the provisions of each item in the schedule shall be deemed to have been enacted by Parliament on the 1st day of April, 1972. And so it was in 1971, and prior thereto. That is a standard clause.

**Senator Flynn:** But did you ever discuss it?

**Senator Everett:** And there is no surprise being inflicted on the committee, or on the Senate.

**Senator Flynn:** But did you ever discuss it in committee?

**Senator Everett:** There is no need to discuss it. We know when we examine the estimates and the supplementary estimates that in the supply bill they will be made retroactive to the date of those estimates.

**Senator Flynn:** You are not serious.

**Senator Everett:** I am serious, senator, and I can go on reading back year after year after year that this is the case.

**Senator Perrault:** You can go right back to 1960.

**Senator Flynn:** It is irrelevant whether it was done in 1960. I don't care about that. I am just asking whether the meaning of this particular aspect of an appropriation bill has ever been discussed in committee.

**Senator Everett:** If the Leader of the Opposition at some point would like to discuss with me the possibility of having the committee hold a special meeting on the problem of retroactivity, I would be quite prepared to do so.

**Senator Flynn:** Tomorrow.

**Senator Everett:** I would like considerably more time than that to talk about something going back over a long period, and I think the Leader of the Opposition would be fair enough to allow me that time.

**Senator Flynn:** Surely, but you don't need much time. You are brilliant. After all, it did not take you much time to find out that this has been done before down through the years.

**Senator Everett:** I certainly thank you, and will accept the compliment with as much grace as I possibly can. So far as surprise is concerned, I cannot believe that the Leader of the Opposition or his deputy were in any way surprised by the inclusion of clause 3(2) in this bill. I was not. You have been here a lot longer than I have, and both of you have considerably more experience in this field than I.

● (1600)

**Senator Flynn:** I read it for the first time, in this particular perspective. I can read a sentence a thousand times and find new meanings in it, and I refuse to say that it has a static meaning.

**Senator Everett:** Let us move along for a moment, because I think we have exhausted all the possibilities that can be attributed to clause 3(2).

**Senator Flynn:** If you do not want your committee to deal with it, suggest another one. Perhaps Senator Hayden's committee would like to deal with this.

**Senator Everett:** Clause 5(1) is not a matter that would normally be dealt with by the Standing Senate Committee on National Finance. We have not done so in the past. As I understand the operations of government, the Minister of Finance must have the right to borrow sums for the public treasury at times to be fixed by him throughout the financial year. What we are doing here is giving a general authority for him to borrow up to $2.5 billion.

**Senator Flynn:** It has already been done in this case. The minister said in the other place that it was just to cover the success of the sale of Canada Savings Bonds.

**Senator Langlois:** He did not say it had already been done.

**Senator Grosart:** We do not know. Why not let us find out in committee whether it has been done or not? Surely that is reasonable.

**Senator Everett:** I do not really think that that is what is bothering the Leader and the Deputy Leader of the Opposition.

**Senator Flynn:** Certainly.

**Senator Everett:** If I understand them correctly, they want a matter that is not normally referred to the Standing Senate Committee on National Finance to be referred to that committee. It is not something that we normally deal with.

**Senator Flynn:** Oh, yes.

**Senator Everett:** Not at all. If the Leader or the Deputy Leader of the Opposition can indicate to me one time when the National Finance Committee dealt with an appropriation of this sort—



**Senator Flynn:** The bill itself?

**Senator Everett:** No. I am talking about clause 5. If they can point out such an example to me, then I would like to hear about it.

**Senator Flynn:** If we have not done so, it is about time we did.

**Senator Grosart:** Would Senator Everett mind my asking this question: Has the Standing Senate Committee on National Finance ever dealt with an appropriation bill?

**Senator Flynn:** It has.

**Senator Grosart:** I would just like to ask when. The committee deals with the estimates, not appropriation bills.

**Senator Everett:** We deal with the appropriation bill by dealing with the estimates. That is the whole concept of having the estimates referred to the National Finance Committee prior to our considering the supply bill.

**Senator Flynn:** Then you could introduce anything in an appropriation bill that does not appear in the estimates, and you would be said to have dealt with it.

**Senator Everett:** Perhaps we could, but we are not.

**Senator Flynn:** We are.

**Senator Everett:** We are not. We are not dealing with anything here that has not normally been dealt with by the National Finance Committee.

**Senator Flynn:** Your interpretation of "normally" is something else.

**Senator Everett:** I have asked both the Leader and the Deputy Leader of the Opposition to tell me of a case in which this has been dealt with. All that is being asked here is an authority to borrow, not an authority to spend.

**Senator Flynn:** Why not inquire?

**Senator Everett:** I beg your pardon?

**Senator Flynn:** I say, why not inquire as to this? Why would you say that your committee would not normally deal with this—and if not your committee, which committee would deal with it?

**Senator Everett:** Because the National Finance Committee deals with the estimates themselves, and the expenditures of the federal government. We have dealt with them in respect of supplementary estimates (B), and we have reported back. I made a full report on behalf of the committee after hearing evidence on supplementary estimates (B), and those supplementary estimates (B) were accepted by the house. Now comes the supply bill, and the only provision that seems to bother the Leader of the Opposition is that of retroactivity, which is provided in every supply bill, and the authority to the Minister of Finance to borrow. Therefore, I say that this is not something that has been in the past, nor is it now, a subject for referral to the National Finance Committee.

**Senator Grosart:** I wonder if I could ask Senator Everett a question. It seems to me that he has argued that because we have not been sending appropriation bills to

his committee, we should not do it now. That seems a very strange argument to me. I suggest to him that this is a different case from any other that we have had before us, and that is borne out by the statement of the Honourable Mitchell Sharp, the house leader, who, when he was introducing this bill, said:

> Mr. Speaker, I agree with the hon. member that this was a most unusual proceeding.

**Senator Langlois:** He was wrong.

**Senator Grosart:** I am quoting the minister. He may be wrong—everybody may be wrong except the Deputy Leader of the Government—but we would like to find out. We would like to find out if Mr. Gibson was wrong, if Mr. Sharp was wrong, if Senator Everett was wrong. Perhaps Senator Flynn was wrong—I doubt it, but I would like to find out.

**Senator Flynn:** I have some doubts myself.

**Senator Grosart:** Mr. Sharp said:

> Mr. Speaker, I agree with the hon. member that this was a most unusual proceeding. It was one that some of us were not aware of at the time the bill was introduced.

These are the words of the minister when introducing the bill. He went on:

> However, Mr. Speaker, I want to make it clear that I am not defending the procedure that was followed. I hope we can avoid this sort of thing in future.

I therefore ask the chairman of the National Finance Committee if he does not think it would add some laurels to that committee if this bill was referred to it, and he went along with the leader in the other place and helped to avoid this kind of thing in the future.

**Senator Everett:** Before the question is put I should mention that the deputy leader has raised two points. He asked why we should not refer the appropriation bill to the Standing Senate Committee on National Finance—

**Senator Grosart:** And why not?

**Senator Everett:** I say that in his own best interests the answer is no. We could do that, but then we would be dealing with the estimates at that particular time.

**Senator Grosart:** No, we would be dealing with the bill.

**Senator Everett:** And it is for the protection of the Opposition that we refer the estimates to the National Finance Committee prior to our receiving the supply bill, when we have ample opportunity to deal with them. He can make the argument over and over again, but I just cannot buy it. I do not understand how the Opposition can want it any differently.

Let me now deal with clause 5. I think Senator Grosart said that Mr. Sharp expressed the view that this was a most unusual procedure. Well, I do not think it is a most unusual procedure. With regard to Appropriation Act No. 4, 1970 the same procedure was used. The sum involved at that time was $1 billion, which was sought for public works and general purposes. So what is suddenly so new and different? What has suddenly caused this point to be raised?

**Senator Flynn:** We have just found out it was wrong. Nobody ever raised it before, not even you—or you said it without understanding it.

**Senator Everett:** There is nothing new or different about this supply bill, any more than there has been about all the supply bills in the past. The Opposition has had ample opportunity before the committee to review the whole matter.

**Senator Flynn:** No.

**Senator Everett:** What is being done here is no different from what has been done with regard to supply bills going back many years, and perhaps, to Confederation. As much as I would like to be sympathetic to the Opposition—

**Senator Flynn:** Oh, please, please. I have known you for a long time and—

**Senator Everett:** —I really do not think they have put forward an adequate argument in this case.

● (1610)

**Hon. Daniel A. Lang:** Honourable senators, I just want to say that when I came to this chamber this afternoon I had no idea an issue was involved here, or what it was about, and I am afraid that up to this point in the debate my state of knowledge remains exactly the same. However, I would like to say that during my time in this house, which is now slightly over ten years, I have never heard a debate on whether a bill should be referred to a committee after second reading. Such a reference has been generally made as a matter of routine at the request or suggestion of any member of the chamber. I cannot see any reason for departing from that long-standing tradition, a tradition that makes this house a good parliamentary institution.

**Hon. Martial Asselin:** Honourable senators, I just want to add something along the lines of what has been said by Senator Lang. Usually when a bill is read the second time in the Senate, the motion to refer it to a standing committee of the Senate is not debated. There is agreement between the leaders to refer, or not refer, the bill to committee.

We are now dealing with, and trying to ask questions about, a bill involving the spending of millions of dollars by the government. We have said, for our part, that this may involve illegal procedures, and I am astonished that the Deputy Leader of the Government and the chairman of the Standing Senate Committee on National Finance should refuse to send a bill of this importance to a committee of the Senate. I am inclined to ask the same question that my Leader asked: Have you something to hide on this question? We are discussing millions and millions of dollars of the taxpayers' money, and we humbly ask the Senate to refer the bill to the committee because the loyal Opposition has some questions to ask of the experts from the Department of Justice and the Department of Finance. We want to clarify the situation. That is all we want.

It is not a gift you are making to the Opposition by sending this bill to committee; this is the usual procedure in the Senate when a bill has received second reading. The usual practice is to send such a bill to a standing committee of the Senate. I am a fairly new senator, and I am very much surprised that the Leader of the Government and his deputy, and even the chairman of the Standing Senate

Committee on National Finance, should refuse this request on the part of the Opposition to refer a bill of such importance to a committee of the Senate.

**Hon. Raymond J. Perrault:** May I make a brief statement, honourable senators? I know that this has been a vigorous discussion on a matter which really should not have been the subject of such prolonged disputation. It rather distresses many of us in the chamber, I think, that suggestions have been made this afternoon that there are attempts at concealment. We have heard the question, "What have they to hide?" and so on. I would remind Senator Flynn, who served, as I recall, in a federal government of another political persuasion, that during his time in the other place precisely the same procedure was followed with no objections at all, and no suggestions as to alleged impropriety or indecency or illegality or other inferences of the kind that we have heard here this afternoon. Such suggestions really do not add to the stature of Parliament.

**Some Hon. Senators:** Oh, oh!

**Senator Perrault:** Again, I would like to remind honourable senators that it has been parliamentary practice over the years since Confederation to approve appropriation bills containing borrowing authorities without specific recommendations therefor. It has been government practice—accepted by all sides—to include in the estimates amounts required for repayment of borrowed moneys and payments of the costs of borrowing, and items appropriating for specific purposes moneys borrowed by it. This has been standard procedure since the founding of this nation. The practice proposed in this instance has been followed.

**Senator Macdonald:** May I ask my honourable friend a question?

**Senator Perrault:** May I continue my statement?

**Senator Macdonald:** If that is the case, why did Mr. Sharp say that it was an unusual procedure?

**Senator Perrault:** May I remind honourable senators once again that admittedly the house leader in the other place may have been in error in some of the remarks he made the other day. This has been admitted and established by the Deputy Leader of the Government in this house, but at this point to suggest that there is some impropriety, or that there is an attempt at concealment, adds very little, I think, to the stature of this place.

The government is adopting its position this afternoon on the basis of principle.

**Some Hon. Senators:** Oh, oh!

**Senator Perrault:** Yes, on the basis of principle, and therefore we must insist on this side that this bill be not referred to committee.

**Senator Flynn:** I thought so. That proves exactly our point.

**Hon. Henry D. Hicks:** Honourable senators, I think that this house ought to afford the courtesy to any group of senators, who want a bill referred to committee, of sending that bill to committee. Therefore, in normal circumstances, I would be in favour of referring a bill to committee, even though the reasons for doing so seemed to me to be trivial. But I think there is a different principle involved here, and we have only to refer to our own rules to see what that is. At page 134 I read this:

> Supply bills are not referred to a committee of the whole or to a select committee. However, the estimates on which a supply bill is based are referred to the Standing Senate Committee on National Finance when they are tabled in the Senate. *See Bourinot, Fourth Edition, pages 443 and 444.*

Those pages say:

> XII. Supply Bill in the Senate. The supply bill is sent up immediately after its passage in the Commons to the Senate where it receives its first reading at once. The bill is generally passed through its several stages on the same day, and is never considered in committee of the whole.

Bourinot then goes on to explain this in a manner which seems to me to relate all of this to the jealously guarded prerogative of the House of Commons not to have the Senate interfere with supply bills. I think, therefore, that it is not necessary to refer this bill to a committee.

**Senator Flynn:** Honourable senators, I rise on a point of order. The point raised by Senator Hicks is entirely irrelevant. This has nothing to do with our present rules. He may quote from authors of 100 years ago, but this is not the problem at all.

**Senator Hicks:** I was reading from the current edition of our rules.

**Senator Grosart:** May I point out that the honourable senator was not reading from the rules, but from pages at the back which contain vague opinions, most of them completely out of date.

**Senator Hicks:** But they state the practice.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Flynn, P.C., seconded by the Honourable Senator Macdonald, that this bill be referred to the Standing Senate Committee on National Finance.

Is it your pleasure, honourable senators, to adopt the motion?

**Some Hon. Senators:** Yes.

**Some Hon. Senators:** No.

**The Hon. the Speaker:** Will those honourable senators in favour of the motion please say "yea"?

**Some Hon. Senators:** Yea.

**The Hon. the Speaker:** Will those honourable senators who are against the motion please say "nay"?

**Some Hon. Senators:** Nay.

**The Hon. the Speaker:** In my opinion the "nays" have it.

*And more than two honourable senators having risen.*

**The Hon. the Speaker:** Please call in the senators.

● (1620)

Motion of Senator Flynn negatived on the following division:

YEAS

HONOURABLE SENATORS

| | |
|---|---|
| Asselin | Grosart |
| Bélisle | Lang |
| Choquette | Macdonald |
| Fergusson | O'Leary—9. |
| Flynn | |

NAYS

HONOURABLE SENATORS

| | |
|---|---|
| Barrow | Hayden |
| Basha | Hicks |
| Benidickson | Inman |
| Boucher | Lamontagne |
| Bourget | Langlois |
| Buckwold | Lefrançois |
| Cameron | McElman |
| Connolly (Ottawa West) | McGrand |
| | McIlraith |
| Cook | McNamara |
| Cottreau | Neiman |
| Croll | Norrie |
| Denis | Perrault |
| Deschatelets | Petten |
| Everett | Prowse |
| Fournier (Restigouche-Gloucester) | Robichaud |
| | Smith |
| Graham | Williams—34. |

**The Hon. the Speaker:** I declare the motion lost.

Honourable senators, when shall this bill be read the third time?

On motion of Senator Perrault, bill placed on the Orders of the Day for third reading at the next sitting.

## FEDERAL BUSINESS DEVELOPMENT BANK BILL

SECOND READING

The Senate resumed from Tuesday, December 10, the debate on the motion of Senator Godfrey for the second reading of Bill C-14, to incorporate the Federal Business Development Bank.

**Hon. Jacques Flynn:** Honourable senators, I am prepared to proceed, unless there is a more urgent matter. I shall not detain the house long as I am not now in the same mood as I was a few moments ago, and also this is a rather heavy bill. To judge by its volume, it is an important bill. It contains 26 pages and 60 clauses. It was treated to quite a lengthy speech by the sponsor, Senator Godfrey, who should be complimented for having presented a great deal of detail and, I would say, all the relevant information with respect to it. Another fact that would indicate the bill's importance is the time consumed in the other place, in the house itself and in committee, in consideration of it.

However, I am not too sure that on close examination the bill is seen to justify the amount of attention or even the volume of verbiage or the printing that was accorded it. The intention of the government is primarily to show interest in small business. All who have spoken elsewhere in support of this bill declared that they were in favour of assisting small business, and that this legislation would achieve that purpose. In fact, however, closer scrutiny of the bill indicates that it is simply a face-lifting device for the bank which it replaces, the Industrial Development Bank. It is not therefore a bad bill, because if one can improve something, that is a good thing. I merely want to draw the attention of the Senate to a few items which will show that after all we should not get too excited about this piece of legislation.

● (1630)

My first comment concerns the name of the new bank, the successor to the Industrial Development Bank. The bank is now to be referred to as the Federal Business Development Bank, and, in French, as la Banque fédérale de développement. It is rather interesting to note that they have not used the French equivalent of the word "business". The main purpose of the bill is to move away from the word "industry" to the more general word "business", and to encompass in the objects of the corporation promotion and assistance in the establishment and development of any kind of business enterprise in Canada. It is strange that they have not been able to find anything to convey this meaning in French.

In French the present bank is called la Banque d'expansion industrielle, and the new bank is called la Banque fédérale de développement. It seems to me that this name does not conjure up the same idea as the English name, which is the Federal Business Development Bank. The word "business" is absent from the French version.

Secondly, I wish to draw the attention of the Senate to the fact that the purposes of the corporation are described in section 4 of the bill, which provides:

> The objects of the Corporation are to promote and assist in the establishment and development of business enterprises in Canada by providing, in the manner and to the extent authorized by this Act, financial assistance, management counselling, management training, information and advice and such other services as are ancillary or incidental to any of the foregoing.

The present bank—that is, the Industrial Development Bank—has its mandate described in section 15 of chapter I-9 of the Revised Statutes of Canada, 1970. Section 16(1) states:

> Subject to section 15, where in the opinion of the Board or of an officer authorized for that purpose by the Board
>
> (a) a person is engaged or about to engage in an industrial enterprise in Canada,
>
> (b) credit or other financial resources would not otherwise be available on reasonable terms and conditions, and
>
> (c) the amount invested or to be invested in the industrial enterprise by persons other than the Bank and the character of that investment are such as to afford the Bank reasonable protection,
>
> the Bank may lend or guarantee loans of money to that person—

The rest is not relevant to the point I wish to make.

If honourable senators compare clause 4 of the bill with section 16 of the Industrial Development Bank Act, they will see that the emphasis is on business generally, whereas the present bank, which is to be replaced, was limited in the scope of its operations by the words "industrial enterprise". It was also limited in the fact that it had to show that no other private banking or loan organization was willing to make a loan to that industrial enterprise.

I understand that it is not proposed to depart from that practice, but it is strange to note that this is no longer to be found—unless I am mistaken—in the bill which will incorporate the new Federal Business Development Bank.

This very point was dealt with by the sponsor of the bill, Senator Godfrey, who defended the record of the Industrial Development Bank. I have had some contact with the bank, and I agree that it has a good record. A criticism of the new bill was made in the committee of the other place on this very point, that this federal or state bank should not compete with a private banking or loan system.

I do not know whether the restriction I have quoted from section 16 of the Industrial Development Bank Act will be adhered to in practice by the new bank, but I wanted to draw the attention of the Senate to this fact. I understand that the general manager of the present bank reassured the committee of the other house in this connection, and said it was not the intention of the new bank to depart from that rule.

I refer again to the speech by Senator Godfrey in moving second reading, and draw attention to the fact that nearly all the other changes brought about by the bill are really matters that could have been dealt with—the same thing applies to what I have just mentioned—by mere amendment of the present act incorporating the Industrial Development Bank. The changing of the name could have been done by mere amendment. The changing of the purposes, which I have just discussed, could also have been made by a simple amendment. The capital structure of the bank could have been altered by mere amendment. The same thing applies to the set-up of the board of directors, and also to the transfer of authority from that of the Minister of Finance to the Minister of Industry, Trade and Commerce.

The bill, on the whole, appears to be a face-lifting job. Possibly the bank, or someone in the Department of Industry, Trade and Commerce, felt it was easier to draw up a new incorporating act and forget about the past, allowing, of course, for a transitional adjustment.

On the whole, this is a good bill. It is not fundamentally a departure from what has existed for some years. However, it would be useful in committee to question the intentions of the department and the management of the bank, which I understand will remain the same in the new corporation. I do not think anyone will oppose the bill, and therefore I have no objection to its being read the 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?

[Senator Flynn.]

**Senator Langlois:** Honourable senators, I move that this bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

**Senator Flynn:** You have no objection this time?

**Senator Langlois:** No, it is not an appropriation bill.

Motion agreed to.

● (1640)

## BUSINESS OF THE SENATE

**Senator Langlois:** Honourable senators, I intend to move that the Senate do adjourn during pleasure, to reassemble at the call of the bell at approximately 8 o'clock. The Standing Senate Committee on Banking, Trade and Commerce is ready to convene immediately after the Senate rises to consider Bill C-14, which has just received second reading. The witnesses who will be appearing before the committee are present in the gallery. That committee may also sit tonight, and in that event I shall move the appropriate motion.

**Senator Flynn:** The committee may sit this evening?

**Senator Langlois:** Yes, in the event that it does not complete its consideration of Bill C-14 this afternoon.

**Senator Flynn:** The chairman was reading my mind when he called the witnesses for this afternoon.

**Senator Langlois:** I move that the Senate do now adjourn during pleasure to reassemble at the call of the bell at approximately 8 o'clock this evening.

**Senator Flynn:** Is it necessary for the Senate to sit this evening? I gather the purpose is to proceed with second reading of Bills C-45 and C-36, both of which received first reading earlier today.

**Senator Perrault:** That is correct.

**Senator Flynn:** I do not think the Senate need sit this evening for that purpose.

**Senator Langlois:** The motion is before the house.

Motion agreed to.

The Senate adjourned during pleasure.

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At 8 p.m. the sitting was resumed.

## NATIONAL FINANCE

ESTIMATES OF MANPOWER DIVISION OF DEPARTMENT OF MANPOWER AND IMMIGRATION—COMMITTEE AUTHORIZED TO EXAMINE AND REPORT

The Senate resumed from yesterday the adjourned debate on the motion of Senator Everett that the Standing Senate Committee on National Finance be authorized to examine in detail and report upon the estimates of the Manpower Division of the Department of Manpower and Immigration for the fiscal year ending the 31st March, 1975.

**Hon. W. M. Benidickson:** Honourable senators, I moved the adjournment of this debate last night largely because I felt it was wrong in practice and in principle that an item set down for tonight on our agenda be brought forward by unanimous consent a day earlier, and because there was a suggestion that the debate might be terminated last night. However, I am rather glad that I did adjourn the debate, because in my mail today I received a couple of items which I think justify my saying a few more words on this motion.

Last night honourable senators who were able to attend despite the severe snowstorm will recall that Senator Everett, the Chairman of the Standing Senate Committee on National Finance, referred to the 1974-75 estimates of the Manpower Division amounting to about $550 million. He referred to six major functions of that division, and then added that, in addition to the six functions outlined, the Manpower Division administers special programs for groups which have particular problems in the job market, such as job creation programs like LIP, OFY, LEAP and CEP. Then he gave an outline of what, as chairman, he suggested would be nine types of questions that, if the motion is carried, would be suitable questions for study by his committee. He concluded by saying that he thought the major question for the committee was whether $550 million of expenditure per year was justified, and was the Canadian taxpayer getting his money's worth.

I referred last night to the fact that I had knowledge of the fact that some 13 delegates from Canada had returned over the last weekend from a study in Germany of manpower problems. I indicated that the delegation was representative. Besides three officers and members of the executive council of the Canadian Council on Social Development the Canadian delegation consisted of William Rompkey, Liberal Member of Parliament and Parliamentary Secretary for Manpower and Immigration; Mr. Lincoln Alexander, Progressive Conservative Member of Parliament and his party's labour critic; David Orlikow, New Democratic Party Member of Parliament and his party's labour critic; Charles Caccia, Liberal Member of Parliament; John Hunter, director of the Manpower Operations Branch; R. L. Beatty, special adviser to the Unemployment Insurance Commission; William H. Wightman, manager, industrial relations department, Canadian Manufacturers' Association; Mr. Pat Kerwin, assistant director of social and community program development, Canadian Labour Congress; Jean-Guy Houde, Assistant Deputy Minister of Social Affairs for the government of the Province of Quebec; and Miss Margaret Weiers, editorial writer for the Toronto *Star*. I said that in my mail today I received certain correspondence. One item was a letter dated December 6 from Frankfurt in West Germany. My personal correspondent reported as follows:

> This very assorted group is getting on splendidly, and I think we are all having a tremendous experience. The people we have been meeting in Germany do not seem to class us as an ordinary group of visitors. The questions asked back and forth are all very pertinent and acute, and I am extremely pleased with the way this is progressing.

I also received a copy of a press release issued by the director of the Canadian Council on Social Development, Mr. Reuben C. Baetz, and I will quote briefly from this fairly extensive report. He says:

> While the miracle of West Germany's economic development since World War II has been a well-known success story, frank and intimate discussions with many Germans over the last two weeks have convinced me that the country's social development is just as much to be envied, and is in fact proof of the interrelatedness of the two—

He goes on to say:

> While in Canada we have tended to concentrate too much on assisting persons after they have become unemployed, the West German emphasis is on employment promotion and unemployment benefits are provided only as a last resort—

I am told that to promote employment opportunities many special provisions have been enacted in West Germany to assist various groups in the population. Mentally and physically handicapped persons who are able and willing to work are assisted to do so by a special law making it compulsory for employers to provide six per cent of their positions to the handicapped, or pay a sum of money into a fund for this purpose.

My personal informant brought back a newspaper dated the date of departure, December 13. This announced steps that were being taken by the government of the Federal Republic of West Germany to fight the twins of unemployment and inflation, and reflecting Germany's commitment to full employment. While Germany's current rate of unemployment of 3.5 per cent, and inflation of 6.5 per cent, are enviably low, announced plans are designed to reduce the 800,000 unemployment by 300,000. Depressed industries will be subsidized to retain some of the workers who would otherwise be dismissed or placed on reduced time.

Workers who have lost their jobs and only able to find work at reduced levels of pay will be subsidized temporarily to maintain their previous income level if they work. Industries will receive incentive subsidies of 7.5 per cent which, in addition to the 7.5 per cent some industries are now receiving in economically weak regions, are expected to produce new jobs. The already heavy retraining program of workers will be further bolstered during the recessionary period.

All these expenditures, I am informed, will be possible in spite of previously announced income tax cuts for the middle and low income population effective January 1, 1975, largely due to a ten billion mark reserve which the Germans garnered during their boom years and earmarked to be spent during periods of recession.

The program was indeed an interesting one. It was sponsored by a unique organization, the Friedrich Ebert Stifftung Foundation, which is named after the first president of the Weimar Republic, who was world famous as a social reformer.

From the program itinerary that I found this morning, I see that in Berlin they were met by the Deputy Director of the International Department of the Foundation. They also had lectures on the conception and function of a social insurance company, as it is referred to over there. Another address dealt with professional rehabilitation and preventive measures in order to preserve capacity of work.

Another was on co-operation with Canada in the field of intergovernmental agreements on social security.

They visited Nuremburg, Frankfurt, Dusseldorf, Cologne and, of course, the capital, Bonn, where they met with parliamentarians and others, and members of the Parliamentary Committee on Labour and Social Affairs. They visited the federal Ministry of Labour and Social Affairs. At Cologne they visited the Confederation of German Employers' Associations, receiving information on industrial relations and labour policy, and the Central Association of Building Trades. I find on the program that at Dusseldorf there were talks with members of the works council and managers. At Nuremberg there was a visit to a federal labour office.

Honourable senators, I do not want to extend these remarks, but they will be of special interest to some of my colleagues here, particularly Senator Fergusson, who is a member of the governing board of the Canadian Council on Social Development, and, of course, my deskmate, Senator Croll, who has introduced the subject of the work ethic as an immediate concern for the Senate at the moment.

I made these remarks also because members of the House of Commons who were on this delegation would, under the rules of that place, probably be unable to refer before Christmas, or even in the near future, to the visit or to the information that was obtained during it. Perhaps I make these remarks now also because I expect to be specifically briefed and regaled at home with comparisons between manpower policies in Canada and those in West Germany. Therefore, I warn my fellow members of the Senate committee that as our examination proceeds I shall be making frequent references to West German practices learned, perhaps, at second hand but, I might add, at very close hand.

Motion agreed to.

## REPRESENTATION BILL, 1974

SECOND READING—DEBATE ADJOURNED

On the Order:

> Second reading of Bill C-36, intituled: "An Act to provide for representation in the House of Commons, to establish electoral boundaries commissions and to remove the temporary suspension of the Electoral Boundaries Readjustment Act.—(Honourable Senator Perrault, P.C.)

**Hon. Raymond J. Perrault:** Honourable senators, the purpose of this bill is to provide a new method of determining the number of members in the House of Commons—

**The Hon. the Speaker:** Is the Honourable Senator Perrault moving second reading of this bill?

**Senator Perrault:** Yes, I so move.

**Senator Choquette:** If it is of any consolation to Senator Perrault, I might inform him that his predecessor never learned, even in his latter days here, that he should move second reading.

**Senator Perrault:** Obviously I follow in worthy footsteps. I must apologize for my eager anticipation of the contents of this blessedly short speech.

[Senator Benidickson.]

Honourable senators, the purpose of this bill is to provide a new method of determining the number of members in the House of Commons to represent each province of Canada in the next and succeeding Parliaments.

This is not an easy question; in fact it is a very vexatious matter to attempt to determine how the areas of Canada are to be represented in the other place. The redistribution of seats based on the 1971 decennial census, the present distribution method provided by section 51 of the British North America Act, was received with disfavour by all parties in 1973. The reaction, to say the least, was mixed. For this reason Parliament decided at that time to suspend the process of electoral boundaries readjustment until January, 1975, to give time for the development of a more satisfactory approach.

In February of this year the former President of the Privy Council, now the Secretary of State for External Affairs, presented to the Standing Committee on Privileges and Elections of the House of Commons various possible methods of distributing seats among provinces. While the deliberations of that committee were interrupted by the dissolution of Parliament, the possible approaches had been carefully considered by that time, and a general consensus had emerged that the approach, now described as the "amalgam method," best met the exigencies of democratic principles and of the federal structure of Canada.

● (2010)

A bill based on the amalgam method was, as honourable senators know, introduced in the House of Commons on November 22 by the President of the Privy Council, who in that case once again stressed that the subject of redistribution was one that rose above partisan politics, and that the government's aim was to find an equitable method which would be acceptable to the vast majority of members on both sides of the house. The question of redistribution is almost as complicated as the matter of establishing indemnities, and that is complex enough.

In this spirit the bill was examined by the Standing Committee on Privileges and Elections, which proposed various amendments in its report. The resulting bill contains the basic precepts of the amalgam method, with modifications to eliminate what are regarded as anomalies produced by the vagaries of emerging population trends within Canadian provinces. Population projection is a relatively exact science, but it is difficult to be absolutely precise in relation to the population growth which may be anticipated in the provinces of Canada.

It has been recognized since Confederation that, while the fundamental principle of representation in the House of Commons must be representation by population, the Constitution of Canada must also be reflected in the membership of that house. It is for this reason that the original distribution method contained in the British North America Act provided that no province should lose a member of the other place unless its population relative to that of the nation had decreased by 5 per cent or more. For that same reason it was provided in the year 1915 that a province should be entitled to at least as many members in the other place as it has senators. These and other provisions enacted since that time have ensured that no prov-

ince will be deprived of an effective voice in the other place.

[*Translation*]

The distribution method provided for in this bill is based upon an adequate representation for each Canadian province in the House of Commons which does not involve any decrease in the number of provincial seats. Therefore, any province which, following the redistribution, would be provided with a number of members less than that of a less populated province, should get the same number of seats as the latter.

The amalgamation method is based, secondly, upon the principle of representation by population. The provinces are divided into there classes within which representation by population applies.

The small provinces are those whose population has increased since the preceding census but is still less than a million and a half. The number of members to be assigned to those provinces will be known by dividing the population of an average constituency in the provinces having a population under a million and a half at the time of the preceding redistribution.

The province of Quebec is the pivot when it comes to figuring the number of members in the case of large provinces, namely the provinces having a population greater than two and a half million. The province of Quebec will be assigned 75 members at the next readjustment and thereafter four additional members in each subsequent readjustment, according to the method proposed in this bill. For the larger provinces, there shall be assigned a number of members equal to the number obtained by dividing the number of their respective population by the population of an average constituency in the province of Quebec.

[*English*]

Provinces in the middle category will also have their representation determined approximately on the basis of "rep. by pop." If the population of a province is 1,500,000 to 2,500,000, and has increased since the previous decennial census, it will be allocated a number of members determined by halving the increase in seats which it would have received were it to have the same average constituency population as the group of the smallest provinces.

While I realize that this may sound rather complicated I assure honourable senators that there was a great deal of committee deliberation in the other place before what is essentially a compromise involving all the provinces of Canada and, indeed, all the political parties of this country, was achieved.

It is not an easy formula. If honourable senators are interested in some of the mathematical background to this measure, and if they have a real interest in the question, I will certainly undertake to make that material available to them if they would direct their requests to my office.

**Senator Choquette:** At this stage, might I ask a question of the sponsor of the bill? I know that the sponsor has expressed in fluent French the explanation regarding the province of Quebec seats that will remain at 75. I should like to know why other provinces will increase their numbers, and Quebec will still remain at 75. I know it is an old formula based on population, but I would like to hear an explanation at this stage as to why Quebec does not increase the number of its representatives.

**Senator Perrault:** In fact, the possibility is held out for increases in the number of seats in the province of Quebec in subsequent redistributions of seats across the country. The proposed formula means that no province is really frozen in its present representation should there be a population increase.

However, I will undertake to obtain additional information for the honourable senator, in view of his inquiry. It should be pointed out that originally the province of Quebec was the base upon which proportional redistributions across Canada took place.

● (2020)

Redistribution is a matter of population, of tradition, combined with a pragmatism to provide adequate representation for all parts of Canada. If it were strictly representation by population, certain parts of Canada would be grossly under-represented, and I do not think any party really supports that concept. For example, if representation were based solely on population, the Maritime Provinces, because the population may not be increasing as rapidly as other parts of Canada, would suffer a reduction in representation.

**Senator Asselin:** We have the same problem in the province of Quebec.

**Senator Perrault:** There are some constituencies, of course, of vast geographical size. It is almost impossible for the members of Parliament for those constituencies to carry out their responsibilities in the other place. Yet, on a representation by population basis only, representation from such constituencies would be reduced. In any event, I do not think any party really supports the concept of representation based strictly upon population. While we all subscribe to the general idea that people, not territorial limits, or trees, mountains or resources, should be represented in the other place, I think we are equally agreed that the historical approach to Canadian representation is the best one.

**Senator Grosart:** Is Senator Choquette's question not completely covered in Part I—section 51(1), rule 1? That seems to state very clearly the answer to Senator Choquette's question.

**Senator Perrault:** If I may, I will just finish my statement and then I will turn to other statistical background to answer Senator Choquette's inquiry.

The provinces in the intermediate category would also have their representation determined approximately on the basis of "rep by pop." If the population of a province is 1,500,000 to 2,500,000 and has increased since the previous decennial census, it will be allocated a number of members determined by halving the increase in seats which it would have received were it to have the same average constituency population as the group of the smallest provinces.

So, we have three designations of representation: large provinces, medium or intermediate provinces, and small provinces. For the purposes of the present redistribution, the larger provinces are designated as being Ontario and Quebec; the intermediate provinces as being Alberta and

British Columbia, and the rest of the provinces are assigned to the small population category.

The number of members representing provinces in the House of Commons under this bill will rise immediately to 279. An increase of this order or magnitude was desired to ensure that the number of constituents which each member will represent would not grow to a size where it would be excessively difficult to represent them effectively.

It has been recognized, however, that it would be unwise to allow the size of the house to grow to the point where a member might become less effective inside the House of Commons itself. The feeling was that a balance must be struck, and it has been struck in this bill.

Some honourable senators may be wondering about the question of accommodation in the other place.

**Senator Asselin:** That is not a problem.

**Senator Perrault:** It is not a problem, as Senator Asselin has pointed out. There is adequate space to meet the next anticipated increase in size of the other place. Beyond that, the ingenuity of the Public Works Department and affiliated organizations can well cope with any space problem which might arise in the future.

The bill also provides for an automatic review of its provisions by a committee of the House of Commons in 1979, at which time accurate projections for the populations of each province in 1981 will be available. It is hoped that a review at that time will avoid the necessity of changes at a later date, which might be made necessary by unforeseen changes in population patterns across Canada, and these contingencies have to be taken into consideration.

I would like to remind honourable senators that passage of this bill is required before Christmas in order that commissions might be established to begin the process of electorate boundary readjustment in the new year. Failure to adopt this measure in that time would result in the adoption and application of a distribution method deemed to be undesirable by all parties.

I have some figures that will be of interest to honourable senators with respect to the representation of the provinces in the House of Commons, showing some of the projected figures by provinces. The present Newfoundland figure is seven; under the application of the proposed new rules for redistribution after the 1981 census that figure will go to eight. For Prince Edward Island the figure presently is four; under the application of the proposed new rules the number will be four after 1981. For Nova Scotia the figure is 11 at the present time, and it will go to 12. For New Brunswick the present figure of 10 will stay at 10. For Quebec the present figure of 74 will go up to 79.

You see, Senator Choquette, it is not frozen at the present figure; there is provision for expansion.

**Senator Asselin:** What about Ontario?

**Senator Perrault:** For Ontario, at the present time, the figure is 88; under the application of the new rules that number will increase to 110.

Manitoba is presently 13; that number will go up to 15. Saskatchewan is presently 13; the number will rise to 14. Alberta is presently 19; if the new rules are adopted the number will increase to 24. The present British Columbia representation is 23; under the application of the new rules that will increase to 32 after the 1981 census.

Under the new rules as applied to the next federal election, if everything proceeds on line, and if this measure is adopted and the commissions carry out their responsibilities without difficulty, this is the way the seats will line up for the next election: Newfoundland seven, Prince Edward Island four, Nova Scotia 11, New Brunswick 10, Quebec 75—an increase of one over the present figure.

**Senator Asselin:** One more.

**Senator Perrault:** Quebec goes from 74 to 75. Ontario 95, Manitoba 14, Saskatchewan 14, Alberta 21, British Columbia 28, for a total of 279. The total membership of the other place in the year after the 1981 census will be 308.

● (2030)

**Senator Macdonald:** Honourable senators, I wonder if I may ask the Leader of the Government whether those figures are in tabular form. If so, perhaps the table could be inserted in *Hansard*.

**Senator Perrault:** I should be pleased to accept Senator Macdonald's suggestion.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

[*The table follows:*]

*Representation of the Provinces in the House of Commons*

NOTE: THIS TABLE DOES NOT INCLUDE THE SEATS OF THE YUKON TERRITORY OR THE NORTHWEST TERRITORIES

| | Present | Redistribution under present rules | Redistribution under proposed new rules | Application of present rules to redistribution after 1981 census* | Application of proposed new rules to redistribution after 1981 census* |
|---|---|---|---|---|---|
| NEWFOUNDLAND (522) | 7 | 6 | 7 | 6 | 8 |
| PRINCE EDWARD ISLAND (112) | 4 | 4 | 4 | 4 | 4 |
| NOVA SCOTIA (789) | 11 | 10 | 11 | 10 | 12 |
| NEW BRUNSWICK (635) | 10 | 10 | 10 | 10 | 10 |
| QUEBEC (6,028) | 74 | 72 | 75 | 68 | 79 |

*Representation of the Provinces in the House of Commons*

NOTE: THIS TABLE DOES NOT INCLUDE THE SEATS OF THE YUKON TERRITORY OR THE NORTHWEST TERRITORIES

| | Present | Redistribution under present rules | Redistribution under proposed new rules | Application of present rules to redistribution after 1981 census* | Application of proposed new rules to redistribution after 1981 census* |
|---|---|---|---|---|---|
| ONTARIO (7,703) | 88 | 91 | 95 | 94 | 110 |
| MANITOBA (988) | 13 | 12 | 14 | 11 | 15 |
| SASKATCHEWAN (926) | 13 | 12 | 14 | 11 | 14 |
| ALBERTA (1,628) | 19 | 19 | 21 | 20 | 24 |
| BRITISH COLUMBIA (2,185) | 23 | 26 | 28 | 28 | 32 |
| TOTAL | 262 | 262 | 279 | 262 | 308 |

(Population for 1971 in thousands)
*This is based on a projection obtained from Statistics Canada of 23,967,800 in 1981.

**Senator Perrault:** As I said earlier, and as all members of this chamber are aware, because all of us are aware of the political process, the formula does not represent perfection so far as any province is concerned, but it does represent a compromise, an agreement, in the best Canadian tradition. It does permit a review in 1979 based on real population growth at that time, and there are opportunities down the line for the evolution of a better formula, if in fact it is possible to develop that kind of formula.

**Senator Bélisle:** Honourable senators, I should like to ask the Leader of the Government a question. When I was going through the clauses of this bill I noticed that the province of Quebec was mentioned quite often. I noticed also that the increase in its future number of members of Parliament would be rather limited. My question is this: Knowing that we have been issued today with a report from the International Development Agency, which says that a large sum of money will be made available to a particular university in Africa to find out why a certain group of the society, either the ladies or the men, are non-productive, is it possible that the same amount of money could be made available to those provinces which have a low birth rate?

**Senator Perrault:** I had not realized the honourable senator was so interested in demographic matters, but I am sure, if he were to pursue his research in the form of a resolution before the house, that all of us would listen to his remarks with interest. So far as the province of Quebec is concerned, it should be observed that redistribution is closely related to population growth—at least, that is one of the fundamental aspects of redistribution—and I believe the honourable senator is aware that the birth rate in the province of Quebec is one of the lowest in the country at the present time. I do not know whether the honourable senator has some constructive ideas on how that situation may be alleviated.

**Senator Bélisle:** I could certainly give you the material I was reading this afternoon, which indicates that the government has decided to spend a large amount of money for research on who is who, and who is defective.

[*Translation*]

**Hon. Martial Asselin:** Just a few remarks, honourable senators, following the presentation the government leader has made of this bill.

Of course, I have no intention of questioning the formula the experts have agreed upon to provide each province with a fair representation, but I have reservations about the current method used to distribute seats in the new Parliament.

When I sat in the other place, I often said that, whenever they established electoral boundaries, the commissioners did not give enough consideration to the geographical characteristics of the constituencies in which the members of the other place had to operate. They used to consider only the demographic aspect and decide in a very drastic fashion that there would be between 50 and 60,000 constituents in every riding, without taking into account, I repeat, the geographical aspect. They would come up with very arbitrary electoral boundaries which did not serve in any way the economic or social interests of the people within the same constituency. Here is an example of what I mean.

When I was a member of the House of Commons in 1965, my constituency was about 300 miles long. In 1968, when the electoral boundaries of my constituency were altered, I was given a constituency 500 miles long but with the following difference: one part of my constituency, on the social and economic levels, could not be united with the other part. I was then representing a riding both extremities of which had entirely different interests. On the demographic point of view alone, I was given 35,000 electors, while the electors from one part of my county did not know those from the other part. In addition, their economic interests were completely opposite.

When the government leader tells us that the entire amalgamation formula was considered according to the needs of some provinces, especially Quebec, I object to that formula for the following reason: We have in Canada a French Canadian province which must be adequately represented in the Canadian Parliament, especially in the House of Commons. If we apply the amalgam formula such as introduced in the House of Commons and as suggested by the government leader, in a few years Quebec would be poorly represented. I feel that it would be extremely unfavourable to the Canadian Confederation for Quebec to be inadequately represented.

The Leader of the Government tells us that this formula is based on the population of the two largest provinces in the country, Ontario and Quebec. Now, we know that the birth rate has been steadily decreasing for some years in Quebec. This is not a reason for reducing our representation in the House of Commons. I gave the reason for this earlier; it is because Quebec represents an important element within confederation as far as the language, the

institutions and the economy are concerned. Quebec will always be the only French-speaking province within Confederation. Because of the decreasing population, we will have fewer representatives in the House of Commons than the largest province in Canada, namely Ontario. According to the Leader of the Government, Ontario will have up to 110 representatives, whereas Quebec will only have 79 following the readjustment. I presume that there will be some imbalance when we shall make representations to Parliament.

Those are the remarks I wanted to make.

I say that amalgamation formula, which other members of the House of Commons and myself did study does not live up to the expectations of the people of Quebec at the present time. Quebec cannot put up with such an unbalanced representation as compared with the representation of Ontario in the years to come. I am saying that, and I repeat it, because Quebec has a particular character, because it is not a province like others—even though other senators or other members of the House of Commons believe there should be a melting pot, and Quebec should be blended with the rest of Canada, and I think Quebec deserves particular treatment.

I am not asking for any favours from other provinces of Canada. But if Canadian Confederation is to be kept alive, Quebec should have the same number of members as the largest province, Ontario. In that respect, I suggest, even if the Leader of the Government wants that bill to be passed before Christmas, that this bill should be referred to a Senate committee. We shall then be in a position to bring in witnesses and stress those points we from Quebec want to make, because we insist that those figures stated by the Leader of the Government respecting representation will be extremely prejudicial to Quebec. As a citizen from Quebec, that is something I cannot put up with.

● (2040)

[*English*]

**Hon. Paul C. Lafond:** Honourable senators, I propose to be blessedly short. I should like, first of all, to point out that this bill is essentially an amendment to section 51 of the Constitution.

I refer honourable senators to the report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, and to recommendation 42 in chapter 14, which reads as follows:

> The mechanism of redistribution of seats in the House of Commons as well as the limitations implied in the 15% 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.

I emphasize the words "should be the exclusive prerogative of the House of Commons."

Obviously the bill before us does not, or has not, considered this recommendation of the joint committee, to which I subscribed at the time, and to which I still subscribe, in that clause 2 of the bill, at lines 15 to 19 thereof, says:

[Senator Asselin.]

> —be readjusted by such authority, in such manner, and from such time as the Parliament of Canada from time to time provides, subject and according to the following Rules—

I do indeed regret that that recommendation of two years ago was not taken into consideration, but as long as—

**Senator Asselin:** You know that there was a minority report.

**Senator Lafond:** I was talking of the majority report, of which I approved, and of which I still approve.

Until such time as this measure has been changed, therefore, I cannot refrain from expressing my opposition to what I consider as tampering with section 51 of the Constitution. I have used the same expression previously with respect to bills that change the names of constituencies, et cetera.

The Leader of the Government has told us that the endeavour was to find a solution acceptable and equitable to all or most members of the other place. Well, if I may say so, both figuratively and literally, when legislation affects the seats of members of the other place, I am not ready to take it as the fount of all wisdom.

[*Translation*]

I have heard and read everything that was said in connection with this bill in the other place. Furthermore, I have listened carefully to the remarks voiced here by the sponsor of the bill. However, I have not yet found any real motive to depart from the formula applied until now. I do not find in the new one any improvement to the democratic process or representation. I doubt very seriously that the new formula could bring important improvements in the Commons.

[*English*]

To my mind, honourable senators, this bill is manipulation for the sake of manipulation. In the 1950s, when the formula heretofore in effect was approved, every politician and every party was claiming that the purpose, again, was to have the hands of Parliament, and the hands of politicians off the redistribution process.

It did not happen the first time, but to my mind, on the second opportunity, the temptation will have proven irresistible. Therefore, I must record my dissent to this bill. I think it is a retrograde step.

On motion of Senator O'Leary, debate adjourned.

## APPROPRIATION BILL No. 5, 1974

SECOND READING—DEBATE ADJOURNED

**Hon. Léopold Langlois** moved the second reading of Bill C-45, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975.

He said: 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, and the second, agreed to on October 17, 1974, provided full supply for the balance of the main estimates as well as full supply for the first supplementary estimates. The third,

which was read a second time today, provided full supply for the second supplementary estimates.

The bill now before us provides for full supply for the third supplementary estimates, which total $365 million. These estimates, supplementary estimates (C), consist of a single item which is requested to provide for the costs of equalization of oil prices in eastern Canada—that is, for that part of Canada situated east of the Ottawa Valley line. That is for the balance of the current fiscal year.

The passage of this bill is necessary due to the fact that the petroleum administration bill has not been passed in the other place. If this present bill is passed, the total estimates of this year will attain a grand total of $26.316 million.

There was a degree of debate in the other place, but there was a general agreement, since Bill C-32 was not going to be passed before the end of the year that supplementary estimates (C) were the only means of providing the necessary funds to carry over until March 31, 1975, and this bill got very speedy passage in the other place. For that same reason, and considering the agreement arrived at in the other house, I commend this bill to your favourable consideration.

**Senator Grosart:** Honourable senators, it is certainly not the intention on this side to delay passage of the bill, but I think some further comment may be in order and, therefore, I move the adjournment of the debate until the next sitting.

On motion of Senator Grosart, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, December 18, 1974

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

Prayers.

## FEDERAL BUSINESS DEVELOPMENT BANK BILL

REPORT OF COMMITTEE

**Senator Hayden,** Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-14, to incorporate the Federal Business Development Bank, and had directed that the bill be reported without amendment.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read a third time?

**Senator Godfrey** 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.

## BUSINESS OF THE SENATE

**Senator Flynn:** Honourable senators, I should like to ask the Leader of the Government if he can tell us what is the program for the remainder of this week, assuming that we are going to adjourn on Friday for the Christmas recess.

**Senator Perrault:** Honourable senators, I shall undertake to communicate that information as quickly as possible. However, at this stage it is impossible to know what measures will be coming to us from the other place. I shall endeavour to keep the house fully informed.

## INDIAN OIL AND GAS BILL

THIRD READING

**Senator McDonald** moved the third reading of Bill C-15, respecting oil and gas in Indian Lands.

**Hon. Jacques Flynn:** Honourable senators, before the question is put I should like to say a few words on this bill. I had hoped that Senator Laird might have said something about yesterday's committee meeting when representatives of Indian unions and associations, primarily from Ontario, were heard. They expressed concern about some aspects of this legislation, particularly with respect to the power of the Governor in Council to make regulations concerning the development of oil and gas reserves on Indian lands. Some suggestions were made as to the possibility of getting the approval of a band before such regulations are made. It appeared in committee, however, particularly from some remarks made by Senator Williams, that the problem was really one of amending the Indian Act itself in order to ensure that the decision of the Indian band was the decision of the entire band and not of a few individuals, be they members of the council or members of the band. We came to the conclusion that this was a matter to be dealt with eventually by way of amendment to the Indian Act.

I wanted to put on record that the Senate committee had heard representations from some Indian unions and associations, and that we listened to their views. I hope that eventually the department will see fit to bring in amendments in accordance with the representations they made.

**Senator Laird:** Honourable senators, as the member of the committee who was probably responsible for the adjournment to allow this particular group from Ontario to be present, I can say that the Leader of the Opposition has correctly stated what happened. All I can do at this stage is emphasize the fact that both in committee and outside afterwards I urged them to give more intensive study to the propositions they had advanced so as to be prepared to make further representations at the appropriate time.

Motion agreed to and bill read third time and passed.

● (1410)

## APPROPRIATION BILL No. 4, 1974

THIRD READING

**Senator Langlois** moved the third reading of Bill C-42, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1975.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Jacques Flynn:** Honourable senators, since yesterday's debate I have given much thought to the problem which faces us due to the refusal of the Senate to refer this bill to the Standing Senate Committee on National Finance. It is not my intention, as it would be contrary to the rules, to criticize the decision of the Senate. However, I should like to draw the attention of honourable senators to some problems. It seems to me, first, that the position taken by Senator Everett and endorsed by Senator Hicks, that a supply bill does not have to be referred to a committee, in which view they were supporting the implicit attitude of the Deputy Leader of the Government, is very dangerous indeed. The main argument used by Senator Everett was that supply bills simply were not referred to committee. He was supported in this by Senator Hicks, who quoted from certain authorities contained at the back of our book of rules, opinions not at all reflected in our rules. That was a rather naive and barren argument. There is no such thing as a rule which will not afford to the Senate the opportunity to consider a supply bill, as distinct from the estimates, in committee.

Of course, it has been the practice in recent years, which has proved to be an improvement, to consider the estimates in committee. However, that procedure was not intended to prevent or refuse opportunity to examine a supply bill in committee. It is inherent in the remarks made yesterday by Senator Everett that he feels that the mandate or terms of reference of the Standing Senate Committee on National Finance permit it only to examine the estimates and have nothing to do with the supply bill itself.

I have previously said here that sometimes problems raised by a supply bill are one thing, and those raised by the estimates are something else. Over the years in the other place the estimates have been considered and then the supply bill has also been debated in another manner than the estimates themselves. Senator Perrault said that I was a member of the former government in 1962. I was in the House from 1958 to 1962, and I remember very clearly that previous to that period the supply bill itself had not been very often debated in the other place. When I was there, the practice developed—it was probably as a result of the initiative of my honourable friend's predecessor, our former leader, Senator Martin—to arrange a debate on the supply bill. I am quite sure that Senator Benidickson, who was then the Opposition's financial critic, remembers that consideration of some of those supply bills took up a lot of time in the other place. I will not say that the time was necessarily usefully spent, but it was, nevertheless, spent.

This now having been made the practice, I would say again that there is nothing in our rules which states that the supply bill should not go to committee. If it should go to a committee, I suggest that under our rules it should be the Standing Senate Committee on National Finance. If that has not often been the case, it was the case on at least one occasion. I should like to refer to what happened during the previous Parliament, when we dealt with Appropriation Bill No. 1 of 1973. If honourable senators will refer to *Hansard* at page 293 and following, they will find there was a debate in this place on the supply bill. It was probably due to the efforts of the Opposition, but nevertheless honourable senators will find that the present deputy leader, who was then acting deputy leader because he had not yet been confirmed—he has since been confirmed by the present leader, which is very good—moved that the bill be referred to the Standing Senate Committee on National Finance. That was done, and there was quite an extensive hearing in committee. It is reported in the proceedings of the Standing Senate Committee on National Finance of Friday, February 23, 1973. It says:

> Complete proceedings on Bill C-141, intituled: "An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973."

That was the case I referred to a few days ago when we were wondering whether there was not a contradiction between the estimates, which were the schedule of the bill and section 2 of the bill, which appropriated a certain amount of money. That was cleared up in committee more or less satisfactorily, but at least we did our job with respect to this question mark, which to me is still a very important question mark, of what we are to do when the supply bill in some way contradicts the estimates themselves. That was the case in this particular instance.

So it is quite obvious, honourable senators, that there can be differences between the estimates and a supply bill. A supply bill need not be exactly the same as the estimates, and very often is not. That is entirely correct. I think I made that point very clear. But Senator Everett—I do not know if he did not want to deal with the problem we raised—seemed to take the attitude that the Committee on National Finance had nothing to do with the supply bill and should concern itself only with the estimates proper. That is entirely wrong, both in principle and in practice. We have done this previously; we have done it, not only because there was a vote but because the Deputy Leader of the Government at that time agreed that the bill should be referred to committee.

● (1420)

I would hate to think that the Senate is adopting the attitude that supply bills will never go to committee. That is nonsense; it is irresponsible. If the Senate wishes to adopt that attitude, wishes to create that precedent, I certainly will not agree. My honourable friend Senator Langlois will say, "Well, it has been the practice, and because it has been the practice it must be good." I say no. We are not slaves of habit here; we are not going to do something simply because it has been done previously. In my opinion, it is crazy to take that attitude; it is irresponsible to take that attitude. I suggest to the Senate that it is a bad principle to say that supply bills will not be referred to committee simply because the National Finance Committee has examined the estimates. That is wrong; it is bad; it is dangerous.

The second point I want to discuss is the attitude taken by the Leader of the Government. In that connection, I quote from page 416 of yesterday's *Hansard*, as follows:

> I would remind Senator Flynn, who served, as I recall, in a federal government of another political persuasion, that during his time in the other place precisely the same procedure was followed with no objections at all, and no suggestions as to alleged impropriety or indecency or illegality or other inferences of the kind that we have heard here this afternoon. Such suggestions really do not add to the stature of Parliament.

A little further down on page 416, Senator Perrault said:

> This has been admitted and established by the Deputy Leader of the Government in this house, but at this point to suggest that there is some impropriety, or that there is an attempt at concealment, adds very little, I think, to the stature of this place.

Honourable senators, I want to deal, first of all, with the suggestion that a similar clause to clause 5 of Bill C-42 has been contained in previous appropriation bills. I agree with that. I am not disputing that. But this is not the case with all appropriation bills. I would say that in only one out of three appropriation bills would such a clause be found. Once a year, as a rule, a clause relating to the borrowing of money is inserted in an appropriation bill. Here again I would remind you that the practice in the other place for many years was to deal with supply bills in another phase, after the estimates. Supply bills were not dealt with at the same time as the estimates, and it was

not taken for granted that supply bills merely reflected, word for word and dollar for dollar, the estimates. Therefore, if such authority was found in a supply bill, there was an opportunity to question the minister as to why he needed this additional borrowing power of $1 billion, $2 billion or, as in the present case, $2.5 billion.

Whether members of the other place were interested in finding out the reason for the borrowing authority, or whether honourable senators were interested in the reason for the borrowing authority, is not relevant. I do not care whether there was a debate or not. My point is that there should always be an opportunity for members of either house to question the minister with respect to the borrowing authority. But because of an order which was made in the other place in relation to Bill C-42, the members of that house were taken by surprise. They were unable to secure information from the Minister of Finance because the Speaker ruled there was an order of the house that there should be no debate. Therefore, the bill had to pass or not pass. It passed. But in practice, if they had known what was to happen they would not have accepted the order of the house that there should be no debate on the supply bill. They did so only because they assumed that the bill would merely reflect the estimates.

When I moved that the bill be referred to the National Finance Committee, I did not want the committee to go over what it had gone over before. I did not want anything like that. I did not want any repetition. I merely wanted, as was mentioned but apparently not understood, that the minister be invited to tell us what were the circumstances that incited him to ask Parliament for authority to borrow $2.5 billion. Is that an insignificant question? Is it an unimportant question? Is it an unimportant matter, authority to borrow $2.5 billion?

**Senator McIlraith:** Will the honourable senator permit a question?

**Senator Flynn:** Certainly.

**Senator McIlraith:** If that is what is in his mind, why did he not frame his motion differently instead of merely in the language of referring an appropriation bill back to the committee?

**Senator Grosart:** Not back to the committee.

**Senator McIlraith:** To the committee, I am sorry; not back.

**Senator Flynn:** When I move the motion I have prepared there will be an answer to Senator McIlraith's question and he perhaps will vote for the motion, because that is exactly what I am going to move.

**Senator McIlraith:** Why didn't you do it then?

**Senator Flynn:** Because I thought the Senate would understand that that was the only point I was making. I did not intend to have the committee go over all the estimates. I was very clear, I thought, but apparently I was not understood, so I am going to try harder to be understood today.

My point is that we are occasionally very interested in sending a supply bill to committee. We should not decide categorically that we will never send a supply bill to committee merely because the National Finance Committee has gone over the estimates. That is my point. I do not want the committee to go over again what it has already gone over. I think this point is very important. Let us say that tomorrow we find not only a clause like clause 5 of this bill but another clause in an appropriation bill—because there is nothing to prevent the government from inserting other provisions in an appropriation bill. This is the thesis of the deputy leader. He said that in an appropriation bill you can find anything. That is true. The one dollar items are sometimes legislative provisions that have no real money significance. You can insert all sorts of clauses, but according to this strange reasoning, because the estimates had been examined by the National Finance Committee, we would be unable to secure information through an examination of these clauses in committee. I am speaking now of clause 5, and I am speaking of subclause (2) of clause 3. It is not because it may have been done since Confederation, as mentioned by the Leader of the Government, that we should not be able to question officials of the department or ministers about the exact meaning of certain clauses.

Senator Everett considers that everybody understands a clause because it has been found in bills for years and years. That has not been my experience, and I would say it has not been the experience of most members of this house, whether or not they have been in government. We find that some clauses have a different meaning today from what they had in previous times and that meanings change with the years. Naturally, it is a useful thing to try to inform us. We are not again going, I repeat, to make decisions with our eyes closed.

● (1430)

But now I come back to what I was saying before. I discussed the fact that the Leader of the Government said that this procedure had taken place over the years. Again, I don't care! If I am not satisfied that this procedure is correct, I am, I think, entitled to some explanation in committee, and I suggest to you that nobody should be prevented from obtaining adequate information. I may be more stupid than all of you, but—

**Some hon. Senators:** Oh, oh!

**Senator Flynn:** I know, I know. That would not, of course, worry my good friend Senator Greene. All he ever worries about is whether I am speaking for my party. Unlike him, sometimes I am able to speak for myself. I may be more stupid than he, but at least I try to understand. I don't take for granted that anything my party does is right. Maybe he does. That is his own business.

I now come to another point. Yesterday the leader said that it was improper for us to allege impropriety or indecency or illegality. Illegality! Just imagine! He said that if you suggest illegality you do not add to the stature of Parliament. You cannot raise the problem of legality, because you will hurt Parliament if you do. This is what Senator Perrault said. The second thing he said was that you do not add to the stature of Parliament if you speak of impropriety. Just imagine! What are we here for, if we cannot discuss impropriety, if we cannot discuss illegality? What are we here for?

Then he said that we should not argue indecency. Indecency! Well, I did not argue indecency until I saw the Deputy Leader of the Government stubbornly refuse to send the bill to committee without valid justification.

Well, when somebody says, "No, I won't give you any reason. I am satisfied with the opinions I get from Mr. Gibson"—or from someone else—"and you should be satisfied," I say no. I am entitled to question, to wonder and to suggest—no not indecency. I did not say that. What I said was "Have you anything to hide?" Well, if I cannot put that question without offending against the dignity of Parliament, as is implied in the suggestion that such an accusation would not add to the stature of Parliament, then I wonder what I am doing here. I wonder what I am doing here if I must have the same responsibility as the Leader of the Government and that of his deputy, which responsibility was described by that deputy yesterday as being the responsibility to rush legislation through, or to push legislation through?

**Senator Langlois:** I never said that.

**Senator Flynn:** You did say that. You can read it in *Hansard*. You said that. You said, "My only responsibility is to push legislation through."

**Senator Langlois:** Honourable senators, I rise on a point of order. I have been accused of having said yesterday that I was putting the legislation through forcibly. I challenge that statement and I ask the Leader of the Opposition to withdraw it or to cite *Hansard* to that effect.

**Senator Flynn:** You ask me to withdraw it? I will not withdraw it. I was here when it was said, and it is your problem. If you want to deny that you wanted to say that, I will accept that correction.

**Senator Langlois:** I deny it.

**Senator Perrault:** He must have been hearing voices.

**Senator Flynn:** I heard you say that yesterday, and nothing will change that fact. This is my position.

**Senator Perrault:** You must have been hearing voices.

**Senator Langlois:** What is your position?

● (1440)

**Senator Flynn:** I say that I heard it, and nobody is going to question my statement that I heard it.

**Senator Perrault:** You heard voices.

**Senator Langlois:** From your side, probably.

**Senator Flynn:** No, no. From your side. From your mouth.

**Senator Langlois:** I challenge that.

**Senator Flynn:** Whether you challenge it or not, you said it.

**Senator Langlois:** Prove it.

**Senator Flynn:** I do not have to prove it. I can state what I heard. Whether you wanted to say it or not is another thing. If you say you didn't want to say it, I will accept your correction. But you said it.

**Senator Perrault:** Honourable senators, may I rise on a point of order? May I suggest that the honourable Leader of the Opposition is engaging in the old practice: "When one has a weak case, start yelling." I do not think the presentation this afternoon really adds to the stature of this house. Just as I said yesterday, the inference of concealment on the part of the honourable Leader of the Opposition is a base calumny, without any substantiating evidence, when the government is moving ahead with respect to this measure as has been the case down the years, legally, constitutionally and fairly. But this kind of inference, that somehow there is an attempt at concealment, very much detracts from the statute of this house, and I think that it bears repeating.

**Senator Flynn:** I do not mind Senator Côté and Senator Greene applauding the Leader of the Government. I could rise on a point of order because he accused me of calumny, and this is not parliamentary; but I will not ask him to withdraw that at all. I did not say anything that was not parliamentary as far as Senator Langlois is concerned, but the Leader of the Government, who has a huge voice and who criticizes others because they raise their voice occasionally, has accused me of calumny. I will not ask him to withdraw that accusation; nor do I care whether he withdraws it or not, because I have not been guilty of any calumny as far as Senator Langlois is concerned. I said that I heard him say, "My responsibility here is to push legislation through."

**Senator Langlois:** I did not say "push."

**Senator Flynn:** What did you say, then?

**Senator Langlois:** "To take legislation through."

**Senator Flynn:** Well, I accept—

**Senator McDonald:** Honourable senators, the Leader of the Opposition is continuing to state that he heard certain utterances, certain words, from the Deputy Leader of the Government. If those words were said I suggest that they will appear in *Hansard*.

**Senator Flynn:** Oh, no. Not these words.

**Senator McDonald:** I cannot find those words in *Hansard*, and I suggest to the Leader of the Opposition—

**Senator Flynn:** Oh, no.

**Senator McDonald:** —that if he wants to repeat words that appear in *Hansard*, our official record, then nobody is going to complain; but I want to suggest to him that it is improper to make suggestions that anybody said anything in this house that does not appear in our *Hansard*. I challenge him either to produce it from *Hansard* or to remain quiet or to withdraw it.

**Senator Langlois:** Withdraw.

**Senator Flynn:** Senator McDonald, do not get excited.

**Senator McDonald:** I am not getting excited, you are. Just stick to the facts.

**Senator Flynn:** You should be happy with what Senator Langlois said. He said, "I did not say 'push', I said, 'take'," and I am willing to accept the statement of Senator Langlois to the effect that he said, "I have my responsibilities to take legislation through." But even if we replace the word "push" by the word "take," I am sure you will agree that the meaning is the same. I am sure you will understand it the way I do.

**Senator McDonald:** I understand, and it is quite a different understanding.

**Senator Flynn:** It is a problem of interpretation. It is very subtle. Let us see what it was that the Leader of the

Government said when he came to the rescue of his deputy—who deserves a lot of merit, by the way, in trying to do the job that he does.

**Senator Perrault:** It was a fine speech.

**Senator Flynn:** Yours?

**Senator Perrault:** No. I am talking about the deputy.

**Senator Flynn:** Oh, yes. At page 416 we find the following:

> SENATOR PERRAULT: Yes, on the basis of principle—

Just imagine, principle!

> —and therefore we must insist on this side that this bill be not referred to committee.

Now, that would please Senator McDonald. I am quoting word for word from *Hansard*. There is no dispute as to semantics, or anything, as regards "push" or "take."

**Senator Perrault:** Did you say you had a motion?

**Senator Flynn:** Yes. What is your rush?

**Senator Perrault:** There is no rush, but we would like to study it.

**Senator Grosart:** He has been speaking on third reading. Why do you not learn the rules?

MOTION IN AMENDMENT NEGATIVED

**Senator Flynn:** We will deal with my motion in due course. I am not in any mood to quarrel with my honourable friend. I like him too much. He is participating much more than usual, and that pleases me. I hope he goes on this way in the days to come.

> Yes, on the basis of principle, and therefore we must insist on this side—

"On this side." What is "this side"? It is your side, and of course, senators of Liberal allegiance on our side; but more, of course, you Liberal senators on the right of Madam Speaker.

"We must insist on this side." That is a call to arms. "Come on. Solidarity first and forever. Come on, supporters of the government, we have a job to do whether the Opposition is right or not. We have to push this through; we must vote against this motion."

That attitude, I think, is unacceptable in the Senate, especially on a problem which would have been resolved, I suggest, easily, quickly, and to the satisfaction of honourable senators generally if it had gone to committee.

I beg you to reconsider this decision. I think it would be a very bad precedent if you were to say today, again, that a supply bill will never go to a committee. You have accepted that it go to committee on at least one previous occasion. On this occasion I suggest that there are very important questions to deal with that would clear the air, and I am quite sure that they would help the government. If they did not, at least they would help Parliament. For this reason, honourable senators, I move, seconded by Senator Grosart, that the bill be not now read the third time but that it be referred to the Standing Senate Committee on National Finance with instructions

> (a) to obtain information from the Department of Finance on the meaning and ramifications of subclause (2) of clause 3, and of clause 5;



> (b) to obtain information from the Department of Justice upon and to consider the legality and constitutionality of clause 5; and
>
> (c) to amend the bill, if deemed advisable, possibly by deleting clause 5.

I think the motion speaks for itself. We have already debated the problems, and again I point out to you that the committee would not repeat anything that it has already done. It would serve to solve a specific problem. It would, I suggest, help both Parliament and the government, and certainly the Senate would be seen to assume its responsibility, and we on this side, we think, could join with the other members of the Senate and say, "The Senate has done a good job." But I do not think that you on the other side should be treated the way the leader treated you yesterday.

● (1450)

**Senator Benidickson:** Could I ask the Leader of the Opposition a question?

**Senator Flynn:** Certainly.

**Senator Benidickson:** I believe you made reference to the time when you sat on the government benches in the other place and I sat on the Opposition benches and there was a discussion on a supply bill. My recollection of that is not very clear, and perhaps you have refreshed your memory by current investigation. I am just wondering if you suggested that at that time a supply bill in the other place was referred to a committee contrary to the rule cited by Senator Hicks last evening.

**Senator Flynn:** It was not a rule that he cited.

**Senator Benidickson:** Well, a ruling.

**Senator Hicks:** A statement of practice.

**Senator Benidickson:** Well, shall we say, appearing in our rule book. There was no referral at that time in the other place of a supply bill to a committee. You were referring to a debate in the other place?

**Senator Flynn:** Yes, but if Senator Benidickson will bear with me for a moment, what I said was that at that time it was not ordered that the supply bill should be passed without debate. The problem which arose in the other place was because of the order which was made that the bill, this supply bill, should be passed without debate. I was underlining that fact. I was not saying it was the practice. But Senator Hicks is suggesting that this practice is compulsory. It is not compulsory and the fact remains that in the past in this place we have referred a supply bill to a committee.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Langlois, seconded by the Honourable Senator Perrault, P.C., that this bill be read the third time.

In amendment, it is moved by the Honourable Senator Flynn, P.C., seconded by the Honourable Senator Grosart, that the bill be not now read the third time but that it be referred to the Standing Senate Committee on National Finance with instructions

> (*a*) to obtain information from the Department of Finance on the meaning and ramifications of subclause (2) of clause 3, and of clause 5;

(b) to obtain information from the Department of Justice upon and to consider the legality and constitutionality of clause 5; and

(c) to amend the bill, if deemed advisable, possibly by deleting clause 5.

Is it your pleasure, honourable senators, to adopt the motion in amendment?

**Senator Langlois:** Honourable senators—

**Senator Flynn:** The question has been put.

**Senator Langlois:** I am speaking to the motion.

**Senator Perrault:** May we have the courtesy of having a copy of your motion in amendment?

**Senator Grosart:** It has been sent to the Chair as our rules require.

**Senator Cook:** Oh, oh!

**Senator Flynn:** I have no objection. Please don't groan. I would do anything for Senator Cook. Perhaps the Clerk will arrange for copies to be made available.

**Senator Benidickson:** Would Senator Flynn repeat the date of the referral of the supply bill? I think he said it was in 1973.

**Senator Flynn:** Yes it is at pages 307 and 308 of *Hansard* for February 22, 1973. At the end it says:

> On motion of Senator Langlois, bill referred to Standing Senate Committee on National Finance.

**Hon. Léopold Langlois:** Honourable senators, if I may now proceed with my remarks, the Leader of the Opposition in his opening words referred to that attitude I had taken yesterday. He said that I had taken an implicit attitude, if I understood him correctly, that supply bills should not be sent to a committee. I beg to correct his wrong impression or interpretation of my remarks. I merely said, and I took the precaution of adding that I was speaking in my own name, that I thought that this particular bill, not all supply bills, should not be referred to committee.

**Senator Flynn:** That is why I used the word "implicit."

**Senator Langlois:** I expressed my attitude quite clearly, and I am repeating now what I said at that time. I must add that I was impressed when later on in the debate Senator Hicks referred to page 136 of the *Rules of the Senate of Canada* and quoted the following:

> Supply bills are not referred to a committee of the whole or to a select committee. However, the estimates on which a supply bill is based are referred to the Standing Senate Committee on National Finance when they are tabled in the Senate. *See Bourinot, Fourth Edition, pages 443 and 444.*

Today, and I think yesterday also, my honourable friend said that this was antiquated. I think that is the word he used.

**Senator Flynn:** *Bourinot* is antiquated.

**Senator Langlois:** But this is the citation in our rules. I would refer honourable senators to this note on page 94 of our rules:

> These forms and proceedings, formerly known as "Forms of Proceedings" have been revised in accordance with present practice and the new rules of the Senate. They are included as an appendix to the rules pursuant to the order of the Senate dated December 10, 1968.

If this is antiquated, honourable senators, then I do not know what that term means.

**Senator Flynn:** It does not mean that it is not antiquated.

**Senator Langlois:** In 1968 these forms and proceedings were included in this book by an order of this house. So I say that this quotation referring to "Forms of Proceedings" and forming part of our rules is not antiquated but is very much in accordance with today's practice.

**Senator Flynn:** That is not to say that it forms part of our rules.

**Senator Langlois:** May I be allowed to make my speech in peace this time? I was interrupted twenty times yesterday by my friend, and the same thing is happening again. Madam Speaker, I ask that my honourable friend be called to order on this point.

**Senator Grosart:** Perhaps you should challenge the non-ruling.

**Senator Langlois:** I am sorry, I did not hear you. Would you repeat what you said?

**Senator Grosart:** Perhaps you should challenge the non-ruling.

**Senator Langlois:** I think this deals with the opening remarks made by the Leader of the Opposition.

He then referred to this incident which took place a few years ago when a supply bill was referred by me—at his request, I grant you—to the National Finance Committee. I must add, however, that after I had done that in 1973 I was told outside of this place by a former leader of the Senate that I was wrong in doing so.

**Senator Flynn:** That does not prove anything.

**Senator Langlois:** I checked to find out whether I was wrong, and I came to the conclusion that I should not have done it. The reasons were given yesterday by Senator Hicks and by me, speaking generally in connection with supply bills. I do not believe I need to add further to this.

● (1500)

My honourable friend stated that I refused to refer the bill to the committee without giving any valid reason. I had hoped to be able to convince him before I rose in the Senate yesterday, but I am not surprised that I apparently failed. He spoke of me as being stubborn. I think this qualification applies equally to him.

**Senator Flynn:** But it is not the worst.

**Senator Langlois:** No, it is not the worst, but especially in your case it is. The honourable Leader of the Opposition again today referred to the assumed attack to which he was subjected yesterday by my leader when he said the leader should not have said what he did and accuse him of indecency. Today, however, the Leader of the Opposition seems to have given the impression that it was indecent on

my part not to accede to his request to refer the bill to committee.

**Senator Flynn:** No, I never said that.

**Senator Langlois:** You gave this inference, though.

**Senator Flynn:** All right; I have no objection. I will not do as you did, and ask you to withdraw.

**Senator Langlois:** Speaking of "indecency", I would like to refer the Senate to my honourable friend's statement today when he said that I had stated that the duty of the deputy leader is to rush legislation through.

**Senator Flynn:** "Push".

**Senator Langlois:** I opened my remarks yesterday by saying that during the short period that I had been acting as deputy leader I had made it clear to all that I was not here to defend the government or to fight the Opposition. I went on to explain what I considered to be my duty here as the Deputy Leader of the Government. I said this—and I am quoting from page 409 of *Hansard*:

> I am here only to do what I consider to be my duty, which is to get legislation through.

There is a world of difference between "rushing legislation through" and "getting legislation through".

**Senator Flynn:** I am very satisfied with this, as it proves my point.

**Senator Langlois:** That is exactly what I said, and my honourable friend, who claims that he has a monopoly on decency and honesty—

**Senator Flynn:** No.

**Senator Langlois:** —should admit that there is a world of difference between what he said today, "rush legislation through"—

**Senator Flynn:** "Push".

**Senator Langlois:** —and what I said, which was "get legislation through".

**Senator Flynn:** I said "push", not "rush".

**Senator Langlois:** I am ready to admit that my choice of words in English is not as perfect as his.

**Senator Flynn:** No, no!

**Senator Langlois:** I am ready to admit that humbly, but I am sufficiently familiar with the English language to know that "to get legislation through" is quite different from "to rush" or "to push" legislation through".

**Senator Flynn:** Hear, hear!

**Senator Langlois:** I come now to the motion presently before us, and, Madam Speaker, I wish to raise a point of order. The motion was moved by my honourable friend yesterday in which he intended to do exactly what his motion does today, to wit, refer the same bill to the same committee, the Standing Senate Committee on National Finance—

**Senator Flynn:** Yes—

**Senator Langlois:** Please allow me to finish.

**Senator Flynn:** Yes, but it is only for a question.

**Senator Langlois:** Are you rising on a point of order?

[Senator Langlois.]

**Senator Flynn:** Yes, just on a question pertaining to the rules. I have no objection if this point of order is raised, but if the deputy leader wished to raise a point of order on the motion that is the first thing he should have done.

**Hon. Senators:** Oh, oh!

**Senator Flynn:** Yes, right after the motion was put, and before speaking to it. However, if he says he has finished with the substance of the motion—

**Senator Langlois:** I have not even put it.

**Senator Flynn:** But you said you rise on a point of order at this stage.

**Senator Langlois:** Well, allow me to put it.

**Senator Flynn:** Yes, but it should have been put before.

**Senator Perrault:** Listen to the facts here.

**Senator Langlois:** Madam Speaker, yesterday I was in the house—

**The Hon. the Speaker:** I should bring to the attention of the honourable senator that the Honourable Senator Langlois has the floor, and should be given an opportunity to be heard.

**Hon. Senators:** Hear, hear!

**Senator Langlois:** Thank you, Madam Speaker. Yesterday I was in the house when the honourable Leader of the Opposition moved a motion to refer the supply bill presently before us to the Standing Senate Committee on National Finance. As I read the motion he has just moved, it pursues the same purpose, of referring the same bill to the same committee.

I raise the point of order, Madam Speaker, that the Senate cannot be asked to deal with two motions of the same intent and purpose during the same session. That is a well accepted principle under the rules of our house, and for that reason I submit that the motion presently put before the Senate is out of order and should be so ruled.

**Senator Flynn:** I understand the question now, Madam Speaker, is on the point of order.

**Senator Langlois:** Yes.

**Senator Flynn:** That is really what I wanted the deputy leader to explain. There is the substance of the motion, and the validity of the motion, to which he now objects. I have no quarrel with the manner in which he is proceeding, but if the question is on the point of order, I would first say to the Senate and to Madam Speaker that we have no rule which would support the views of the deputy leader. The practice and the principle have been that the same question as a whole, but not similar bills, can be debated in the same session. However, we all know that at all stages of the proceedings of a bill—second and third reading—the debate can be started all over again when a motion is put after second reading and before third reading to refer a bill to a committee. When an amendment is proposed at the stage of second reading it can be disposed of, but the same amendment can be moved at third reading. It is not the same question that is in dispute at all.

The second and most obvious point is that supported by Senator McIlraith. The motion today is not merely to refer the bill as a whole to the committee, but to refer two

sections or parts of the bill, with specific instructions. That makes quite a difference, and the problem faced by the committee would be not the same at all. Yesterday, as was observed by Senator McIlraith, my motion would have had the effect of having the Standing Senate Committee on National Finance deal with the complete bill, including schedules and estimates contained therein. Today, however, my motion refers only to two parts of the bill, with specific instructions to find out about these two points, which is entirely different.

I have no objection, but attempting to hide behind a point of order is again demonstrative of the questionable attitude of the Deputy Leader of the Government.

**Hon. Raymond J. Perrault:** Honourable senators, I think we have generated far more heat than light on this subject this afternoon, and it would be in the interests of this house to have a ruling from Madam Speaker. Before this request is made, however, let me say that clearly the words of this motion proposed by the Leader of the Opposition are these:

> I therefore move, seconded by Senator Grosart, that this bill be not now read a third time, but that it be referred to the National Finance Committee with instructions—

● (1510)

The motion again is that the whole bill be referred. Yet we have heard the fallacious argument by the Leader of the Opposition that somehow it is only one aspect of the bill that is being referred, when his very words refute what he is trying to say this afternoon.

**Senator Flynn:** Finish the motion before you speak like that. You are distorting what I have said.

**Senator Perrault:** Here again are these wild charges by a wild man. It is unfortunate that the Leader of the Opposition has to engage in tactics of this kind, to make charges of this kind. I was always under the impression that people in Parliament, members of either house, were generally honourable men and women. We expect that our intentions are going to be regarded as being honourable intentions.

**Senator Macdonald:** Madam Speaker, on a point of order. It has been implied—

**Senator Perrault:** That is not a point of order.

**Senator Macdonald:** The Leader of the Government has implied that the Leader of the Opposition is not an honourable man.

**Senator Perrault:** May I earnestly solicit, senator, your close attention to what is being said on this side of the house—

**Senator Macdonald:** I have been following you.

**Senator Perrault:** —that those who occupy places in this chamber are honourable people, and have to be regarded that way. Inferences and suggestions by the Leader of the Opposition that somehow there is an attempt to deceive, distort or prevent democracy from working are simply untrue. If we do not have the right to challenge the wording in this particular resolution or ask for a clarification of the rules, we do not have a properly and democratically operating Senate. I again point out the words:

> —that this bill be not now read a third time, but that it be referred to the National Finance Committee with instructions—

Then there are three instructions. Yesterday, as reported at page 411 of *Debates of the Senate*, Senator Flynn said:

> Honourable senators, I move that this bill be referred to the Standing Senate Committee on National Finance.

It is the same referral. It is the same bill being referred.

I think we would all appreciate a ruling from Madam Speaker on this subject, and are willing to abide by that ruling. But let Senator Flynn not say, "I am not referring the bill at all, but only part of the bill." His own words are that he is referring the entire bill. If it is referred then the whole bill is before the committee. I am sure that we all feel we should have a ruling on this particular resolution.

**Senator Flynn:** It is a dangerous question that you are putting. You should be more careful.

**Hon. Allister Grosart:** On the point of order, honourable senators, there are two matters to be considered. One is the question of whether we have a rule prohibiting the same motion in regard to a committee on third reading. My first question is whether we have such a rule. It has not been quoted. On rising on a point of order, the Leader of the Government did not quote any such rule.

**Senator Perrault:** Honourable senators, for the sake of progress in this place, and of shedding light on this subject, I am making the suggestion that we have a ruling from Madam Speaker on this particular matter. I have served in many elected assemblies, and generally the rule, as I understand it, is that you simply do not move two consecutive motions if their intent is the same.

**Senator Grosart:** I am asking: Is this a rule of the Senate? That is the first thing I ask.

**An Hon. Senator:** Rule 47.

**Senator Grosart:** Yes, it is rule 47, which says:

> A motion shall not be made which is the same in substance as any question which, during the same session, has been resolved in the affirmative or negative, unless the order, resolution, or other decision on such question has been rescinded as hereinafter provided.

The question is: Is it the same in substance? The rule says:

> A motion shall not be made which is the same substance—

What is the substance of this motion? The substance of the motion presented by the Leader of the Opposition is to instruct a committee. In the previous motion there was no motion to instruct the committee. This is an essential difference, and I suggest on that ground that the rule I have just quoted does not apply. There is a significant difference—

**Senator Perrault:** Honourable senators—

**Senator Grosart:** Allow me to finish. I am on a point of order, to which the Leader of the Government has already

spoken. There is a significant difference in substance. We have had this question discussed in this house, and we have had rulings on this very matter, that there is a significant difference between a motion to send a bill to committee and a motion to send a bill with instructions. That is a ruling that has been made in the Senate. The Leader of the Government was not here, but the deputy leader was and he may remember that particular ruling being made by Speaker Fergusson.

Given that the substance of this motion is not the same, the question is whether it comes within a convention. If it does not come within a rule, does it come within a convention or custom of the Senate? I am not aware that it does. This was a matter raised by the Leader of the Government, who took the position that in other legislatures he believed this to be the practice and custom. I will not dispute that.

I would say, on the first ground, that certainly if there is a ruling to be made, it should be clearly understood that the position we take here is that there is a definite distinction between a motion to send a bill to committee, which is a routine motion, and a motion to instruct a committee. The fact is that the wording "the bill be referred" with the instructions is absolutely necessary if we are to instruct the committee. We cannot instruct a committee without sending the bill and telling them what they are to deal with. Therefore, I suggest that these are two completely separate motions and are quite within our rules and within our conventions.

**Hon. Hazen Argue:** Honourable senators, it always strikes me that the Senate should be careful, when raising points of order, not to endeavour to define the rules in such a narrow way as to circumvent its own purposes and make it more difficult for the Senate to operate.

It is my understanding of this rule about repetition in a session—and I speak merely from memory—that we cannot move the same motion twice if the motion deals with something other than the action of second or third reading of an individual bill.

**Senator Grosart:** Quite right.

**Senator Argue:** If my memory serves me correctly, the following is an example of a motion that cannot be moved twice. If, in the course of the Throne Speech debate, there was a motion regretting that old age pensions are not being increased, and a vote was taken on that motion, it would not be in order a few weeks later, at some other stage, for someone again to move regretting that old age pensions are not being increased, because it would be the same motion in the same session.

To my mind, the second reading stage and third reading stage stand separately, and a fight to do something on second reading that is lost in no way prevents one, under our rules, from making the same attempt on third reading of the same bill.

If a motion to give a bill the six months' hoist on second reading is defeated, it is perfectly in order on third reading to again move the six months' hoist. The third reading should stand by itself or the Senate, this deliberative body, will find it impossible to function.

Many things may have happened between second and third reading that might cause members to vote in a different way on third reading. The whole purpose of the second and third reading stages is to give the body discussing the measure an opportunity to determine precisely what it wishes to do at those stages.

● (1520)

My advice, as a member of the party with the majority, is to refrain from raising unnecessary points of order. There is no danger that the Conservatives are going to run this chamber. Why not just generally allow such a motion to be put before the chamber and a vote taken thereon?

Apart from that general attitude and general practice, I feel that this motion on third reading is, in fact, in order.

**The Hon. the Speaker:** Honourable senators, the motion in amendment of the Leader of the Opposition is, in my opinion, acceptable. In that connection, I wish to read from *Bourinot's Parliamentary Procedure* Fourth Edition, at page 329, as follows:

> Consequently, if a question or bill is rejected in the Senate or Commons it cannot be regularly revived in the same house during the current session. Circumstances, however, may arise to render it necessary that the house should reconsider its previous judgment on a question, and in that case there are means afforded by the practice of Parliament of again considering the matter. Orders of the house are frequently discharged and resolutions rescinded . . . Sir Erskine May says on this point, which is one involved in some difficulty: "The only means by which a negative vote can be revoked is by proposing another question, similar in its general purport to that which had been rejected, but with sufficient variance to constitute a new question; and the house would determine whether it were substantially the same question or not."

Will those honourable senators who are in favour of the motion in amendment please say "yea"?

**Some Hon. Senators:** Yea.

**The Hon. the Speaker:** Will those honourable senators who are against the motion in amendment please say "nay"?

**Some Hon. Senators:** Nay.

**The Hon. the Speaker:** In my opinion, the "nays" have it.

*And more than two honourable senators having risen.*

**The Hon. the Speaker:** Please call in the senators.

● (1530)

Motion in amendment of Senator Flynn negatived on the following division:

YEAS

HONOURABLE SENATORS

| | |
|---|---|
| Argue | Choquette |
| Asselin | Flynn |
| Bélisle | Grosart |
| Blois | Macdonald |
| Cameron | O'Leary |
| Carter | Quart—12. |

NAYS

HONOURABLE SENATORS

| | |
|---|---|
| Barrow | Inman |
| Basha | Lafond |
| Bonnell | Langlois |
| Boucher | Lefrançois |
| Bourget | McDonald |
| Buckwold | McElman |
| Connolly (Ottawa West) | McGrand |
| | McIlraith |
| Cook | McNamara |
| Côté | Michaud |
| Cottreau | Neiman |
| Davey | Norrie |
| Denis | Perrault |
| Deschatelets | Petten |
| Fournier (Restigouche-Gloucester) | Prowse |
| | Riley |
| | Robichaud |
| Godfrey | Rowe |
| Graham | Smith |
| Greene | Sparrow |
| Hicks | Stanbury |
| | Williams—40. |

**The Hon. the Speaker:** I declare the motion in amendment lost.

Motion agreed to and bill read third time and passed, on division.

● (1540)

## REPRESENTATION BILL, 1974

SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator Perrault for the second reading of Bill C-36, to provide for representation in the House of Commons, to establish electoral boundaries commissions and to remove the temporary suspension of the Electoral Boundaries Readjustment Act.

**Hon. M. Grattan O'Leary:** Honourable senators, having enjoyed myself immensely all afternoon, I am sorry to have to submit you to dullness now. If I were to conform to the current popular terminology of this house, I would begin by saying, "This is a simple bill." Well, it is a simple bill but, unfortunately, the way they have written it they have made it almost as complicated as the Einstein theory. Frankly, when I read some of the bills that come here, often stating a simple proposition and one capable of being treated that way, I almost revert to a belief in capital punishment.

Actually, I suppose, the primary interest or concern of this house in this bill should be merely to see to it that no province is deprived of its rights in so far as representation in Parliament is concerned. I was interested when Senator Asselin said yesterday that he hoped a situation would not arise under this formula of representation by which Quebec would lose seats, and a province like Ontario would gain seats.

I am supposed to represent an area of Ontario but, frankly, I am an exile from Quebec, and I would hate to see anything occur in this country which would reduce the representational power of the province of Quebec in this Parliament. After all, as Senator Asselin pointed out, Quebec and Ontario were the two main forces in Confederation. I wonder if Sir Georges Étienne Cartier and the other people from Quebec who fought "as bold as a lion" for Confederation, would have been as bold if they had thought the situation would arise in which the province of Ontario or the other Anglophone provinces would have a preponderance of power over Quebec. After all, we talk a great deal in this country about national unity. I submit to you, honourable senators, that national unity will not be promoted in this country, will not be served, if year after year or decade after decade we see Quebec representation decline proportionally in the Parliament of Canada.

I sometimes feel strongly about these representation bills. Personally, I am opposed to the boundaries of constituencies being determined by commissions. I think the character of constituencies in this country, geographically and by population, should be determined by members of Parliament themselves, and not by some commission composed of people who are not familiar with the democratic process.

**Hon. Senators:** Hear, hear!

**Senator O'Leary:** This I believe; and I cannot understand why members of the other house, and, I suspect, of this house, voted to have this right, this power, taken away from members of Parliament and placed in the hands of people who are not too much interested in democratic processes, and who are sometimes contemptuous of Parliament. This is wrong.

Another point is this: Why are we always increasing the number of parliamentary representatives? Surely to God 265 people can write the laws of Canada. What is all this haste, all this hurry, about getting more and more members of Parliament and placing more and more laws on our statute books?

Sometimes I go to New Brunswick, which is my second home in Canada, and last year I had occasion to look at the boundary representations devised there by these commissions, and, really, they are scandalous. The boundary of a riding will start in Saint John, New Brunswick, and will meander all up and down the Saint John river and end up somewhere near Fredericton. That is nonsense, surely.

I am always opposed to commissions and bodies outside Parliament determining what should be done about Parliament and to parliamentarians. Most of all, I am opposed to too many members of Parliament—too many members of Parliament, too many laws, and too much big government.

I can recall when I first went to the parliamentary press gallery in 1912. That is a long, long time ago. We fought World War I, with 500,000 men overseas, with 14 cabinet ministers. We fought World War II with 21 cabinet ministers. Now we are getting up to 30 or 40 cabinet ministers, and, as for parliamentary secretaries, you could not throw a snowball on Parliament Hill today without hitting one.

**Hon. Senators:** Hear, hear!

**Senator O'Leary:** This, honourable senators, is absolute nonsense. So what do you have? You have more laws, more work for the government, more control by the state. We used to complain in this country that the government looked after people from the cradle to the grave. Now, my God, they are looking after them from the womb to the cradle. This is not good. We do not need all these laws.

The members of Parliament in the House of Commons now say they are overworked, and I think they are. But why are they overworked? It is because there are too many laws, too many petty things, to look after. They are ombudsmen. That is what they are. They are not members of Parliament at all.

The members of Parliament in the House of Commons do not think or believe they are there to give to this country the benefit of their judgment. They think they are there—and this is what makes the work for them, this is why they say they are overworked—to get jobs and patronage and what-have-you for their particular constituents. This is what is happening with these large parliaments. I am against it, frankly. As one of the few small "l" liberals left in the country, I am against big government, just as I am against big unions. Everything is big this, big that, big the other thing—high rise apartments, and what have you. This thing is really complicating government in this country, and making it more difficult.

● (1550)

It is giving rise to the sort of thing we had in the other place last week about people saying we must be paid more. I am against our being paid more. I am certainly against people being paid more in the Senate. We don't earn the money. If a bill was brought in to give a bigger indemnity to the members of the House of Commons, I would have gone for it, perhaps, under certain conditions—not the tax-free proposition, though. I think they are deserving of more money, but I don't think many members of this house are deserving of it. There may be two or three who are deserving of it, but I am not, and I don't know of too many others who are deserving of these increased indemnities. Even so the bill was not presented properly. The government said, "We'll give you 50 per cent," but then they're going to take it all back again. Nobody even pointed this out. This great increase of 50 per cent isn't 50 per cent at all. I'm a poor man. It would mean something to me. But I look across to those on the other side of the house, and realize it's all going to be taken away from them. Those of us who belong to the poor man's party could have done with this money, perhaps, but looking over at my friend, Senator Langlois, and people like him, I wonder what it means to them? Nothing. They have to pay it all back.

Something was said in the debate yesterday that I am inclined to agree with. I always listen to Senator Lafond with great interest, but on this occasion I could not quite understand the constitutional point he made, though there may have been some validity to it. Senator Asselin, however, pointed out two or three things that I go for, and that some others in this house could go for.

The main thing I am concerned about is: Don't let us keep adding and adding to the numbers of the members of Parliament, and for heaven's sake, and for the sake of national unity in this country, don't let us do anything that will surround Quebec, or submerge the people of Quebec and their culture and their language, by getting more and more members of Parliament from other parts of Canada. I am prepared to fight that to the end. As I said, I am an exile from Quebec, but I am against all this business of having more members of Parliament, more parliamentary executives, more parliamentary assistants. As I said, if I went out this afternoon and threw a snowball on the hill, I would hit one. We don't need all of these people. I remember Senator Crerar when he was here. When Senator Crerar was in the Cabinet he refused a parliamentary secretary, and he refused a parliamentary assistant. He said, "I don't need them. They'll just get in my way." You can't get into the parliamentary restaurant nowadays without running over a parliamentary secretary.

What are we doing in this country? We are building a bigger and bigger government, complicating the democratic process, and creating disrespect for Parliament. On this subject, don't make any mistake about it. If ever we have seen evidence of this disrespect and distrust for Parliament, we have seen it in the press in the past few days. This is what has happened. We have too many members of Parliament, too many senators, too many laws. We have too many regulations and too much interference. For God's sake let us get back to good Liberal-Conservative principles.

I am sorry, honourable senators; I have spoken too long. Even so, despite what I have said about you gentlemen on the other side, and despite your political heresy on that side, I do hope, though your conscience may forbid it, that you have a fairly happy Christmas.

[*Translation*]

**Hon. Jean-Paul Deschatelets:** I would like to say a few words about this bill.

[*English*]

Honourable senators, I would like to say a few words on the subject of this bill, but before I do so I would like to ask two questions of the Leader of the Government.

I refer the honourable Leader of the Government first of all to page 422. There he said:

> I would like to remind honourable senators that passage of this bill is required before Christmas in order that commissions might be established—

Could the leader elaborate, and give us a few additional details about the urgency here? If some of us have reservations about this bill, and feel that we need additional information, what harm would be done if this bill were passed after the holidays? That is my first point.

My next point is: If this bill receives second reading, is it the leader's intention to move that it be referred to a committee?

These are the two points I wish to raise, at this time, though I may add a few things later on.

**Senator Perrault:** Honourable senators, it was decided in the other place a number of months ago that the distribution of seats, under the terms of the 1952 formula, was generally unsatisfactory to all parties. Thus it was agreed that this redistribution process of establishing new boundaries, and allocating those new boundaries and proclaim-

ing them, would be suspended until December 31, 1974. If Parliament does not act before that date, the suspended 1952 formula will come into effect again and it will apply. It will mean, for some of the provinces, real difficulties.

For example, if you will refer to the table which I made available yesterday afternoon you will see a diminution in the seats of the Maritime Provinces, if the 1952 formula is applied, for example, to 1971 and 1981 population projections. If we leave the formula untouched we will see a decrease in the number of seats in the province of Quebec to a projected 68 after 1981. If we go with the 1952 formula based on the 1971 census figures, in the next election the province of Quebec will lose one or two seats. So this is a very serious thing as far as the provinces, the regions and the political parties of Canada are concerned.

Parliament has undertaken to devise a fairer and more acceptable formula, but the deadline for this is December 31 of this year. Hence the urgency.

Along with other honourable senators, I think it unfortunate that the measure could not have come over here more quickly, but the proposal is the result of long hours of deliberation, debate and discussion in the other place, and the formula has been a difficult one to evolve.

As I said yesterday, it is not totally satisfactory to any province or, really, to any party; but it represents an agreement, an accord, a compromise, in the kind of tradition we have established since Confederation.

**Senator Deschatelets:** That was exactly my point. The leader says that this piece of legislation is a compromise, but this compromise is based on new criteria. This is exactly the reason why I would like to have this bill examined before a committee.

In any event, the leader did not answer my question. Does he intend, if we pass this legislation on second reading, to move that it go before a committee so that we may have more details?

**Senator Perrault:** Senator Deschatelets, I would hope that we would not find it necessary to refer it to committee. Let me remind you of a sentence or two from an excellent speech made yesterday by Senator Lafond when he was speaking on this subject. He referred to the report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada which discussed this matter at length. I will read the recommendation he quoted. It is found on page 424 of *Debates of the Senate* of yesterday.

> The mechanism of redistribution of seats in the House of Commons as well as the limitations implied in the 15% rule and the Senate rule should be retained in the Constitution.

This is the important sentence:

> 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.

I think that generally in this place we support the view that members in the other place should have a very decided prerogative to move and make recommendations in the area of redistribution.

● (1600)

This bill is the result of a great deal of committee work over there, and I think the time urgency facing Parliament is such that referral to a committee here would be necessarily very brief indeed. We would be going over much of the ground already covered in the other place. So I would hope for the sake of the electoral system, and for the sake of making sure that the wishes of the various regions of Canada are reflected in legislation, that we would attempt to expedite this by the December 31 deadline if at all possible.

The general principle of the proposed redistribution method—and you questioned the formula involved—features these salient points reduced to their very essence. No province shall lose a seat as a result of any redistribution. That is point number one. There is a general feeling that it would not be fair to the Maritime Provinces, for example, or Quebec, or any other region of the country, to see a reduction in their number of seats in view of the increasing population in various parts of the country and increasing problems which have arisen regionally.

Senator O'Leary, in his excellent speech, made reference to the fact that he thought perhaps the number of constituencies is becoming too large. I think honourable senators may be interested in these facts, that if we go on—

**Senator Grosart:** Is the honourable Leader of the Government closing the debate?

**Senator Perrault:** No, I am not. I am simply trying to answer a question.

**Senator Deschatelets:** I have a few more questions.

**Senator Perrault:** Very well; ask them, and I shall try to answer them.

**Senator Deschatelets:** I do not have much to add to this except to say that if the leader assures me that because of the time factor it is not possible to refer this bill to committee then I shall still remain dissatisfied with this bill, and my dissatisfaction—

**Senator Flynn:** You will be like me.

**Senator Deschatelets:** —is because I sense that with the new criteria it is going to mean that after the 1981 census Quebec would have 79 seats and Ontario would have 110, which is a substantial difference of 31 seats. I honestly do not feel that I have enough information to convince me that this bill will not, in the long term, be prejudicial to my province. This is why I would have liked to see it referred to committee so that we can obtain all the explanations necessary, and examine other possibilities and other solutions. But if the situation remains as it is today, then I shall have to register my dissent.

**Senator Perrault:** Honourable senators, if there is a general feeling in the Senate that this bill should be referred to a committee, that is one thing, but it would have to be disposed of by December 31 because there is a real time urgency associated with it.

In so far as you are concerned about the reduction in the number of seats in Quebec, Senator Deschatelets, in relation to the other provinces, or the question of a smaller proportion of seats in Quebec in relation to the total population of Canada, or in relation to the total number of

seats in the House of Commons after the 1981 census particularly, the fact is that the natural rate of growth in the province of Quebec is the lowest in Canada today. Under the formula which has been developed no province shall have more members per constituency than the province of Quebec. So the formula really involves assessing the situation in 1981 and the population of Quebec at that time, assessing the seat per population ratio in Quebec at that time, using the average constituency size in the province of Quebec, and dividing that into the province of Ontario projection which gives 110 seats.

**Senator Hicks:** Did I understand you to say that you are not closing the debate?

**Senator Perrault:** No, I am not, but it is difficult to answer these questions without going to some length, and I am trying to be helpful in the process. If you have a question I should be glad to hear it.

**Senator Hicks:** I do not have a question, but I should like to make an observation, by way of a brief intervention in the debate, to point out that while it is true that the number of seats accorded to Ontario under this bill will mean a substantial enlarging of Ontario's representation in comparison with that of Quebec, exactly the same thing applies to Ontario's representation in comparison with that of the Atlantic Provinces. At the present time the Atlantic Provinces together have 32 members, while Quebec has 74 and Ontario has 88. Under the bill and after the 1981 census two members only will be added to the Atlantic Provinces' representation; they will go from 32 to 34. Here I am not taking each province separately; in total they will go from 32 to 34.

During the same period, five seats will be added to Quebec and, as has been pointed out, during the same period 22 seats will be added to the province of Ontario.

I understand all the difficulties that have been referred to in relation to representation by population when we compare one province with a rapidly increasing population with another province whose population is not increasing so rapidly. But I would not want anybody to think that this constitutes any kind of deliberate discrimination on the basis of language or racial origin of the people of a province, because exactly the same thing that happens vis-à-vis Ontario and Quebec under this bill will happen vis-à-vis Ontario and the Atlantic Provinces as well.

**Senator Buckwold:** Honourable senators, as a senator from Saskatchewan I take my regional responsibilities very seriously and so I have to stand and support as best I can the bill we have in front of us and which is under discussion today. It is all very well to hear Senator O'Leary so ably, as he always does, defend the status quo and indicate his disappointment at the growth of government. But, on the other hand, we have to recognize the unique problems of those areas of Canada which are not growing in population. It would be very well to conclude that representation by population should apply mathematically but, as we know, this is not the case in every constituency, and it is important that we maintain at least a modicum of able representation defined by the geographical areas that can properly be served.

[Senator Perrault.]

● (1610)

My fellow senators from Saskatchewan will well recall the days when we had over 20 members in the House of Commons. If this act had not been proposed for redistribution in the next election Saskatchewan would have lost another seat, reducing the number to 12. Under the terms of the bill the number of our seats will, in fact, increase to 14. I suggest again, in the interests of my region, that it is very important that we have that number of representatives in the House of Commons if the area is to be adequately represented. I am sure that my colleagues would agree with me.

In my opinion, this is a step in the right direction. I agree with Senator O'Leary, that big government does not necessarily mean good government, and that we are inclined to keep adding. However, we do not wish to find, as we look into the future, many areas of Canada literally wiped out with respect to representation. We have seen this happen in Saskatchewan, as I say, having gone down from over 20 seats to what would have been 11. The areas are the same; it is just the fact that many of our rural areas have been depopulated. That does not mean that the member of Parliament has less problems or responsibility. I suggest to you that allowing those areas which are not sharing in the population growth to have the adequate representation that they deserve has been a very good compromise.

I agree with Senator O'Leary when he says we have too many laws. You will remember the old saying, "There should be a law against it." We have listened to that, but I sometimes feel today that we should change that dictum to "There should be no law against it," because we seem to be moving in the direction of regulating everything. However, I do not believe that that particular aspect of the problem has direct bearing on the representation problem which we are endeavouring to solve by means of this legislation.

Certainly, for these reasons, I hope the bill goes through as quickly as possible, so that those areas of Canada which need this kind of representation can maintain it and, indeed, gain in numbers of seats through this legislation.

**Senator Flynn:** Honourable senators, I seek clarification. I am a bit puzzled as to the answers given the questions put by Senator Deschatelets. Am I not correct in saying that if this bill does not pass before December 31 the old provisions will again come into force.

**Senator Grosart:** Remain in force.

**Senator Flynn:** Presently they are suspended, so they will come back into force. The problem would not be that we would not be able to enact this legislation after December 31. However, the coming back into force of the old regulations would engender useless effort because those regulations are no longer to apply and it would occasion unnecessary expense. But the harm would not be irreparable, and we would be able to enact this legislation. However, I agree that it creates a problem and if we can dispose of this bill immediately there is no objection on my part.

The questions that Senator Deschatelets has in mind are very specific, and I believe we should hold a meeting of the Standing Senate Committee on Legal and Constitu-

tional Affairs tomorrow morning, with the officials concerned with this bill in attendance to answer these questions. The bill could then be given third reading tomorrow afternoon. I merely suggest that to the Leader of the Government. It seems to me that it would not create any problem, because in one way or another this bill will pass third reading tomorrow and receive royal assent on Friday. I hate to think that the questions presently troubling Senators Deschatelets and Asselin will forever remain unanswered.

**Senator Perrault:** Honourable senators, I do not resist that idea at all, as I said earlier. It is certainly not our intention to bulldoze anything through the chamber.

**Senator Grosart:** Push.

**Senator Perrault:** I do not know whether this constitutes concluding the debate, or if other honourable senators wish to speak.

**Senator Flynn:** No, it is in order.

**Hon. Raymond J. Perrault:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, I must inform the Senate that if the honourable Senator Perrault speaks now his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Perrault:** Honourable senators, I know that a number of sensitivities are aroused by any form of redistribution. I know the attitudes in my own province, and in Quebec, Ontario, the Maritime Provinces and Newfoundland. However, this information may be of interest to you, that based on present population projections, if we proceed with the 1952 redistribution method applied to 1981 census figures, the average constituency size in the province of Quebec would be almost 94,000. Under the new formula the average constituency size would be 81,000, so there is substantially better representation under the new formula. Ontario would have almost 95,000 per constituency under the continued formula; under the new formula that number would be exactly the same as for Quebec, 81,000. Manitoba would have 60,000 per constituency under the new formula; under the continuation of the 1952 arrangements the average constituency size would be 95,000. Saskatchewan would have 65,000 under the new measure; if we proceeded with the 1952 plan the number would be 82,400. Alberta would have 78,000 under the new program, and 94,400 under the 1952 plan. British Columbia would have 82,000 under the new program. My own native province, in other words, is rated as a major province at that time, and is in the same category as Quebec and Ontario. If we proceed under the 1952 formula, the average constituency would have 94,000. Newfoundland would have 73,000 compared with 98,000. Prince Edward Island would have 29,000, compared with 29,500. Nova Scotia would have 69,000, compared with 82,900. New Brunswick would have 67,000, compared with 67,500.

I believe that completes the list. The projected Canadian average after 1981 would be 78,000 per constituency compared to 91,500 under the formula as it exists at the present time.

I have a comparison with some of the other countries in the world. I will not go through the entire list, but to give you some idea of average constituency sizes in some of the other democracies—and Senator O'Leary made reference to the fact that perhaps we are being over-governed in Canada,—I would point out that the Canadian average at the next election will be 77,500 per constituency, and this compares with average constituency size in Finland of 23,000; Norway, 26,000; Israel, 26,000; Denmark, 27,000; New Zealand, 34,000; the United Kingdom, 85,000; Italy, 85,000; France, 105,071; Germany, 118,000. The United States—of course, a far larger country—has an average constituency size of 480,092.

We face some particular problems in Canada by the nature of our geography. The urban centres of Canada present far fewer problems for most members of Parliament than do some of these northern constituencies. We have areas in Western Canada, just as they exist in Eastern Canada, into which half of Europe could be put. That is a very difficult kind of constituency to represent, and I do not believe that we can just proceed on the basis of population in such circumstances. Historically, I think that has been the Canadian position.

If I may go through the salient, or cardinal, points involved in this so-called amalgam method, number one is that no province shall lose a seat as the result of any redistribution. Parliamentarians are agreed that we do not want to take members away.

The second principle is no province shall have, as a result of a redistribution, a lesser number of seats than any other province with a smaller population.

● (1620)

The third principle is that once a number representing the seat total to be accorded a given province has been calculated, any remainder is to be dropped. In other words, if there are fractions, we recognize the fact that we cannot designate one-half of a member or a quarter of a member.

**Senator Flynn:** Are you sure?

**Senator Perrault:** At least, physically we cannot. I refer here to provinces with a population of less than 1.5 million—the so-called small provinces. Whenever there is an increase in the population of a province, its total number of seats will be determined by dividing its population at the most recent decennial census by the average constituency population of the provinces with a population of less than 1.5 million in the previous redistribution. If the population of such a province has not increased, its seat total will remain the same.

We have, therefore, the three categories of province, small, medium and large—like shirt sizes.

Provinces with a population of 1.5 million to 2.5 million: whenever there is an increase in the population of a province, it receives one additional seat for every two additional seats it would have received if it were a province in group (a) with the same average constituency population as the provinces in group (a). If the population of such a province has not increased, its seat total will remain the same.

In drafting the legislation, it was important to cover all possible, as opposed to reasonably foreseeable, eventualities. Thus there are rules in the bill providing for situations where there are no provinces with a population of under 1.5 million, by furnishing a new means of calculating the seat totals for provinces in the middle group. It is,

of course, most unlikely that there will ever come a time when every Canadian province has a population of 1.5 million or more, considering that the population of Prince Edward Island is currently approximately 100,000.

That is the third category. I shall not go on at length. However, this should be included as part of the Senate record.

For the elucidation of honourable senators who may be involved in the committee study, the province of Quebec will receive 75 seats in the first redistribution, and an additional four seats after each decennial census. In other words, after 1981 there will be 79 seats. The other provinces in this group are allocated the number of seats obtained by dividing their populations by the average constituency population of Quebec.

The bill also provides for a review of population projections in the year 1979. For example, should there be a dramatic upsurge in the birth rate of the province of Quebec, the province of British Columbia, or any province—an increase because of natural reasons, immigration, and so on—it means that the Representation Act will again be reviewed by Parliament. The President of the Privy Council will again refer it to committee in the other place for review to ensure that the provinces are treated fairly.

So there are a number of safeguards in the proposed measure and attempts will be made to ensure that adequate review procedures exist to assure all the provinces of continuing fair representation in the other place.

Senator Lafond stated yesterday that this appeared to be, in his view, "manipulation." In my opinion, all types of redistribution involve some degree of manipulation, accommodation, or whichever word is used.

In 1952 a formula was evolved and developed which was really open to question by Canadians in many parts of the country, but who said, "For the sake of unity we have to come to an agreement. This is the way we are going to handle it." The parliamentarians of that day evolved the 1952 formula believing that in the years to come it would be effective and Parliament would have the right to reassess the position in the light of Canada's developing population. Today's parliamentarians in the other place made a new assessment and a new judgment, and in this place we should respect that judgment.

Therefore, honourable senators, I urge your support for this measure on second reading.

**The Hon. the Speaker:** It is moved by Senator Perrault, seconded by Senator Langlois, that the bill be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

**Senator Lafond:** On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Senator Perrault, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

[Senator Perrault.]

## APPROPRIATION BILL NO. 5, 1974

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the debate on the motion of Senator Langlois for the second reading of Bill C-45, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975.

**Hon. Allister Grosart:** Honourable senators, approximately half an hour ago the Senate made a decision that Appropriation Bill No. 4, 1974 should not be referred to the National Finance Committee. The general argument was that the estimates on which that appropriation bill was based had already been before the Standing Senate Committee on National Finance.

We now have the reverse situation. We have an appropriation bill based on supplementary estimates, those supplementary estimates not having been, as far as I know, referred to the Standing Senate Committee on National Finance.

The authority of the appendix to our rules was quoted with approbation by a number of honourable senators, including the Deputy Leader of the Government, as being applicable. It was on this basis that the Senate was persuaded to make that decision. The paragraph that was quoted reads:

> Supply bills are not referred to a committee of the whole or to a select committee. However, the estimates on which a supply bill is based are referred to the Standing Senate Committee on National Finance when they are tabled in the Senate.

We seem to have the reverse case. I wonder if the management of the house intends to decide to have this both ways. So far as I can ascertain, supplementary estimates (C) were tabled in the house last night. As far as I know, they have not been referred to the Standing Senate Committee on National Finance. So the question that again faces us is: Is this a rule? Do we pay any attention to it? Do we say that the essence of the situation is that we do not debate an appropriation bill until the estimates on which it is based have gone to the Standing Senate Committee on National Finance? Or do we say, "Let us forget it. We can have it both ways, whichever way the government wants to read it?"

In support of the fact that that has been the decision, taken as recently as yesterday, the distinguished Deputy Leader of the Government at one point said:

> I see no reason why a committee should be convened to go through estimates which have already been studied by that committee.

● (1630)

I would paraphrase that as meaning, "I see no reason why the Senate should deal with an appropriation bill if the supplementary estimates on which it is based have not gone before a committee."

Also, the Chairman of the National Finance Committee, Senator Everett, as reported at page 413 of yesterday's *Hansard*, said:

> —one of the objectives of referring the supplementary estimates to the Standing Senate Committee on National Finance is to overcome the problem created by

> supply bills coming to this house at a time close to adjournment.

That, surely, is the precise situation with which we are faced now. Senator Everett, again on his authority as chairman of the committee—and this was only yesterday—as reported at page 414 of yesterday's *Hansard*, said:

> We deal with the appropriation bill by dealing with the estimates. That is the whole concept of having the estimates referred to the National Finance Committee prior to our considering the supply bill.

Again, Senator Everett told those of us on this side:

> —it is for the protection of the Opposition that we refer the estimates to the National Finance Committee prior to our receiving the supply bill—

I do not know why that has not been done in this case. Perhaps it was carelessness; perhaps simply an oversight. I am not entirely sure what the remedy is. Are we entitled, then, under this practice, this convention, to proceed with this bill when the whole procedure seems to be in such complete violation of what we were told only yesterday was the practice—and the specific practice upon which the decision of the Senate was made not to refer the estimates on which Bill C-42 was based to the National Finance Committee.

Perhaps at this point I should ask the Deputy Leader of the Government whether he would agree now to send supplementary estimates (C) to the committee. Perhaps the Deputy Leader of the Government could indicate, as it would save me a lot of time, as well as the time of the Senate, whether he is prepared now, even as a gesture, to say that the government is prepared to make a reasonable effort to comply with the rules—a reasonable effort not to take whatever interpretation they like at 3 o'clock and a different one at 4.30. I am sure the committee could meet very quickly.

It may, of course, be said, "Well, there is only a single item in these supplementary estimates." That is true, but it is a very important single item. It is an item on which there was discussion and questions raised, not merely in relation to the $365 million but as to the $1,165,000,000 which is involved in the program to which this relates.

I therefore ask at this point whether the government would consider, for the reasons I have outlined, referring supplementary estimates (C) to the National Finance Committee. If that is done, I am quite sure we can expedite the passage of this bill, which I am sure is desirable.

**Senator Langlois:** Honourable senators, I have no objection to the suggestion made by the Deputy Leader of the Opposition. I might say that it would have been much easier to comply with had it been made yesterday when we started debate on this measure. We may have some difficulty, at this late stage, arranging a meeting of the committee with the appropriate officials present. I have just spoken to the deputy chairman, and he seems to think the committee could meet tomorrow morning, if it is the wish of the Senate that these estimates be referred to the committee. However, I am in the difficult position of not being able to give any undertaking that the minister will be in attendance. The minister, of course, is the main witness the committee would like to have before it in order to explain this appropriation. I do not even know whether he is in Ottawa. That is why I say it would have been much better if this suggestion had been made yesterday.

Perhaps Senator Grosart could adjourn the debate on second reading at this point, so that we can then have a motion to refer the estimates to the committee.

**Senator Flynn:** Do you think the committee will be empowered to look at the bill?

**Senator Langlois:** No, not the bill, but the estimates.

**Senator Grosart:** Perhaps I might reply. I appreciate the point made by the Deputy Leader of the Government. First of all, I thank him for the change in mood—

**Senator Langlois:** It is not a change of mood.

**Senator Grosart:** Allow me to finish the compliment, if you will, before you take issue with it.

**Senator Langlois:** I want you to phrase it properly.

**Senator Grosart:** I want to compliment the Deputy Leader of the Government on his change of mood, although I am not sure whether it is a change of mood or whether he suddenly found that, for once, we on this side are correct. Whichever it is, it is welcome.

**Senator Langlois:** It is very seldom that you are right, I must say.

**Senator Grosart:** It is a fairly important occasion. I would not agree that it is very seldom that we on this side are right, because we very often agree with our friends on the other side. Of course, we were told yesterday that the President of the Privy Council, the Honourable Mitchell Sharp, was wrong in a statement he made in the other place, so we can all be wrong.

I agree with the Deputy Leader of the Government that this suggestion should have been made yesterday, and I apologize for the fact that I did not raise it at that time. Quite frankly, I was busy, on the instructions of my leader, with another appropriation bill, which took up a good deal of my time. I was not expecting that we would have another appropriation bill so soon. I underestimated the government completely. I was not expecting we would have one appropriation bill one day for well over $1 billion, and the very next day have one for $365 million. I underestimated the spending power of the government, and for that I apologize.

**Senator Flynn:** Its capacity to spend.

**Senator Grosart:** The government's capacity to spend, yes. In addition, we were dealing with two or three closely linked matters, all involving spending power. I welcome the opportunity to deal with supplementary estimates (C) on which this bill is based in committee, and we on this side, of course, will do everything to facilitate the passage of this bill.

I therefore move the adjournment of the debate.

On motion of Senator Grosart, debate adjourned.

## THE ESTIMATES

### SUPPLEMENTARY ESTIMATES (C) REFERRED TO NATIONAL FINANCE COMMITTEE

**Senator Sparrow,** Deputy Chairman of the Standing Senate Committee on National Finance, 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 (C) laid before Parliament for the fiscal year ending the 31st March, 1975.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, December 19, 1974

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Department of External Affairs for the year ended December 31, 1973, pursuant to section 6 of the Department of External Affairs Act, Chapter E-20, R.S.C., 1970.

Revised Capital Budget of Central Mortgage and Housing Corporation for the year ending December 31, 1974, 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. 1974-2691, dated December 5, 1974.

Capital Budget of the National Harbours Board for the year ended 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. 1972-2619, dated November 9, 1972, approving same.

Capital Budget of The St. Lawrence Seaway Authority for the year ended 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. 1972-2486, dated October 5, 1972, approving same.

## CRIMINAL CODE (COMMUTATION OF DEATH SENTENCE)

BILL TO AMEND—FIRST READING

**Hon. Louis-J. Robichaud** presented Bill S-21, to amend the Criminal Code (commutation of death sentence).

**Senator Denis:** Honourable senators, would the sponsor tell us what the purpose of the bill is?

**Senator Robichaud:** Honourable senators, I intend to deal with this at length on second reading, but very briefly the purpose of the bill is to remove from the Governor in Council the authority to exercise clemency in cases of convicted murders of policemen and prison guards where no clemency is recommended by either the jury hearing the case or the presiding judge. Let me say that this bill is not prompted by recent sad events in my native province. I have had this in mind for several months, but what happened recently in Moncton simply helped to convince me that I should do this now.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Senator Robichaud,** with leave of the Senate and notwithstanding rule 44(1)(f), moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

## REPRESENTATION BILL, 1974

REPORT OF COMMITTEE

**Senator Laird,** Deputy Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, reported that the committee had considered Bill C-36, to provide for representation in the House of Commons, to establish electoral boundaries commissions and to remove the temporary suspension of the Electoral Boundaries Readjustment 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?

**Senator Perrault:** With leave, now.

**Senator Deschatelets:** Honourable senators, before third reading, may I inform the Senate that a detailed explanation of this bill was given this morning in committee. The explanation convinced me that the provisions of Bill C-36 represent the best compromise to the complex problem relating to representation, province by province, in the House of Commons. I therefore support third reading.

**Senator Flynn:** Are you happy that I suggested the bill be referred to committee?

**Senator Deschatelets:** May I remind honourable senators that I am the one who made that suggestion.

**Senator Flynn:** On a point of order, I do not mind giving credit to Senator Deschatelets, but—

**Senator Langlois:** It is a question of privilege.

**Senator Flynn:** The honourable senator was willing not to send it to committee had the Leader of the Government not agreed. I am the one who really succeeded in convincing the leader. He was in a good mood after the vote yesterday.

**Senator Deschatelets:** In the current mood of Christmas, I am willing to give all the credit to the Leader of the Opposition.

Motion agreed to and bill read third time and passed.

## THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (C) TABLED

**Senator Sparrow**, Deputy Chairman of the Standing Senate Committee on National Finance, tabled the following report of the committee, to which was referred the supplementary estimates (C) laid before Parliament for the fiscal year ending March 31, 1975.

The Standing Senate Committee on National Finance to which the supplementary estimates (C) laid before Parliament for the fiscal year ending March 31, 1975, were referred, has in obedience to the Order of Reference of Wednesday, December 18, 1974, examined the said estimates and reports as follows:

(1) In obedience to the foregoing the committee made an examination of the supplementary estimates (C) and heard evidence from the Honourable Donald S. Macdonald, Minister of Energy, Mines and Resources; Mr. M. Foster, Parliamentary Secretary to the Minister; Mr. N. Stewart, Chairman, Energy Supplies Allocation Board; and Mr. M. Bryant of the Department of Energy, Mines and Resources.

(2) The supplementary estimates (C) total $365 million and are needed in order to make payments for the restraint of prices of petroleum products to consumers primarily in the Atlantic Provinces, Quebec and that part of Ontario east of the line known as the Ottawa Valley Line. This amount will cover the three months of the new year from the 1st January to the 31st March, 1975, and will bring the compensation payments for the fiscal year 1974-75 to a total of $1.165 million. The necessity for this increase has been brought about by the fact that Bill C-32, the Petroleum Administration Act, which had been envisaged being passed by the 1st January 1975, has now been delayed until the new year. It was pointed out to your committee that this total does not include the $240 million appropriated for the last three months of the fiscal year 1973-74, i.e. from the 1st January to the 31st March, 1974.

The Minister of Energy, Mines and Resources informed your committee that there is a surplus balance of over $200 million from the revenues of the export charge after compensation payments, that to date there has been no charge to general revenue, and that it is his objective to continue in this vein if possible.

Respectfully submitted

H. O. Sparrow
*Deputy Chairman.*

• (1410)

## ADJOURNMENT

**Senator 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 tomorrow, Friday, December 20, 1974, at 11 o'clock in the forenoon.

Motion agreed to.

[Senator Deschatelets.]

## BUSINESS OF THE SENATE

**Senator Flynn:** Honourable senators, can the Leader of the Government tell us what is expected of the Senate before we adjourn for the Christmas recess, be that tomorrow or just on the eve of Christmas? I am sure all honourable senators would like to know what is expected so that they can make plans.

**Senator Perrault:** Honourable senators, I believe we will be in a position to know the remaining business either later today or early tomorrow morning. There is a possibility of two measures being referred to us from the other place. It would be our intention to proceed with those measures and, if possible, to conclude our consideration of them before the Christmas recess. As I say, we hope to be in a position to know more about that within the next few hours, and the information will be immediately communicated to the Leader of the Opposition.

**Senator Flynn:** Is it expected that we will know before the Senate adjourns today?

**Senator Perrault:** We are hopeful that we will have information from the other place with respect to two relatively minor measures and, possibly, one major measure.

**Senator Grosart:** A "simple" bill?

**Senator Perrault:** Some people may believe it is simple. I think it unlikely, however, based on recent communications, that we will be required to extend our deliberations to Christmas Eve.

## FEDERAL BUSINESS DEVELOPMENT BANK BILL

THIRD READING

**Senator Godfrey** moved the third reading of Bill C-14, to incorporate the Federal Business Development Bank.

Motion agreed to and bill read third time and passed.

## APPROPRIATION BILL NO. 5, 1974

SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator Langlois for the second reading of Bill C-45, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975.

**Hon. Allister Grosart:** Honourable senators, it appears that we are now in a position to proceed with the consideration of this appropriation bill. Whether it is by rule of the Senate, convention of the Senate, custom of the Senate or merely the appendix of the Senate, I am not quite sure.

**Senator Langlois:** Anyway, we did a good job.

**Senator Flynn:** I agree.

**Senator Grosart:** I thank the deputy leader for the use of the word "we," if it includes us on this side.

**Senator Langlois:** Of course.

**Senator Grosart:** Perhaps I should make a few comments, which will incorporate the comments I might have

made on the report we have just heard from the committee which considered the estimates upon which this appropriation bill is based.

As the report pointed out, this $365 million that we are now asked to approve is part of a much larger sum required to implement this new petroleum policy of the government necessitated by the oil crisis, with which we are all familiar. The report pointed out that the total sum for the year—that is, carrying this through to the end of the fiscal year—will be $1.165 billion, to which we must add the $240 million of the last fiscal year, giving us a total of $1.365 billion, which is the total cost to date of implementing the government's policy in this respect.

I should point out that this whole program has been initiated almost entirely by appropriation bills. This is an extraordinary situation, where a program involving these large amounts of money has been initiated merely by appropriation bills. This is perhaps explainable, possibly excusable, in the circumstances of the suddenness of the oil crisis, the election and other matters. Nevertheless, we would hope that this will not be taken as a precedent for launching programs of this size by means of supplementary estimates and appropriation bills.

This has been described as an interim measure made necessary by the fact that the bill designated as C-32, which would give statutory recognition—statutory other than in an appropriation bill—to the whole program, has not been passed by the other place. The same applies to Bill C-18 of the last session, which would have initiated the program originally, and which died on the Order Paper when Parliament was dissolved. So we are in the position now, by these appropriation bills, and finally by this one, of authorizing this program which is not yet in normal statutory form.

The minister said this morning, as the report indicated, that these very large amounts will not be a charge on the general revenues of Canada, in the sense that the revenues required will not be provided by a general tax on the public, but rather from the revenues derived from the special export surtax. The minister did give us an assurance that, as far as he could see, this situation would carry on until the end of next year. That was his hope and his prediction on the basis of the facts before him at the time. He did say that the situation is changing so rapidly that this might not be so, but it was good news that it is unlikely that there will be a charge in respect to this program on the general revenues, in the sense I have indicated, until the end of the next calendar year.

● (1420)

The purpose, of course, is to compensate oil refiners for the costs of supplying oil east of the Ottawa Valley line at a price that is more or less the same across Canada. I think there would be general agreement that this is a highly desirable purpose.

The sums of $470 million, $330 million and $365 million will be administered, not by the department itself but by the Energy Supplies Allocation Board, which has been established by Parliament. This final appropriation will be handled by that board.

I am glad to say that the Chairman of the Board, Mr. Stewart, was with us this morning, and although he was not able to be there all the time he did give us afterwards some interesting and useful information.

It is also true that the purpose of this interim method of dealing with the necessary supply has, as one of its important intentions, the hope that the first ministers of the federal government and the provinces will soon be able to get together to remove some of the irritations which have developed as a result of the federal oil policy, and to deal with certain of the provinces' protests about it. I am sure we all hope that in granting this supply we will, in some small measure at least, be contributing to the solution of the more important problems which have arisen between the federal government and the provinces.

**Hon. Léopold Langlois:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, I wish to inform the Senate that if the Honourable Senator Langlois speaks now his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Langlois:** Honourable senators, I wish to add just a few remarks to what the Deputy Leader of the Opposition has said. I agree with him when he says that we had an interesting and worthwhile meeting this morning. We were lucky indeed, on short notice, to have such an array of qualified witnesses, including the minister himself, the Chairman of the Energy Supplies Allocation Board, the Secretary of the Treasury Board, and others. It was gratifying to be able to obtain important information so easily.

If I may be permitted, I should like to make one slight correction to what my honourable colleague has just said about compensation payments. Not only are compensation payments made to refiners in this country, as he said, but they are also made to importers of refined petroleum products.

I am happy to say that, in answer to a question of mine this morning, the minister cleared up a matter which was raised a few months ago by some of our domestic refineries to the effect that these allocation payments made to independent companies were detrimental to them. There was, first, a statement made by those operating the Gulf Oil refinery at Point Tupper, who claimed that they had to stop their operation because they could not meet the unfair competition, as they called it, they were getting from those independent companies who were importing refined products and getting the compensation. We had a similar complaint voiced by the operators of the St. Romuald refinery in Levis County—the former constituency of my colleague, Senator Bourget. They claimed they had to stop their operations because, again, they could not face the so-called unfair competition.

The minister this morning drew the attention of the committee to the fact that in the case of Point Tupper the refinery there was built particularly to refine oil in Canada for export to the east coast of the United States, and its main market is the export market, not the Canadian market. They were, therefore, not as much affected as they claimed by these compensation payments.

In the case of St. Romuald the situation is a little different. This is a specialized refinery. It was not so much affected by these compensation payments as by the fact that it was due for some maintenance work, and the

operators took advantage of the slackness in the market to do that. It was a very convenient time for them to do so.

The reason invoked, therefore, for closing down the refineries, or slowing down their operations, was not the reason that had been published in the newspapers. So I am glad that this point was clarified this morning.

I was under the impression up until this morning, as some other honourable senators were, that the allocation board was not fully "on stream," to use a term quite often used in the industry, and I thought this was why the minister had said in his statement in the house, when he introduced the bill, that he had asked the Auditor General to look after the accounting involved. As I say, I was under the impression, as some other honourable senators must have been, that this calling upon the Auditor General to do part of the accounting work was because the allocation board was not fully in operation. I was therefore pleased, as we all were, to learn from the minister this morning that this is not a temporary arrangement but a permanent one, and that it will ensure proper accounting, which is not easy under any circumstances in that field.

Another matter that was clarified by the minister was the statement made in the United States by Senator Jackson when he was replying to the criticism, often voiced across the border, to the effect that Canada was taking advantage of an unusual situation to sell petroleum products to the American market at the world market price. Senator Jackson, who is a very prominent senator south of the border, said that Canada was merely following the example of the American producers, who were selling oil on the domestic market at the world market price. The minister gave us an extraordinary and astonishing explanation of the oil pricing system in the States. He explained to us that in the United States they have a system of oil pricing in terms of which they make a distinction between old oil and new oil. The old oil sells at a lower price than new oil, which is being sold at the world market price, namely, the same price that Canada is selling at now to the United States market.

When I asked the minister to explain to the committee what they meant in the United States, within the context of this pricing system, by "new oil," he just said that it is oil that has been newly discovered. It is not certain where the deadline is. Senator Prowse commented that if one had a well already producing oil, then in order to get the higher price for new oil all one had to do was drill another one beside it, call the oil "new oil," and sell it at the higher price.

● (1430)

This was very interesting, and I think it disposes once and for all of the criticism voiced against Canada south of the border. We are not taking advantage of the world situation any more than the American producers are doing in their own country nowadays. For that reason, I think our committee meeting this morning was very worthwhile; it was interesting and informative.

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?

[Senator Langlois.]

**Senator Langlois:** With leave, now.

**Hon. Jacques Flynn:** Honourable senators, I just want to put a few words on the record at this stage in view of the events of yesterday and the day before. Honourable senators will have noticed that, after second reading of this bill, I did not move that it be referred to committee, and for two very good reasons I do not intend at this stage moving an amendment that the bill be not now read a third time but that it be referred to committee.

First of all, this bill is entirely based on the estimates examined by the committee except in one respect and that is where it says in clause 3.(2):

> (2) The provisions of the item in the Schedule shall be deemed to have been enacted by Parliament on the 1st day of April, 1974.

I questioned the meaning of this paragraph in the previous bill, Bill C-42, but in committee this morning, so far as this bill is concerned, we were given the explanation that, whatever might be the meaning of this paragraph, the money is required for the last three months of the fiscal year, that is, from January 1 to March 31, 1975. For that reason I did not need to ask that this bill be examined separately from the estimates. However, I wanted this to be on record because I do not want anyone to say afterwards, "You did not ask for this bill to go to committee." I did not ask because I did not need to ask.

Motion agreed to and bill read third time and passed.

## FOOD AND DRUGS ACT
## NARCOTIC CONTROL ACT
## CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion on the Honourable Senator Neiman, seconded by the Honourable Senator Deschatelets, P.C., for the second reading of the Bill S-19, intituled: "An Act to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code".—(*Honourable Senator Davey*).

**Hon. M. Lorne Bonnell:** Honourable senators, in the absence of Senator Davey, may I have the permission of the Senate to speak now?

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

**Senator Bonnell:** Honourable senators, I believe that Bill S-19 is probably one of the most important pieces of legislation to come before this house this session. I say that because this is a piece of legislation that affects the youth of our nation; what we say here respecting it could very easily influence many of the young people throughout this country.

I should like to make it clear at this point that I support Senator Neiman in her presentation of this bill because I believe that we are, and have been, ridiculously hard where the question of possession of marihuana is concerned. However, I also want to make it particularly clear that I am not, and the Government of Canada is not,

proposing to make the use of marihuana legal. That is not the purpose of this bill, and that is not the interpretation that should be placed on it. I know that many people across Canada feel that we are softening the statute, and that our next step will be to make the use of marihuana legal. I want to say now that I support this bill, but I do not support in any way the making of marihuana legal in this country. Therefore, honourable senators, once again I congratulate Senator Neiman on her presentation of this bill.

I also want to say that this legislation will come into effect only when proclaimed, and, in my view, that is a good thing because it gives us time for thought, time for study, and time for research. Therefore, I hope that this bill will spend some time—some considerable time—in committee before any recommendation is brought back to the Senate. I have looked up the rules of the Senate, and noticed that certain committees here are responsible for certain things, but at this point I suggest that the non-medical use of drugs is not simply a legal problem; I suggest that it is a social problem, a health problem, an educational problem and a welfare problem, as well as a legal problem. Furthermore, I believe that every senator should have an opportunity to hear the evidence presented, to question witnesses and to vote on the recommendations to be brought back to this house. Simply to refer this bill to the Legal and Constitutional Affairs Committee is, in my view, really not good enough. The members of the Standing Senate Committee on Health, Welfare and Science should also have an opportunity to participate, listen to the evidence and make comments on it, and try to persuade, if necessary, the members of the Legal and Constitutional Affairs Committee. I think they should also have the right to vote.

Therefore, honourable senators, I suggest to you at this time that it would be wise to have this very important measure referred to both the Legal and Constitutional Affairs Committee and the Health, Welfare and Science Committee so that they may bring back a joint report. In that way each and every member of those committees could have an input.

● (1440)

Should that procedure not be adopted, then after the Legal and Constitutional Affairs Committee has presented its report perhaps we could go into committee of the whole house, where what we have to say would be on record, and where we can ask questions of witnesses and vote on amendments, whether introduced by the Legal and Constitutional Affairs Committee or not. I just feel that this question is too big and too important to the youth of our nation for us to consider the legal aspect of it without going into the health, social, physical, economic, and education aspects.

Basically, I wish to get across to the people of Canada that we in the Senate are not proposing to make marihuana legal. The legislation before us states that there is a penalty for possession, a penalty for trafficking and a much greater penalty for importing or growing, with which I agree. If I were to propose an amendment today without any further research, I would recommend tripling the penalty for those who are importing, growing and trafficking in marihuana, sentencing them to 30 years in the penitentiary because, in my opinion, it destroys the youth of our country. However, for a young person of 12 or 13 years of age, who casually smoked a cigarette because his friends were doing so, to be put in the penitentiary seems ridiculous.

There are those who believe that marihuana, or tetrahydrocannabinol, its active ingredient—THC as it is called—is harmless. There are those on this continent who are pushing to make it legal, and to reform all laws so that it will not be illegal to possess it. One of those groups, known as the National Organization for the Reform of Marihuana Laws, is working actively throughout North America. There is no doubt that this group will lobby our committee and others in an attempt to persuade us to propose amendments making it legal. If this happens, I would suggest to those senators who are approached that they listen attentively but not form an opinion too quickly on the advice given by this group.

I suggest that the Canadian Medical Association supports the view that marihuana is a dangerous drug and that the Department of National Health and Welfare should take a strong hand in informing the people of Canada of the dangers of this drug. It should explain the harmful effects of the use of marihuana, as reported in all recent surveys. I feel the Department of National Health and Welfare should issue a statement to the effect that this drug is harmful. Judging by all the recent medical research, it produces very harmful effects. If the department can go to all the trouble it does with respect to the advertising of cigarettes, and making the manufacturers note on every package that the contents are harmful, and become increasingly harmful the more they are used, surely, as recommended by the Canadian Medical Association, it can issue an announcement with respect to the harmful effects of this drug.

The annual meeting of the General Council of the Canadian Medical Association in 1972 was attended by 220 delegates, of whom only two voted against that resolution. Another resolution passed by the Canadian Medical Association General Council in 1973 is as follows:

> Whereas recent and ongoing studies of the long term effects of cannabis support the persistently cautionary clinical opinions of physicians over the years and reinforce the conclusions of the recent national commission studies in Canada, Britain and the United States, that the use of cannabis should be discouraged on grounds of individual and public health concerns, be it resolved that the C.M.A. reaffirms its 1972 annual meeting resolution and clearly advises the Canadian public against the non-medical use of cannabis.

Two hundred and twenty-five delegates attended that annual meeting, of whom only two opposed the resolution.

In view of that kind of medical opinion held throughout Canada I suggest that there is a great need for the federal and provincial governments to inform young people of these opinions, and what they are getting into when they start to use a dangerous drug such as marihuana, hashish or other drugs of this nature. I believe the federal government should make funds available to the provinces to assist them in educating the youth of this country in the

elementary, consolidated and high schools, as to the effects of this drug, its dangers and what it will lead to.

There are those who feel the drug is no worse than alcohol or cigarettes. Let me inform you of the difference. Alcohol is taken often with food and water and is eliminated at the rate of one ounce per hour, being water soluble. If a person were to drink 24 ounces of alcohol, in 24 hours it would be eliminated. There is no evidence that alcohol causes cancer, or deformity in the offspring of those who use it. In order to reach the stage of long-term psychotic phenomena or mental disturbance by the use of alcohol a person must drink it over a period of 10 years at a quite excessive rate. The same applies to psychological changes. Alcohol is naturally in the bodies of animals as well as humans in small quantities, and is sometimes used medically as a vasodilator. Any damage caused by alcohol is usually paid for by the older age group, as it builds up. Those using alcohol in this fashion may, therefore, die five or 10 years earlier—at 70 rather than 80 years of age.

● (1450)

Cigarettes are different. They are taken for relaxation. Smoking, which is a nervous habit, is thought by some to slow down a person in his work; it is thought by others to improve one's mental acuity. Cigarettes contain tar and while they do not cause abnormalities their prolonged use can cause lung cancer. It is not a natural constituent in the fat of either animals or humans. It has no medical use, and smokers may shorten their lives by five years as a result of getting emphysema, or they may die from lung cancer. It is a high price to pay, and there is a particular danger to smokers in the older age group.

Marihuana, on the other hand, is taken mostly for its psychological effect. It is a soluble drug and is accumulated in the system. It builds up and is stored in the fat cells. Its effects are persistent for a long time.

With regard to carcinoma of the lung, the tar in a marihuana cigarette is 20 times that of the tar in an ordinary cigarette. Taking marihuana over a period of three years can cause more lung damage, according to microscopic examination, than by smoking cigarettes over a period of 20 years.

It has been shown that 40 per cent of marihuana users have changes in their chromosomes, and this produces some malformation in the second generation. The fact is that marihuana causes not only cancer but malformation. It is even likely to produce "thalidomide" babies in the third generation. Such results were produced in mice when they were experimented on, and it could happen to humans. Marihuana has no medical use, and its effect on our young people between 14 and 20 costs our society dearly. These youngsters lose their initiative, drive, sense of purpose, and their ambition to succeed.

On Sunday last I talked with two lads who had been smoking marihuana for four years. One started when he was in grade 7, at which time his marks averaged 92 per cent. A year later, after smoking marihuana "to be one of the boys," his average dropped to 64 per cent. He barely passed. The next year he failed grade 9. He is now in his second year in grade 9 and is averaging 63 per cent. He told me that he was not concerned with getting ahead, that he was just concerned with getting tomorrow's supply of marihuana. He was smoking up to 20 marihuana cigarettes a day, at $1 each. To get money for this habit he had to resort to crime; he had to find some fast way of making a buck. Then he heard about the ill-effects of marihuana on a special program arranged by the provincial Department of Education, and he decided right then and there to stop. He has been three weeks now without using marihuana, and his views on the future are already changing.

This drug not only destroys the initiative of youth, but it has a long-term effect on the user. If it is used steadily over a long period of time, permanent brain damage can result. However, if the user gets off the drug after only a short time, chances are that he will revert to his former self. His thinking will be clear again.

There is still much research being done on marihuana, but there are many new and proven facts that should be made known. It has been proven that the drug is dangerous to youth, and its use should not be encouraged. We should make it perfectly clear that the Senate and the Government of Canada have no intention, either now or in the future, of making marihuana legal in Canada. We should also make it perfectly clear that we are not reducing the penalties for trafficking in marihuana or for importing it; we are reducing the penalty for possession of marihuana.

There is a great need for educating the public, particularly our youth. We in the Senate have the opportunity to start the ball rolling by making a strong recommendation to the government to listen to the evidence of scientists, psychiatrists, neurologists and others who know the facts about this drug, and to bring those facts forward to the Canadian public. If that is done, we shall have done an important service to our nation, and particularly to our youth.

**Hon. Frederick William Rowe:** Honourable senators, first, may I congratulate Senator Bonnell on the points he has raised on this very important matter. Two things emerged from his speech—and I am sure that all honourable senators are pleased that they were brought out. The first is a perfectly obvious one. I do not wish to be critical of either Senator Bonnell or Senator Sullivan. I am sorry that the latter is not in his place today, because some of the things that I wish to say relate to the speech that he made in the Senate on December 5.

● (1500)

I say in passing that it is a pity the medical profession has taken so long to conclude that marihuana is harmful—something which should have been obvious to any person. You simply cannot take a foreign substance into your lungs day after day, especially a foreign substance containing the chemical ingredients which are contained in marihuana or tobacco, without doing yourself harm. It is against all the laws of common sense that one can take these things into one's lungs day after day, week after week, month after month, year after year, without doing damage and, in some cases, irreparable damage.

I am grateful to Senator Bonnell for bringing out this point today, sorry as I am that the medical profession throughout the world has been dragging its heels in this respect. Marihuana has been a problem for 25 years in our society, and for most of those 25 years the medical profession has done absolutely nothing about it, just as it has

done practically nothing about the problems of alcohol or tobacco addiction.

In his remarks this afternoon, Senator Bonnell made the point that we have to educate our children. I am sure what he was implying—and certainly this is what I infer from what he said—is that we cannot solve a drug problem by putting our young people, whether they are 16 years old or 21 years old, in jail. That, simply, will not solve the problem. Again, it has taken us a long time to come to that conclusion. At this very moment there are tens of thousands of young people, in both Canada and the United States, wasting their lives in jails. The lives of these young people have been destroyed by the due process of law in the great democratic, freedom-loving countries of the United States and Canada.

I am sorry Senator Bonnell is unable to remain in the chamber to hear the rest of what I have to say. These things have to be said, and we will be discussing them again and again during the course of this debate.

Senator Bonnell referred to an organization in the United States known as NORML, and perhaps left the impression that it was the aim of that body to legalize marihuana. In fairness, I should emphasize that the aim of that body is not to get the use of marihuana legalized; that has never been its aim. As a matter of fact, I have the constitution of that organization in my file. The aim of that body has been to do what a lot of us have been attempting to do over the years, that being to bring about a saner approach to this matter—to do away with the emotional approach and, in particular, to stop destroying the lives of our young people by putting them in jail simply because they use or fool around with marihuana.

Incidentally, that organization includes some of the world's outstanding pediatricians, heart specialists, and medical scientists of one kind or another, many of whom are attached to such great medical faculties as those of Harvard, Yale, and Johns Hopkins, as well as such great scientific faculties as those of MIT and UCLA. These are persons of the calibre of Dr. Benjamin Spock. Does anyone really think that a man such as Dr. Benjamin Spock, who has devoted his whole life to the welfare of children, who has probably had to deal with more children in his practice than any other pediatrician alive today, would argue for something which he thought might be injurious to those children? Dr. Spock is a leading member of that organization.

To repeat, the aim of that organization is the decriminalization of the law respecting marihuana. That is a long and awkward word. I shall be referring to it again in the course of my remarks.

I have every regard for Senator Bonnell, as I am sure all in this chamber are aware. He is a highly qualified and recognized medical practitioner, and I have every respect for him. Nevertheless, he would be the first to admit that the points he made in his remarks today in relation to alcohol and tobacco are highly debatable. There are equally respected and recognized medical practitioners of one kind or another who would take issue with what he said in that respect. We have all heard and seen the evidence in respect of alcohol and tobacco from time to time. I do not think Senator Bonnell meant to treat it in a frivolous way. Perhaps he inadvertently suggested that about the worst that alcohol or tobacco can do to the individual is shorten his or her life by five or ten years.

I spent about a month in the Royal Victoria Hospital in Montreal some time ago, and during my stay I became friendly with the doctor who was treating me, as well as other doctors on the staff of that hospital. When I was ambulatory one of the senior doctors in charge of that great hospital took me with him on a tour, and showed me the effects that tobacco can have on an individual. He took me to see individuals who, for months and years, had been struggling to get a bit of oxygen into their lungs. Some of these people were dying agonizing deaths from lung cancer, young men included. These men were literally coughing out their lungs. I think Senator Bonnell would agree with me on the ravages of alcohol and tobacco.

The number of people using marihuana, both in the United States and Canada, might be several million, but that number is negligible when contrasted with the number using alcohol and tobacco to the point of addiction. I speak with some feeling on this, having been an addict of nicotine for some 20 years, and I mean the word "addict" literally. I know what control tobacco can have over an individual. I have buried some of my friends who died as a result of the ravages of tobacco smoke—people who died in their early fifties, mid-fifties, late fifties and early sixties. They literally smoked themselves to death.

I want to pay tribute to my colleague, Senator Neiman, not only for the lucid and rational exposition she gave when introducing this bill in this chamber, but for having the courage to do so, knowing, as she does and as we all do, that when one undertakes a job of this nature misrepresentation is almost inevitable.

One of the first speeches I made in this chamber was on drugs, and it was in much the same vein as I am speaking now. At no point did I ever suggest that marihuana was harmless, or that we should encourage the use of marihuana. I did argue that it should be decriminalized. I was accused of being the enemy of the youth of Canada. How about that!

● (1510)

As a matter of fact, rather ironically, a gentleman who lived in the Ottawa area rang me up at the time and said I should be shot. Those were his words. He sounded as though he might be—and I found out subsequently that he was—under the influence of alcohol. His reason for saying I should be shot was, he said, because I was encouraging young people to use marihuana, "pot". He went on in the same maudlin way over the telephone to tell me that one of his children was on drugs, and that it was the likes of me who had put her on drugs. As a matter of fact, I met the gentleman afterwards. I found out subsequently that he was an alcoholic, that he was coughing from morning to night because he was smoking three packs of cigarettes a day, and that one of his children, a young person, was indeed on hard drugs. I will not elaborate on that. Here was a father who was an alcohol addict and a tobacco addict. All I was really suggesting was that we would achieve nothing by taking his daughter and putting her in jail, as we had done with a lot of young women and young men over the years.

One of our problems here is that we get an emotional reaction. I say this in all honesty. I am sorry that Senator

Sullivan is not here, but he will have a chance to read what I say and, no doubt, a chance to rebut anything I say. Here we have a supreme example, in my view, of an emotional reaction. We are all guilty—if "guilty" is the word—to some extent of reacting emotionally on this sort of thing. Theoretically and academically we are against capital punishment, but if I came upon someone attacking one of my granddaughters I would probably kill him, or try to kill him—an emotional reaction. This is unfortunately the case when we discuss a matter like drugs. If there is any one problem we need to approach in a clear-headed way, it is that of drugs in Canada. I am not thinking of marihuana, which happens to be one of the, God knows, serious drugs, but relatively, arithmetically, in the absolute sense, it poses one of the least important of our drug problems, although incidentally the one on which most money is spent. I will come to that again in a moment.

Let me come back to Senator Neiman's speech. I said it was courageous. It was, not merely because of the misrepresentation there might be but because there is so much disagreement. It seems that you cannot talk about drugs without making bad friends. We senators are not in agreement on this matter. We have seen evidence of that right here. The emphases that Senator Bonnell would put on this are not exactly the same as those I would put on the problem, or that some other honourable senators would necessarily put on it. There is no way to please people on it. There are so many reactions.

Nevertheless, we have to face up to the fact that this whole problem of drugs is a complex one. I am sure Senator Neiman will not mind my referring to this. Only yesterday we had a chat about what constituted soft drugs and hard drugs. These are terms we fling around. I was interested to find, as I am sure she was, that there is even some disagreement on that. When we talk about soft drugs we are unfortunately leaving the impression that a soft drug may not be harmful. Again, we do not need to labour the fact. There is no drug, no foreign substance of that kind, that is likely not to be harmful to the individual.

How many people are there in our society today who know that the use of LSD is a problem and that it is a dangerous habit; who know that the use of "uppers" and "downers" and all the rest of them, is dangerous; who shudder at the very name of heroin, and yet to this moment do not recognize that the two most serious drugs in our society are so respectable that the majority of people do not consider them drugs at all—alcohol and tobacco? In the absolute sense, tobacco destroys more lives than any other drug in use. In the absolute sense, alcohol has more deleterious effects on our society than all the other drugs put together—not just heroin or marihuana, but all the others put together. It destroys homes, it breaks up families, it causes innocent people to be killed. The slaughter on our highways is a disgrace—not only in this country but in others. Yet I would say that the majority of people in our society refuse to face up to that simple fact.

I said earlier that I wanted to make some comments on Senator Sullivan's speech. I want to be fair to my colleague on this matter, so let me say two things right away. First, I acknowledge his right to any opinion that he expresses here, of course. Let me say also that anything I say here should not be construed—and I say this, again thinking of what can happen when we discuss this matter—as an assault or an attack on the medical profession. I am not a medical doctor. I would not be here today were it not for medical doctors. I have medical doctors in my own family. I have the highest regard for the work that doctors are doing, individually and collectively, but I should not blind my eyes to their shortcomings.



I did not hear all of Senator Sullivan's speech, but from what I did hear and from reading it—I may say I read it over three or four times, and I have it in front of me now—I got the impression that he feels that unless you are a medical doctor you have no business to be saying too much about this business of drugs. Let me give you his exact words. I think this is very important, and it is why I want to refer to it today. Referring to Senator Neiman, Senator Sullivan said:

> . . . I was wondering whether her training had been in law or medicine.

Perhaps I am a little sensitive on that point, but the impression I got was that perhaps the matter should not be discussed too much by lawyers, because he went on to say:

> This problem, honourable senators, is a medical problem. Let there be no mistake about that.

I would suggest to Senator Sullivan, and to any other doctor who says that, that this problem is not a medical problem. It is no more a medical problem than VD is a medical problem. Is there anybody here who would argue that that should be considered as a medical problem? It is no more a medical problem than is the malnutrition and starvation of the countless millions of children all over the world at this moment. Would anybody argue that the fact that children are dying at this moment in Bangladesh, in India and in a score of other countries, is a medical problem?

● (1520)

On that matter, the other inference I draw is that the medical profession is capable of speaking with infallibility on this subject. We have recently had a good deal of that sort of thing. Senator Bonnell cited it here today, Senator Sullivan cited it the other day, and we have had in recent weeks and months many in the medical profession making pronouncements of one kind or another about marihuana. But I find it necessary to point out something which again should be obvious, that historically, the medical profession has been wrong more often that it has been right. I say that with no intention of derogating from the medical profession, but it is true nonetheless.

You need only think of the opposition which the medical profession traditionally has put up against the advancement of every new idea. What did the medical establishment say about Pasteur? He was a fool. He was a jackass. The whole germ theory was discredited by the profession. You can go over to the parliamentary library and search back and see where the most eminent medical practitioners in the world 100 years ago discredited the whole idea of the germ theory. And what happened when the vaccines were introduced? The same thing.

Someone once said that war is too important a matter to be left to the generals. Well, this drug problem is too important a matter to be left to the doctors.

Let me quote again from the speech Senator Sullivan made last December 5—and I suggest that this was a completely emotional reaction:

> The use of soft drugs leads almost inevitably to the use of hard drugs.

Honourable senators, statistically, that is nonsense. Every inquiry or investigation into the use of marihuana and cannabis has come up with the same statistics. There are 30 million people, young and old, who have used marihuana—there are at least that many—but nowhere has it ever been suggested by anyone that the number of users of heroin and other hard drugs is, at most, more than one-thirtieth or even one-sixtieth of that figure. If 30 million people have used marihuana over the years, and the number of hard drug addicts is in the hundreds of thousands at the most, how then can anyone justify the statement that the use of soft drugs leads almost inevitably to the use of hard drugs?

Then Senator Sullivan went on to say:

> There is no such thing as "simple possession of marihuana," I would remind Senator Neiman. They are all either passing it on, or proselytizing. Furthermore, I am in favour of the death penalty for heroin traffickers. You now know exactly where I stand.

So Senator Sullivan says he is in favour of the death penalty for heroin traffickers. What is a heroin trafficker? In popular imagination, and we know such persons do exist, the heroin trafficker is a jackal, a person living on the misery and weakness of human nature, a person engaged in the wholesale importation and peddling of heroin, a person engaged in the wholesale program of trying to seduce young people into the use of heroin. Do I have any sympathy for such people? My answer to that is: Absolutely not. The answer is apparent. I have 8 grandchildren myself.

But take the case of an 18-year-old girl who is seduced into the use of hard drugs—and such a thing can easily happen to a girl from a broken family, a girl with no parental guidance, a girl out on her own looking for assurance, security, or popularity, and falling in with people who, by one means or another, seduce her—

**Senator Choquette:** She is enticed rather than seduced.

**Senator Rowe:** All right, enticed, or whatever word you wish to use, but she is enticed or led into the use of hard drugs. She is 18, 19 or 20 years old. She becomes an addict. At that point she becomes, for all practical purposes, an irrational person—an insane person, if you wish—who has to have that drug, who has to have a fix. Fixes cost money. According to the figures given by the police authorities, it costs on average $200 a day to maintain a heroin addiction in the city of New York. This girl has to find that money somewhere. Obviously, if she is a hard drug addict she is not likely to be working at gainful employment. Therefore, there are only two traditional methods of obtaining money open to her—one is to steal; the other, to prostitute herself. For an average girl of 18 to 20 years of age it would be most difficult to support a heroin addiction to the amount of $200 a day merely by stealing from supermarkets or jewelry stores. At best she might manage for a week or two, or even a month, but to maintain the habit day after day by stealing would be simply impossible. It is almost equally unlikely that the average 18- to 20-year-old girl could maintain the habit by prostitution, especially in this permissive age. So it is extremely difficult, indeed, impossible, for such a girl to maintain the habit, except through the one remaining avenue—trafficking. From desperation, from a kind of insanity, and in a process of irrationality, she agrees to sell heroin to some other person who needs it. She is given heroin, and she sells it to another person who is willing to pay for it. She does it in order to obtain her own fix, to satisfy her own addiction. She is now a trafficker.

What is the cure for this situation, as posed by Senator Sullivan? He says, "I am in favour of the death penalty for heroin traffickers. You now know exactly where I stand." Yes, we know exactly where he stands. The cure for this girl, this poor unfortunate derelict of society, is to electrocute her, to hang her, to use the guillotine on her, to shoot her, or to use whatever other method of disposal appeals to those who would apply the death penalty to heroin traffickers. The cure for her is the death penalty.

● (1530)

My belief is that this approach to the whole drug question—an approach which is not confined to a few individuals—is partly responsible, if not largely responsible, for the magnitude of the problem confronting us today.

I realize that I run the risk of being accused of going soft on marihuana, although that is not the case, but while I remember it let me say once more that the effects of marihuana on society, financially, industrially, medically, and socially, are negligible compared with the ravages of alcohol. Whatever marihuana may do to the individual—and I am sure it does some of the things that Senator Bonnell told us about—at least it is not a wholesale destroyer of family life; at least it is not responsible annually for the deaths, in Canada alone, of thousands of innocent people. Arithmetically its effects cannot be compared to those of alcohol or tobacco.

I emphasize that my plea is not that marihuana is a harmless drug and should be legalized. There you have all sorts of divergencies of opinion. No reasonable or sensible person wants to see the use of marihuana increased in our society, but certainly we should wait until the results of the medical and scientific investigations now going on are available to us before taking any serious action that might lead to an acceleration of the increase in the use of marihuana that is taking place anyway.

There is a conviction which is shared by such disparate groups as the American Bar Association, a number of the state bar associations, the American Medical Association—not noted, incidentally, for its eagerness to embrace new ideas—and the police commissioner of the most drug-ridden city in the world, which I do not need to name—the conviction that our whole approach to marihuana is unjust, discriminatory, irrational, and that because of it we have not been able to deal effectively with other more serious drug problems afflicting our society.

Further to this, only last night I was reading a current magazine that I came across, and in it there was an interview with a man who is one of the world's recognized authorities on alcohol. He is a medical doctor, a scientist, and a psychiatrist. Until recently he was attached to the Harvard medical school. His name is Dr. Chavetz, and he

is at present the head of the National Institute on Alcohol Abuse and Alcoholism. He is not a fanatic. He and his wife, as mentioned in the article, both use alcohol. However, he pointed out that in the past 22 years there has been an 83 per cent increase in the number of problem drinkers who are women—mothers in the home and housewives. Translating this into my language, it means an 83 per cent increase in the number of women alcoholics in our society.

He further stated that the use of alcohol is now almost universal among students by the time they reach grade 12, at the age of 17 or 18. He said that five per cent of all teenagers get drunk at least once a week—in other words, 52 times a year—and that 14 per cent of all high school seniors get drunk—these are his words, "get drunk"—once a week every week. In the age group of 16 to 24 years 60 per cent of all traffic accidents involve alcohol. He is, of course, speaking about the United States, but I think we can project most of these figures in terms of the Canadian situation. In this same article he pointed out that most university students use alcohol.

I have talked to hundreds of students, if not thousands, in my professional career, and the great majority of them—indeed, I think I can say that I have never known an exception to this—will tell you that people who use marihuana tend to become introspective rather than aggressive and violent, as is the case with those who drink alcohol. The figures supplied by the Department of Health, Education and Welfare in the United States show that 64 per cent of the murders, 50 per cent of the felonies, and at least 35 per cent of the rapes are related to alcohol.

My constant references to alcohol may lead me to run the risk of being considered a modern Carrie Nation. I am not an abolitionist, however. I am not a total abstainer. I have perhaps been a total abstainer periodically, but only for reasons of diet, and no other. We use alcohol in our home, as I am sure most people do today.

**Senator Choquette:** You are making us all thirsty, I can tell you that.

**Senator Rowe:** Honourable senators will be glad to hear that I am coming to the end of what I have to say.

In the United States and Canada we have spent, over the past 20 years—and this figure is perhaps going to be a surprise—hundreds upon hundreds of millions of dollars in enforcing, or trying to enforce, laws against the use of marihuana. We have put thousands, indeed tens of thousands, of people in jail for using, trafficking, or importing marihuana. At Gander, in my own province, a young man, aged 20, came in with a cast on a broken leg, and he had some marihuana stuck inside the cast, and it was detected. He is now in jail serving the minimum sentence that the courts of Canada could give him. He is a young man from a respectable family who could have been your or my son or grandson, honourable senators, and he is now in jail serving the minimum sentence—seven years—and unless he is a superman he will come out skilled, qualified and oriented towards every conceivable crime in the book.

● (1540)

Honourable senators, has anybody ever benefited from being in jail? I realize you have to incarcerate some people; you cannot have men going around criminally assaulting women and children, and shooting up bank managers and policemen. They have to be put away; we have to be protected. But I repeat my question: Does anybody know of anybody who has ever benefited from being in jail? I am sure there are exceptions, but I do not know of anybody who has benefited from it, and I cannot think that the brutalizing process that that young man of 20 years is being subjected to under our system here in Canada will do him any good whatever. I cannot think he will be anything but anti-social when he comes out. But worse than that, he will then be skilled—he will have been taught. In addition, and apart from anything else, there will not be much else left to him but crime when he comes out. Can be become a teacher? No. Can he become a lawyer? No. Can he become a doctor? No. Mind you, honourable senators, he does not have to serve seven years to arrive at that state; seven days will do that for him.



Can a young woman in that position become a nurse? No. We will, of course, permit her to become a prostitute. She has that privilege. As Anatole France said about France, "The law in its majestic impartiality forbids the millionaire and beggar alike to sleep under the bridges of Paris."

We have spent hundreds of millions of dollars in our efforts against these young people, and while we were spending that money—I want to make this contrast quite clear—on this irrational, ineffective and useless assault on the users of marihuana, most of them young people, we, at the same time, permitted the great tobacco interests of the United States and Canada to spend annually even larger sums of money, sometimes as much as $500 million on the advertising of tobacco. We recently stopped some of it. In the United States they are forbidden to advertise on television, but even so they are now spending $400 million a year on an advertising campaign designed, skillfully and covertly, to discredit the legitimate findings of medical science on the matter of cigarette and tobacco use, and even more nefariously spending hundreds of millions of dollars on a program linking up the use of tobacco with glamour, with athletic prowess, with handsome and virile youth by the side of the stream, meandering in the dell, or coming back from having taken a stroll through the woods. They are linking up that with the use of tobacco, and using youth and sex in their campaign, in a program designed to seduce your children and grandchildren into a habit which, without any doubt, will shorten their lives and which, as has been shown statistically, will cause a very significant number of them to hack, cough out, their remaining years—and I am not being melodramatic about this—in misery of one kind or another. In some cases they will end their lives by coughing up their lungs riddled with carcinoma caused by the use of tobacco.

We permit that, honourable senators; we do absolutely nothing about it. But we put the young girl or young man of 20 years in jail and we destroy their lives, while to these tobacco interests who are making this blood money out of the misery, suffering and weakness of the rest of us, we do nothing. And then we wonder why it is that so many young university students and others have rebelled against our hypocrisy.

Senator Sullivan said in the course of his speech:

> The cleaver masters of our media suggest that patriotism is a hollow sham, that reverence for authority is weakness and that authority itself is stupid or corrupt.

I ask, in God's name, what do you expect in the light of what has happened in the United States in the last two years? What do you expect our young people to think? How can they think otherwise than that authority is stupid or corrupt? How do you expect the biology student in his fourth year, whose academic career was ruined because somebody picked him up with a couple of marihuana joints in his pocket and put him in jail, to react? His academic life has been destroyed. How do you expect such a person to react when he knows what is happening in the field of tobacco and alcohol and the other "respectable" drugs, the drugs that one can buy at the local drugstore? How do you expect him and the millions of other young students to react to that situation? Do you expect him to show some respect for authority?

The American Medical Association only this past week publicly accused the United States government—and these are their words, not mine—"of subsidizing death and disability" because of its tobacco policy. It states that cigarette smoking is the leading cause of 600,000 deaths per year from coronary heart disease, 72,000 deaths per year from lung cancer and 25,000 deaths per year from chronic bronchitis and emphysema. And yet we keep on putting our 16-, 17- and 18-year-old boys and girls in jail, or giving them equivalent punishment, because they have been fooling around with marihuana.

Honourable senators, I am going to close with this one thought, and it is not a happy one. I wonder how many people, how many adults, in Canada are familiar with this frightening fact which I am now about to state, that there has been a decline in cigarette smoking among adults, and a very substantial increase in cigarette smoking among our young children in elementary school as well as in high school. I wonder how many are familiar with this further fact that there is a steady increase in the number of school children using alcohol regularly. What is the answer to that? I do not know.

● (1550)

I know that most of what I have had to say today has been negative. I am supporting the bill, by the way. However, I do not believe it goes far enough. I know it is not a panacea, and it is not meant to be. I do not think it will increase the use of marihuana or that any youngsters' lives will be blighted and ruined by the effects of this legislation. I do believe and know that the lives of hundreds of thousands of them have been blighted and ruined by our present narcotic legislation. I know that, but I do not believe that this bill will destroy any lives. In so far as it goes, in my opinion it is a good bill. However, the thought I will end with is that the whole drug problem is so complex, involving as it does so many drugs, "soft," "hard drug" and "respectable," and so interrelated with other problems of our society, that a piecemeal approach to it, such as this bill represents, can never hope to do very much. I do not know if what I will now suggest would be an improvement. I am pessimistic that this idea might be adopted, but do not think it could do any harm. I believe that the government, or the Parliament of Canada, or one of the two houses—possibly the Senate—should convene a well-planned, national conference to discuss, examine and investigate, and collect information and scientific findings on, all these matters with a view to preparing a composite policy with regard to the whole drug problem of Canada. I hope that will be done.

**Senator Deschatelets:** May I ask a question, Senator Rowe? Do you not believe that a committee of the Senate, devoting the time deserved by this matter, could achieve exactly what you have in mind?

**Senator Rowe:** I am sure there is much merit in that suggestion. I have frequently thought about it. In my view a conference, hopefully a public conference which would be televised live, could do for this whole drug problem—which is partly an educational problem in the sense that our children and their parents need to be educated—what the Watergate inquiry in the United States did for that country. In my view, in the 200 years of existence of the American nation the Watergate inquiry, under Senator Sam Ervin, was probably the most beneficial process ever carried out there. This is what a conference such as I suggest might very well do for Canada in our attempts to deal with this very difficult, perhaps insoluble, problem.

**Hon. Guy Williams:** Honourable senators, I would like to comment on this bill from the point of view of my concern over how it may affect the Indian on his reservation, particularly juveniles. I speak with respect to the part of this bill which refers to simple possession and trafficking. The first contact of a juvenile with marihuana is usually at the school. I am informed that marihuana is trafficked in every secondary school, and even in elementary schools, in the province of British Columbia. I do have personal knowledge that marihuana is on every reservation. The question of simple possession bothers me very much.

When a juvenile of 13 or 14 years of age goes to the side of a foreign ship at the dock, and a foreign seaman is his source of supply, is he an importer, is he a trafficker? If this bill is going to encourage the arm of the law to go to the schools and take care of those who are trafficking, then I am all for this legislation.

We cannot actually compare this problem to that which destroyed the dignity of the Indian—that of alcohol. This is different. There is a belief among the Indians, not only of my province, British Columbia, but of the whole of Canada, that marihuana is harmless. As a result of the destruction of the dignity of the Indians by liquor, a law was passed on their behalf by the government of this country making it illegal for an Indian to have liquor or to consume it. This law did not stop Indians from drinking.

I read an article two days ago referring to one of the central provinces, in which it was stated that 40 per cent of those in the penal institutions were Indians. It further stated that this was a common phenomenon. Before this society came there was no liquor, so it is not a common phenomenon. I am of the opinion that marihuana causes a greater destruction of Indian youth today than liquor, causing many drop-outs. Statistics show that in many cases the suicide rate per capita is the highest among Indian young people in this country. If this bill encourages the arm of the law to take care of the trafficking in schools, I support it fully.

● (1600)

**Hon. J. J. Greene:** Honourable senators, perhaps you will allow me to speak before the debate is adjourned. I assure you that I shall be brief.

First, may I say that the parliamentary debate on this subject has been without equal in my limited experience. I spent approximately a decade in the other place. I had the opportunity of sitting in the Visitors' Gallery during World War II in the Mother of Parliaments, and I can say without fear of contradiction that the debate in the Senate on this subject is of the highest calibre. I am only sorry that the press, which should be filling the gallery on an occasion like this, apparently does not realize the importance of this bill, or the ability of the Senate to debate it effectively.

I have one point that I wish to make following Senator Rowe's excellent address. I am disappointed that the government did not consider—I hope that my few words will put the thought in their heads—the inclusion of alcohol in this measure. We have left that to provincial jurisdiction by reason of constitutional timidity emanating from two cases prior to the turn of the century, when an unenlightened Privy Council decided that the question of alcohol came only within section 91 of the British North America Act in the event that drunkenness was such a problem in Canada as to be a national calamity. From what we have heard today, some of the problems of alcoholism might well come within even that ridiculous and restrictive interpretation of our Constitution.

Secondly, now that we have abolished appeals to the Privy Council, it might well be that the more enlightened Supreme Court of Canada could modify these restricting decisions because if problems associated with drugs affect the country as a whole, so surely do problems resulting from alcohol.

I am not familiar with the laws of each province, but in Ontario, for instance, I do know that under the Liquor Control Act the court has the right, which it exercises almost automatically, for a second offence of being drunk in a public place, of imposing a jail term. This is inevitably the case with the confirmed alcoholic who is without means. The affluent alcoholic may be able to carry on his merry way, but the fellow on skid row spends almost every second month in the county jail. There is no useful attempt at rehabilitation. It costs society, in the long run, a very great deal without accomplishing anything, in just the same way, as Senator Rowe has so ably demonstrated, that putting young people in jail for smoking marihuana does not achieve any useful purpose.

I wish to suggest that the Department of National Health and Welfare and the government might well consider, despite the antiquated and now hardly relevant decision in *Hodge v. The Queen,* which I believe was in 1891, placing the question of alcohol under the Food and Drugs Act and treating it across Canada in a uniform fashion, just as they are proposing to treat cannabis. This will lead to education, and an ultimate resolution of the problem, in place of the cruel penalty which is of no benefit to either the alcoholic or society itself.

**Senator Neiman:** Honourable senators, I move the adjournment of this debate.

[Senator Williams.]

**Senator Lafond:** On a point of order. Does not the debate stand adjourned in the name of Senator Davey?

**Senator Petten:** Honourable senators, Senator Davey has indicated to me that because of other commitments he will not be able to speak. He has no objection to the bill's going to committee. He will speak on the bill in committee.

**Senator Choquette:** As to the committee to which the bill should be referred, it has been suggested that we should send it to the Standing Senate Committee on Transport and Communications because those who partake of these drugs go on trips.

On motion of Senator Neiman, debate adjourned.

## BUSINESS OF THE SENATE

**Senator Langlois:** I move that the Senate do now adjourn to reassemble at the call of the bell at approximately 8 o'clock this evening. It is possible that we may receive legislation from the other place at that time.

The Senate adjourned during pleasure.

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At 8.15 p.m. the sitting was resumed.

**Senator Perrault:** Honourable senators, I must report to you, with some degree of regret, that, because of the scheduling of activities in the other place, it is not possible to have referred to the Senate this evening any measures for our consideration. The members of the other place have been occupied, and preoccupied, today with matters of some concern to them. I think we all understand the nature of the problem. It is my hope that there will be legislation before us when we meet tomorrow morning at 11 o'clock. In any event, honourable senators will be duly notified at the commencement of the next sitting as to the day's activities.

I think it can be safely predicted that we are going to be hearing the bells ringing almost all of tomorrow, and perhaps into Saturday. As I said earlier today, however, it is not expected that honourable senators will be singing Christmas carols in the chamber on Christmas Eve.

**Senator Flynn:** Do I understand there is a possibility that the other place will sit on Saturday?

**Senator Perrault:** I am given to understand, Senator Flynn, that the matter of members' indemnities will not be debated beyond this evening and that, commencing tomorrow morning, the other place will turn its attention to expediting the remaining measures before it. We know of at least two bills which we thought would have been sent to the Senate this afternoon, but because of the nature of the debate which has been taking place in the other place that did not prove possible. We are hopeful that those two measures can be dealt with by the Senate tomorrow. Apparently, the remaining work to be done is of a routine nature, although there may be other measures as well. I should think the Senate will have something to debate at tomorrow's sitting.

**Senator Choquette:** Including the indemnities bill?

**Senator Flynn:** I am not worried about tomorrow's sitting. What I am concerned about is whether there is any understanding that the Senate will sit on Saturday, or whether there is a possibility that we will come back Monday and Tuesday of next week. If the Leader of the Government can give us some indication in that regard, it would be helpful to all honourable senators.

**Senator Perrault:** Barring extraordinary circumstances and developments, Senator Flynn, which are not foreseen as of this time, it is the intention to conclude the activities in the other place tomorrow afternoon at the latest, which would mean that the Senate may be called upon to sit late into the afternoon tomorrow, and possibly into the evening. Hopefully, it will not be necessary to sit beyond Saturday morning. We do not see the possibility at this time of having to return on Monday or Tuesday, and I know that in the spirit that pervades this season, there will be co-operation on all sides in order to expedite the measures to come before us.

**Senator Flynn:** There is always that spirit in the Senate. We on this side are always co-operative, as you know. I do not know whether you can expect that in the other place.

The Senate adjourned until tomorrow at 11 a.m.

# THE SENATE

Friday, December 20, 1974

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

## FOOD AND DRUGS ACT NARCOTIC CONTROL ACT CRIMINAL CODE

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator Neiman for the second reading of Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code.

**Hon. Joan Neiman:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, I must remind the house that if Senator Neiman speaks now, her speech will have the effect of closing the debate.

**Senator Neiman:** Honourable senators, though my experience in this chamber has been slight, I wish to endorse the remarks made by Senator Greene yesterday with respect to the quality of the debate which Bill S-19 has precipitated. It has been excellent, indeed. I am grateful that my own conviction of the importance of this bill—not only of the practical social consequences which will flow from it, but also the social philosophy underlying it—is so obviously shared by our members. I have already found, as I am sure honourable senators have found, that public and press reaction reflects not only the depth of concern but also the breadth of opinion so amply demonstrated by the speakers in this debate.

The government cannot hope to solve, by the measures proposed in this bill, all the ills caused by the use and misuse of cannabis, nor to reconcile the widely divergent views on how a solution can be found. I myself have serious doubts at the moment that some of these precise measures are the best that can be chosen. It is obvious that many honourable senators and others share my doubts. It is equally obvious that many stand on either side of the position I take now, and it is quite obvious that they will continue to stand on either side of a somewhat changed position that I might choose once we have heard the opinions of experts expressed in the committee hearings. This is the dilemma that will face all of us as we give clause-by-clause consideration to the bill in committee. I shall propose, if the bill passes second reading, to refer it to the Standing Senate Committee on Legal and Constitutional Affairs.

Public concern about the potential hazards to health of cannabis users was ably demonstrated in the speech of Senator Sullivan, and again yesterday in the speeches of Senators Bonnell and Rowe. It is my belief, however, that while the government fully acknowledges those dangers it is, by means of this bill, endeavouring to establish the range and severity of the penal sanctions to be imposed for offences relating to cannabis. It would seem that the Standing Senate Committee on Legal and Constitutional Affairs is the most appropriate forum in which to consider those proposals.

I wish to assure honourable senators that if they concur with my recommendation, the chairman of the committee has indicated that he will by no means ignore the very real concerns of all of us—and not just of those who have concentrated in the main on the physiological results of the use of cannabis—with regard to the medical aspects of this problem. He would hope to obtain up-to-date opinions, not only from former members of the LeDain Commission but also from other medical experts and researchers in the field of drugs. Naturally, the committee would also hope to hear from various law enforcement agencies and members of the judiciary charged with enforcing our laws on drugs, as well as from representatives of the general public who have a special interest or expertise in this subject and who wish to appear before the committee.

The committee hearings on Bill S-19 will be of extraordinary importance and interest. I know all honourable senators will be anxious to assist the government in determining whether the measures it proposes in this bill strike the most rational, the best possible, balance between the conflicting widespread and extremely serious problems caused by the use of cannabis.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Neiman, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## NORTH ATLANTIC ASSEMBLY

TWENTIETH ANNUAL SESSION, LONDON, ENGLAND—DEBATE CONCLUDED

The Senate resumed from Thursday, December 5, the debate on the inquiry of Senator McDonald calling the attention of the Senate to the Twentieth Annual Session of the North Atlantic Assembly, held at London, England, from 11th to 16th November, 1974, and in particular to the discussions and proceedings of the session and the participation therein of the delegation from Canada, and to the visit of the delegation from Canada with Canadian Forces in Germany.

**Hon. Paul C. Lafond:** Honourable senators, I intend to be as brief as possible.

[*Translation*]

Honourable senators, because my contribution of last Tuesday evening was somewhat off the cuff, I hope you will permit me to say what I left out. I meant to pay my respects to Madam Speaker and tell her how much we

appreciate the high level of competence, charm and courtesy she demonstrates every day in the discharge of her duties.

[*English*]

In concluding the debate on this inquiry, I wish to associate myself with the remarks of those who have preceded me in this debate. I want to deal, first of all, with the subject of Canadian representation at such meetings as the North Atlantic Assembly and the European Parliament, which were the subjects of Senator van Roggen's inquiry and Senator McDonald's inquiries.

At the November meeting of the North Atlantic Assembly, the Canadian delegation was made up of 12 members, comprised of 11 from the House of Commons and one from the Senate. There were also two senators appointed as alternates. Let me draw some parallels. The United States delegation comprised 36 members, 15 representing the Senate and 19 representing the House of Representatives. Because the Senate of the United States is an elected body, I should like to compare the Canadian delegation with that of the United Kingdom. The British delegation, made up of 18 members, comprised six members of the House of Lords and 12 members of the House of Commons.

In my view, the selection committee should give some thought to improving Senate representation at these meetings. I realize that on occasion not enough senators have expressed the desire to attend meetings of this type, but I think the actual membership of Canadian delegations to such meetings, in terms of delegates representing each House of Parliament, can certainly be improved.

● (1110)

As to continuity in the delegation—and I am not preaching for a call—this year, after two year's absence from the Economic Committee of the Assembly, I found that, with a minor amount of juggling between officers and between officials, many members of that committee were the same as in 1971. They had kept in contact and had been working together, and had arrived at some consensus on most issues that were nearly impossible to question by a freshman delegate, or one who had been an absentee for a couple of years. You must have entry and some tenure in such a working group if you are going to make an effective contribution and not remain a spectator. I think that should be kept in mind as well.

In London, meetings of the association's committees were held in Lancaster House on the first two days, and the plenary sessions convened later in Church House, where Parliament met in the forties after the bombing of Westminster.

Greece was not represented at the meeting as it was at the tail end of a general election and had no legislature. Portugal, still in the process of identifying itself with the democratic option, had observer status only.

The Economic Committee, while not giving up its hold of several years' standing on multinational corporations, reflected the two major problems of the world currently, inflation and the energy crisis, and naturally the impact of each on the defence undertakings of NATO, as such, and of each of its members. Honourable senators will have followed statements emanating from several member countries of NATO, notably the United Kingdom in the last several weeks, where the projections of the defence budgets, because of the inflation situation, are being drawn back. However, Senator McDonald stated these problems extremely well in his opening speech on this inquiry, and I shall not attempt to elaborate.

The Economic Committee presented the association with two recommendations and two resolutions, which were adopted without amendment. The first of these recommendations was on economic problems within the Alliance, and the substance of the recommendation was:

> 1. to establish within the Alliance the appropriate decision-making machinery necessary to secure the fullest possible economic cooperation within the Alliance;
>
> 2. to implement point 11 of the Ottawa Declaration by ensuring that their security relationship be supported by harmonious political and economic relations and by removing sources of conflict between their economic policies.

The recommendation also expressed a few pious wishes to the end that the ministers of finance and ministers of economic affairs of member nations should probably meet together from time to time within NATO. However, obviously in every one of the countries the ministers of such sectors of the various administrations have a multiplicity of platforms and international committees at which to meet, and therefore have very little wish to add another one.

The second recommendation to help the member countries of the Alliance was, in substance, this:

> 1. to ensure, in every way possible, the maintenance of democracy in their own countries by preventing economic breakdown, financial instability and social unrest;
>
> 2. to ensure a system of mutual economic assistance through loans and credits, export facilities, transfer of know-how, and other appropriate measures.

The first draft resolution was on multinational corporations and the Atlantic Alliance. This is one that has been hanging around the North Atlantic Council for four or five years and that is being resurrected, reshaped and re-passed at nearly every Assembly. The preamble to that draft resolution contains a paragraph to which Canada, among others, voiced some objection:

> Deploring the dubious role of some multinational oil companies which artificially kept supplies off the market and cut deliveries of supplies to NATO bases;

Canada felt that this was rather strong language and hardly proven, and got some support from part of the British delegation and from the Norwegian delegation. However, we were overwhelmed in committee and in the plenary assembly as well. As I mentioned previously under the heading of continuity of representation, much spade work had been done over several months. Some of our fellow parliamentarians from the south of us, who had emerged the week previously from a general election, were obviously intent on taking a crack at some of the multinational petroleum corporations which these delegates felt had been rather unfair.

However, after the preamble, the substance of the resolution stated that it urged the member governments of the Atlantic Alliance:

1. to strengthen current work which seeks common regulations on multinational corporations;

2. to take into consideration at least the following items for any international agreement on multinational corporations: each country's policy on competition, investment, taxation, the capital market, monetary questions, the labour market and social matters;

3. to complete those measures by the setting up of an international authority, patterned on the example of GATT.

The fourth document, in the form of a resolution, dealt with energy supplies within the Atlantic Alliance and said that it urged the member governments of the Atlantic Alliance:

1. to ensure short-term energy supplies

(a) by seeking closer multilateral co-operation with oil producing countries to clarify mutual interests;

(b) by providing attractive incentives for oil producing countries' additional revenues to flow back to industrialized countries;

(c) by imposing strong and efficient energy conservation programs on their countries;

(d) by initiating, among consumer countries, a mutual guarantee on energy supplies and financial assistance for those member countries with deficits in balances of payments;

2. to ensure long-term energy supplies

(a) by further developing energy conservation technology;

(b) by giving priority to research and development work on nuclear, geothermal and solar energy as well as on other possible alternative sources, where appropriate;

(c) by widening international co-operation in all fields of energy research and development;

3. to ensure the security of energy supplies for maintaining the strength of military defence co-operation, in particular by providing for the immediate availability of adequate reserve stocks.

This resolution was developed, planned and put through the Economics Committee, the Military Committee and the Scientific and Technical Affairs Committee.

On top of these resolutions—the essential work of the committee—the committee was privileged to hear three invited speakers. The first was Senator Jackson of the United States. Honourable members of this chamber are familiar enough with Senator Jackson's proposals and policies, and I need not go into detail on them.

The second was Dr. Hans Tietmeyer, ministerial director of the federal economic affairs ministry in Bonn. He described to us the problems of inflation and the measures taken in the Federal Republic of Germany to fight it. Apparently they have been quite successful so far. Dr. Tietmeyer said that the inflation rate of 7 per cent in Germany meant that Germany therefore was in a more favourable position than any other country in the European Community, although the balance-of-payments surplus was overhealthy. Dr. Tietmeyer elaborated on the structure of labour unions in Germany and the arrangements for the full participation of labour unions in the management of corporations. This has meant that close tabs have been kept at all times on production and production quotas, with known effects, and that, as a result, little unemployment and few strikes have been experienced in German labour since 1945. It is ironic that this system—comprising only two or three labour unions to cover the entire nation, and closely integrated with management—was imposed on the West Germans by the British army of occupation immediately after the war. I say it is ironic that the British were able to impose such a system and be so successful with it in West Germany when one considers the labour difficulties existing today in England itself.



To return to Dr. Tietmeyer, he said that there had been other developments since 1972-73—for example, several revaluations of the Deutschmark and flexible exchange rates. From the beginning of 1973 economic policy had been not only anti-cyclical but an attempt to stop inflation completely. An investment tax had been imposed on all investments and the proceeds had been frozen. All employed persons earning over DM 24,000 had been taxed an additional 10 per cent. In other words, anything above an income level of about $12,000 to $13,000 would be taxed an additional 10 per cent. Write-off facilities for investment in the building industry were removed. The aim was to restrict demand both for consumption and investment so that the inflationary tendencies might be corrected. The policy had succeeded especially with relation to the price indices. Dr. Tietmeyer insisted that one of the keys to the success of their policy was the fact that they had tried and had succeeded in restricting demand.

The third person to address the committee was Mr. Yves Laulan, director of Economic Services at the Société Générale de Banque, Paris, former head of the Economic Directorate of NATO on the world economy and the financial situation of the Soviet Union. I will not go into detail on this, but I would like to give you the substance of one paragraph from the minutes of the meeting of November 13, 1974, as I think it will be of interest to honourable senators. At that time Mr. Laulan told us that the Soviet Union had taken advantage of the changes of the last 12 months; that its exports of 50 million tons of oil to the West had been worth $700 million a year, and that the income from the export of oil was now $3 billion a year. The Soviet Union had thus significantly increased its hard currency resources. In addition, Soviet gas was being sold to Western Europe, its wood and wood pulp exports had risen in price 400 per cent in the last year, while two-thirds of the world's reserves of coal were located within its boundaries. The Soviet Union also enjoyed some of the largest gold reserves in the world, which were estimated by Mr. Laulan as being worth over $11 billion. A further source of income was the sale of weapons. An ironical trade triangle had developed, with western countries buying oil from the Middle East, which then used the dollars to purchase weapons from the Soviet Union.

Honourable senators, that concludes my report on the Economic Committee of the North Atlantic Assembly.

• (1120)

I would like to inform honourable senators that having completed our sessions in London the Canadian delegation proceeded to Lahr, Germany. On the way we stopped at Vimy to pay our respects to the Canadian dead of World War I, and we were all very impressed with our monument there. I had never seen it before, and was deeply moved.

Our visit with the Canadian forces in Lahr was a most valuable experience. It was, however, so well described to us by Senator McDonald that I shall not deal with it at this point. I endorse wholeheartedly all that he said, and join Senator Choquette in congratulating him and thanking him for his presentation.

**The Hon. the Speaker:** As no other senator wishes to participate, this inquiry is considered as having been debated.

## BUSINESS OF THE SENATE

**Senator Perrault:** Honourable senators, I move that the Senate do now adjourn to reassemble at the call of the bell at approximately 1.30. Before the motion is put, however, I would like to say that we are awaiting legislation from the other place, and I understand there will probably be two measures for our consideration at approximately 1.30. I have been advised as well that, given the normal expedition of legislation, royal assent will probably be given at approximately 5 o'clock. This is the present estimated time.

Motion agreed to.

The Senate adjourned during pleasure.

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At 4.20 p.m. the sitting was resumed.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Interim report of the Textile and Clothing Board, dated December 17, 1974, pursuant to section 17(2) of the Textile and Clothing Board Act, Chapter 39, Statutes of Canada, 1970-71-72, respecting nylon fabrics.

Report of the Textile and Clothing Board, dated July 11, 1974, on a re-examination of the situation respecting cotton terry towels and towelling.

Report of the Textile and Clothing Board, dated September 18, 1974, to the Minister of Industry, Trade and Commerce, pursuant to section 19 of the Textile and Clothing Board Act, Chapter 39, Statutes of Canada, 1970-71-72, respecting cotton yarns.

Report of the Textile and Clothing Board, dated December 11, 1974, on an inquiry respecting acrylic yarns.

Report of the Textile and Clothing Board, dated October 30, 1974, on an inquiry respecting men's and boy's shirts.

## HON. MURIEL McQUEEN FERGUSSON, P.C.

SPEECHES AT UNVEILING OF PORTRAIT IN SENATE FOYER

**Senator Perrault:** Honourable senators, all of us recall the memorable occasion when the portrait of the former Speaker of the Senate, the Honourable Muriel McQueen Fergusson, was unveiled in the foyer of the Senate. With leave of the house I would now request that the speeches delivered on that occasion be printed as an appendix to the *Debates of the Senate* of this day.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

(*For text of speeches, see appendix, pp. 469-471*)

## EXPORT DEVELOPMENT ACT

BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commoms with Bill C-9, to amend the Export Development Act.

Bill read first time.

SECOND READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Hon. Léopold Langlois,** with leave of the Senate and notwithstanding rule 44(1)(f), moved that the bill be now read the second time.

He said: Honourable senators, in April 1973 the Senate passed a bill to amend the Export Development Act. That bill, which was introduced by Senator van Roggen, was an interim measure to raise the financial ceiling for the long-term lending facilities of the corporation pending the preparation of a more comprehensive bill. I am now able to commend that comprehensive bill, Bill C-9, to the Senate.

The Export Development Corporation, known as EDC, is a crown corporation whose purpose is to facilitate and develop export trade by provision of important export-oriented financial facilities. It was established in 1969 as the successor to the Export Credits Insurance Corporation. The functions of the corporation are (1) to make loans to foreign buyers of Canadian capital equipment and services on terms and conditions which are competitive with those of other major trading nations; (2) to ensure Canadian firms against non-payment when Canadian goods and services are sold abroad; and (3) to guarantee financial institutions against loss where they are involved in financing export transactions, and to ensure Canadians against loss of their investments abroad by reason of political actions.

The main purpose of Bill C-9 is to provide for increases in the corporation's financial ceiling in each of its areas of activity. These increases are required to sustain the expansion of successful Canadian export activities, and it is intended that these increases shall serve the requirements of the Canadian exporting community for several years.

In addition, honourable senators, there are a number of technical and administrative amendments proposed, the

purpose of which is to clarify some definitions and improve some administrative procedures where experience has shown that a change will enable the Export Development Corporation to serve Canadian exporters and investors more efficiently. The export credit insurance facilities apply mainly to exports of commodities, manufactured goods and services which are sold on short- and medium-term credit—that is, up to five years.

The present ceiling totals $1 billion, which is made up of $500 million for the corporation risks under sections 24 to 26 inclusive, and $500 million for the government's risk, covered under sections 27 and 28 of the act, the latter being for situations that are not normally appropriate for the corporations' accounts but which in the opinion of the Minister of Industry, Trade and Commerce and the cabinet are in the national interest.

It is proposed further that the ceiling for each of these sections be raised from $500 million to $750 million, increasing the total export credit insurance facility from $1 billion to $1.5 billion. When speaking of expanded EDC activity, attention is usually focused on the growth of its long-term lending, of which I shall be speaking shortly, but it is also important to realize that there has been important growth in the sectors of exports covered by the insurance program.

In 1973 the volume of exports insured was $565 million, more than double the amount of five years ago. Prospects are that the volume of coverage for 1974 will exceed $700 million. Consequently there is need to increase the insurance ceilings to provide adequately for continued growth in years ahead.

The foreign investment insurance program was established in 1969 and is the newest of EDC's facilities. The current ceiling is $150 million and it is proposed that this be increased to $250 million. At present there are some $30 million-worth of policies outstanding, with a further $125 million-worth of projects under active consideration. The amount of the proposed increase in the ceiling is intended to provide for future requirements over at least a three-year period and will facilitate the entry of Canadian firms into international joint ventures. Such joint ventures are suited to Canadian commercial policy and the development policies of most foreign governments, because local knowledge and capital supply by resident partners can be blended with Canadian capital and engineering technology. In fact, in most countries today a joint venture is the only viable vehicle for facilitating Canadian investment in foreign markets. The joint venture ensures a foreign country of a real commitment on the part of Canadian engineers and management and protects the Canadian equity position.

An expanded foreign investment insurance service, as provided by Bill C-9, will help to encourage and facilitate sound Canadian joint ventures in other countries. The facility for long-term loans and guarantees applies to exports of capital goods and services with customarily justified credit terms in excess of five years. The current series total $1,950,000,000, made up of $1,500,000,000 for section 29, the corporate account, and $450 million for section 31, the government account. It is proposed that these ceilings be raised from $1,500 million to $4,250 million for section 29, and from $450 million to $850 million for section 31, increasing the total lending ceiling from $1,950 million to a total of $5.1 billion. This increase may be startling to honourable senators and, indeed, it is one of major significance. The dimension of the increase results from two factors: a change in the definition of the ceiling and, more importantly, a reflection of the remarkable success of Canadian capital equipment and service suppliers in winning contracts abroad. Of these, the most important reason is the remarkable continuing success of our capital goods and services producers in winning overseas orders. These exporters include suppliers of engineering and technical services, transportation equipment such as ships, aircraft, locomotives, and off-highway vehicles, telecommunications equipment, heavy duty electrical goods and power generation equipment, including our CANDU nuclear power system, forest industries equipment, steel mills and a variety of other items related to such areas as chemical processing, pollution control and scientific research.

• (1630)

Our manufacturers have penetrated new foreign markets and have developed a momentum of success which has resulted in the employment of a significant number of skilled Canadians. An essential element of this success has been the availability of internationally competitive long-term financing from EDC. During the sixties EDC lending averaged approximately $50 million per year, but in 1970 it reached $100 million. It has grown markedly in each subsequent year, and in 1973 signed loan agreements totalled $463 million. For 1974, EDC long-term lending will exceed $650 million. This will be made up of over $500 million under section 29 and some $157 million under section 31. This is an unprecedented level of capital goods export activity, but all current indications are that these levels can be sustained and that they will, in fact, grow in future years. Therefore, the levels of the proposed ceilings are necessary to accommodate this activity, and it is expected that they will provide a reasonable period of some three to five years before the ceilings will again have to be reviewed by Parliament. The need for the new ceilings is more urgent than might appear on the surface. The $650 million lending level for 1974 relates to projects which have been before the EDC for a considerable period. In addition to this, there is more than $2 billion in the pipeline at various stages of development. New projects continue to come forward. The point is that there is a long gestation period between an initial inquiry seeking confirmation of financing availability and the signing of an agreement.

EDC is virtually committed to the limit of its present ceilings, and difficulties will arise if new legislation is not forthcoming at this time. It is important to ensure that we do not risk disruption in the continuity of our capital goods export sales. Continued growth and competitiveness of the capital goods and services industries is, to my mind, crucial to the health of the Canadian economy.

Honourable senators, we are all aware, I am sure, that Canada has one of the fastest growing labour forces in the industrialized world and one of the largest export sectors, relative to the whole economy, among industrialized countries. The capital goods industries provide many jobs for Canadians, either directly or through the demand for

components and raw materials. A healthy and growing capital goods industry will be an important element in the continuing implementation of job-creation policies.

We are trying to upgrade our raw materials for export to assure that the value added in the upgrading process takes place in Canada. We are also striving to increase the export of Canadian manufactured goods for the same reasons. If we are to be successful, the market opportunities for the products of our capital goods industries must be attacked on an internationally competitive basis.

It is a fact of life that official support institutions exist in each country with which Canada must compete. These institutions exist to make financial services available to cover risks, credit terms and credit rates which are contractually more favourable than the facilities normally available in the private sector. The existence of such official support institutions means that Canadian exporters need the same package of financial services in order to compete effectively. These services are needed because the foreign buyer considers the commercial terms offered and then compares the complete package with that offered by, for instance, the Japanese, the Americans, or the French, all of whom stand ready and able to support their exporters.

Honourable senators should be aware that the lack of a fully competitive export financing facility in Canada would critically impair the ability of the Canadian capital goods and services industry to compete internationally. It should be emphasized that the services of EDC are not provided to buy foreign orders with cheap financing—that is, EDC only matches foreign competition; it does not undercut it. Thus, EDC financing is available only to exporters who are thoroughly competitive in the commercial fundamentals of price, quality, delivery, and even after-sales service.

With the continuing need in Canada to provide jobs at an extremely rapid rate, a healthy capital goods order book will be a valuable hedge against the possibility of severe contractions in foreign demands. Additionally, in such a situation, the international competition for export orders will be intense. A strong EDC program will be an essential element in maintaining Canada's international competitiveness. In the discharge of this very important function, the EDC will work increasingly closely with the Canadian chartered banks, and it is the policy of the EDC to seek maximum private sector participation in a loan consistent with providing internationally competitive financing.

The combining of private sector and EDC financing will be structured in each case to match the financing offered by the official support institutions of other competing countries. EDC lending is, basically, undertaken on the authority of its board of directors. As honourable senators are aware, the board of directors is composed of senior government officials, as well as representatives of the Canadian private sector. EDC operates according to commercial criteria. It does not make imprudent loans to secure capital goods business at any cost. EDC requires that the terms of the loan be appropriate to the transaction and consistent with international practice, and that the project for which the loan is made is commercially viable. EDC is prudent also in arranging for the security of its commitments, and frequently obtains unconditional government or central bank guarantees of payments.

Honourable senators are aware, no doubt, of the government proposal for a Federal Business Development Bank to assist small businesses in their domestic endeavours. The legislation in connection with that was dealt with earlier this week. In addition, there will be a complete range of EDC services to assist small businesses in their export activities. There is a considerable degree of small business involvement with the export credit insurance program. At the end of 1973, 939 insurance policies were outstanding. Of this number, 727 were short term, relating mainly to sales of consumer goods, and 212 were issued for capital goods and services. Fifty-six per cent of the consumer goods policies were issued for an annual export sales volume of under $100,000, while 33 per cent of the capital goods policies were for sales of goods and services, each under $100,000.

● (1640)

I have pointed out that in the short- and medium-term credit areas EDC is heavy involved with small business through its insurance program. This is not to say, however, that small business does not benefit importantly from the long term financing facilities. The exporter of record may often be a large firm located in a major industrial area, but the chain of sub-suppliers extends to all parts of Canada, and down to the smallest Canadian manufacturers. This effect is reinforced by EDC's minimum 80 per cent Canadian content policy. For instance, a CANDU nuclear power systems sale would involve upwards of 200 Canadian suppliers, with contracts ranging to a low of some $500 in some instances.

In addition, EDC also makes long term loans or guarantees directly to foreign borrowers to finance export of capital goods and services sold by Canadian business. For instance, the Minister of Industry, Trade and Commerce announced earlier this year in Winnipeg that EDC made a loan of $500,000 to Poland for the purchase of pre-stressed concrete manufacturing equipment for Spiroll Corporation of Winnipeg. That is a further indication of EDC's ability and willingness to assist small business. This very recent decision of the board will provide financing for capital projects, irrespective of size, including those below $1 million, in order to provide small Canadian businesses with lending facilities that are competitive with arrangements available to exporters in other countries.

Success in sustaining high exports and meaningful growth over the long term will depend on our success in stimulating the growth of the right kind of industries. For the 1980s and beyond, these are industries that do more than just create jobs. They must create jobs for an increasingly well-trained labour force, which in turn is essential in order to keep Canada in the forefront of high technology industries. But it is these industries that, more often than not, depend on continuous access to foreign markets in order to stay competitive.

An example is that of engineering consultants. An increasing number of them are working all over the world. Indeed, so they must if they are to stay pre-eminent in their field. It is, of course, precisely in this sector of high technology capital goods and services industries that EDC support is essential. If this support were withdrawn or

curtailed in the interests of short-term considerations, damage for long term development prospects would be out of all proportion to whatever short-term benefits may be realized. It is another way of saying that export markets are essential to the long-term well-being of the company. While they are essential, the company must maintain and try to expand its foothold in foreign markets on a continuing basis. International business is much too competitive to allow us the luxury to venture around when it is convenient—for instance, when economic activity is slack at home—and to stay out of foreign markets when domestic demand is brisk.

Honourable senators, in conclusion let me emphasize that the Export Development Corporation has an essential role to play in the industrial development of Canada. The next few years are critical in this development, but they hold considerable opportunity to develop export markets as each home manufacturing industry builds on the base of our resources. The provisions of this bill will ensure that the facilities of EDC are available to technicalize to the fullest extent the opportunities of the coming year.

Honourable senators, before resuming my seat I should like to give some further information concerning this program of EDC. From information received today from the corporation, I understand there has been no loss so far with this program. On the other hand, I have been informed that the rate of financing is flexible. For example, during the last year this rate ranged from a low of 7 per cent to a high of between 8 and 9 per cent. I am told that in recent years this rate was approximately 6 per cent. With these remarks, all that is left to me is to commend to the house the passing of this bill.

**Hon. Allister Grosart:** Honourable senators, after the full explanation of the bill that we have received I am sure you would be disappointed if I did not at this time make the usual objection—usual but so far ineffective—to having to deal with a bill of this importance at this particular time and with this deadline. As a matter of fact, I am really reluctant to speak at all on this bill, under the circumstances. On the other hand, I do not want to do anything that would contribute to the reputation we get under these circumstances of being a mere rubber stamp.

We can take some comfort in the fact that the House of Commons itself has to hustle through this bill at the last moment, although it was introduced there on October 4. Under our rules I am not permitted to criticize the House of Commons, so perhaps I may suggest a criticism of the government for allowing this bill to take so long to go through the House of Commons. We have the usual story, of course, that there were other bills and that the house has been busy with other matters, and so on. Nevertheless, it seems to me incredible that a bill introduced on October 4, the passage of which is described as urgent, should not have come to us before now. Of course, it would have come to us before now if we had had the courage to say we would not deal with bills under such circumstances, by the suspending of rules and giving, as I presume we will be expected to do, three readings to a bill in about an hour. There have been threats from time to time, not merely from this group but from the other side, that one of these days we will say, "Regardless of Christmas, regardless of schedules, regardless of the convenience of the House of Commons, we won't do it." I believe that day will come. Perhaps not in my time, but I believe it will come sooner or later, and on that momentous day I think the public, the press and the members of the House of Commons will stop saying, "We can treat this place as just a rubber stamp."



● (1650)

I said I was reluctant to speak on the bill under these circumstances, but I think for the benefit of the Senate it is essential that we do consider that there are other sides to the glowing picture given to us by the Deputy Leader of the Government about the operation of the EDC. I do not disagree with that glowing picture, nor do I disagree with the importance that he has attached to the further development of the lending facilities, the insurance facilities and the guarantee facilities available to the EDC.

There is no question that in operating in this way nationally we are doing no more than placing our Canadian firms in a competitive position with their export competitors around the world. Without this kind of support we would be the boy scouts of the world. There have been complaints, of course, that this is again a form of non-tariff barrier. Perhaps it is. If it is, it is a non-tariff barrier which everybody is using today—and other countries are using it in a much more massive way than we are and with effects that on some occasions, of which I have personal knowledge, have made it impossible for Canadian firms to compete merely because, to use the phrase used by the deputy minister, we could not offer the same kind of concessional "package" in regard to payment for goods that other countries are able to offer.

It must be said, however, that as a country Canada is in a unique position in the world. We are the only major industrial country, with the possible exception of Australia, whose goods do not have free access to a market of at least 100 million people. The United States does have that kind of market; the members of the European Community now have that kind of market; the Chinese have it and the Indians have it; but the Canadians do not. Nevertheless, we are reliant on international trade to a degree not surpassed by any other country, with the possible exception of New Zealand. Canadian per capita trade is, for example, four times that of the United States, four times that of Japan, twice that of the United Kingdom, twice that of France and one and a half times that of Germany. So there is no question of the importance of this kind of support being available to Canadian firms.

The increase in the ceiling is of very large proportions, from less than $2 billion to more than $5 billion. I make no objection to that, because the EDC financing in the past has certainly proved its worth in many ways. I will suggest in a moment, however, that there are certain major aspects of its method of operation which should be examined.

We are facing at the present time a downward trend in export markets, which makes it all the more necessary that we should equip Canadian firms with the necessary capital and the other assistance, insurance and guarantees, that will make them competitive in these markets.

I am also happy that, so far, the EDC has required, in its lending activities at least, 80 per cent Canadian content in the goods that it finances.

Having said that, and agreeing fully with the necessity of the operation of the EDC and with the increased ceiling, I might suggest that there are some questions that need to be asked about the operation of the EDC. I am going to suggest that one of the ways out of this rubber stamp situation for the Senate might be for the chairman of the National Finance Committee—which I assume would be the committee to deal with this—to seek a reference from the Senate to call the officials of the EDC before that committee subsequently, which would be quite within our rules, in order to ask them some of the questions which I am now going to put. They are important questions, to which the Senate should have answers on its record.

**Senator Benidickson:** As a member of the committee, I would support that.

**Senator Grosart:** Thank you. Perhaps Senator Benidickson would consider conveying that suggestion to the chairman of the committee, who is probably a better friend of his than of mine. I do not wish to indicate by that that the chairman is not a friend of mine, but there are degrees of friendship in this place.

I say that the EDC is necessary, but we are not entirely sure that it is completely efficient. We should have more information about its borrowing costs, for example—that is, the cost of borrowing money by the government to provide these very large amounts, as compared to the interest rates charged. In my mind, at least, there are some serious questions that need to be asked on these matters. We are lending money to foreign governments at rates of interest that are much lower than the rate at which any Canadian businessman can borrow in Canada. The so-called "prime rate" of EDC loans is considerably lower. The Leader of the Government mentioned figures which he had just received, and these apparently indicate that EDC rates are now 7, possibly 8, perhaps even up to 9 per cent. If the prime rate is 9 per cent it is still lower than the prime rate at which any Canadian business, no matter how large, can borrow, and these are loans to foreign governments.

Of course, it can be said that we have to be competitive in the world market, but I think we should have a little more evidence as to why. Are these rates too low? What is the cost to the Canadian public? The EDC borrows money and lends it, but it does not make a profit; indeed it must have a loss—a substantial loss. As far as I know, we have no information whatsoever at this moment, as we are considering this bill, as to what the actual cost to the EDC is. We have no information at the moment on the number of loans that may be in default, the number of transactions insured by the EDC that may have lost money, or the defaults that may have taken place in the guarantees to financial institutions under this act.

Then, of course, there is the question of the identity of the people we lend this money to. To what countries do we lend it? I am not one who subscribes to any broad theory of relating our overseas activities too tightly to the political conditions in a country, but I wonder whether we should be lending money to OPEC countries—those oil-rich countries that are making life a little difficult for us at present. Should we actually be lending them money? We are talking, for instance, of lending money to Iran.

We have, of course, lent money outside of the OPEC countries, for example, to Yugoslavia, to the United Arab Republic, and to India, somewhat to our regret—certainly in respect to the nuclear reactor and the explosion that the Indians engineered not long ago.

Should we be lending to countries that are richer than we are? There are some of those in the world. We are not the richest country in the world, by any means. I am glad to say that the evidence I have is that, in order of amount, the largest outstanding loans from Canada at the moment are to Mexico, Brazil, India, Panama, and finally the United Kingdom. I think the Senate would be interested in examining the officials as to how this came about. Are these the countries to which most of our lending facilities should be extended? I do not know, but I am suggesting that it is the kind of information that we should have.

Then there is the question of distribution as between countries. There is no limit at the moment as to the percentage of the total lending facilities, insurance facilities or guaranteeing facilities that are available to any one country. It has been suggested that there should be a rule of thumb to the effect that no country should have more than ten per cent. I do not believe that that has been exceeded at the moment—that is, as far as I have been able to find out—but I must add that I have not had too much time to try to find out.

● (1700)

Then there is the question that the deputy leader raised and attempted to assure us on. I was not completely assured. I take no exception to the figures he gave other than to say that they are not global in the sense of the total expenditures under this bill. There is the serious question as to whether we are over-financing multinational corporations. Is the distribution of the use of these facilities as between large and small business what it should be? Personally, I do not think it is. Although I do not believe it is in the act, it seems to be a general policy of the corporation not to extend long term loans for less than $1 million. The figures which the deputy leader quoted, as I understood them, referred only to short- and medium-term loans, and the situation may well be different there.

Then there are those who say that this money might better be spent at home. Again the deputy leader made reference to that, and implied that perhaps in the short term this could appear to be justified, but in the long term it might not. I would be inclined to agree, but it has been said that we need capital in Canada very badly. Many Canadian firms in respect to their penetration of the domestic market are limited greatly by lack of capital. It is true that there are other facilities within the government structure to assist small business, but the information I have is that they are not going to get the loans at the same rate from any government agency or private sector agency as some of these foreign countries are able to get them from the EDC. It is a question that I think we should satisfy our minds on. There may be a good answer to it, but I should like to know why a Canadian firm going to the Industrial Development Bank has to pay 10 or 10½ per cent while a foreign country gets loans at 7 per cent and, even today, at not more than 9 per cent. There may be an answer to that, and if there is I should like to have it.

The deputy leader referred to the board of directors. The board of directors, as I understand it, is comprised of six public servants and five representatives of private industry, and I should be interested to know why that is the division. I would be inclined to think that the board might operate more efficiently if it had a majority from the private sector, although I can see certain objections to that.

Then, honourable senators, there is the question of the degree to which the EDC really tries to promote private sector financing. The deputy leader did refer to this point, and mentioned that they have tried to bring in the commercial banks. But there seems to me to be some evidence that we are away behind our opposite number in the United States in using government financing to induce the private sector to match that money. I believe that in the United States, as a matter of policy, they pretty well insist on the private sector matching government loans. I realize we are not in the same situation as the United States—we have less access to capital than they have—but again that is a question to which I should like to have an answer, and I believe that all honourable senators would.

Honourable senators, although I believe that in almost any other circumstances it would be our duty to recommend that this bill go to a committee, I am not going to make that suggestion at this time, and have said so to the deputy leader. I regret I have to take that position, and trust that through the offices of Senator Benidickson, the leader, or the deputy leader, my suggestion might be passed on. It would, to some extent, extricate us from this intolerable situation in which we find ourselves with respect to a bill such as this.

**Senator Benidickson:** You are also a member of the committee.

**Hon. Léopold Langlois:** Honourable senators—

**The Hon. the Speaker:** I must remind honourable senators that if the Honourable Senator Langlois speaks now his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Langlois:** Honourable senators, I deplore as much as my honourable friend the fact that a bill of this importance was received here at this late stage. Due to the pressure of time, I shall not have the opportunity to speak to all the questions posed by the Deputy Leader of the Opposition. I merely refer him to the report of the Export Development Corporation. The last one I have is for 1972.

**Senator Grosart:** I also have that.

**Senator Langlois:** I will say immediately that I welcome most heartily Senator Grosart's suggestion that the Standing Senate Committee on National Finance be asked to study the operations of this crown corporation. The method by which that would probably be done is by referral of the annual report of the corporation to that committee, and at the next opportunity I shall be very pleased to make such a motion, if the chairman of the committee does not do so. I do not wish to give an undertaking on his behalf, but I am sure he will welcome the idea and, most likely, will himself make such a motion to the house at the next opportunity.

[Senator Grosart.]

The honourable senator made remarks in connection with the lower rates for this export program as compared to the rates generally charged in Canada. However, as I said in my presentation, the success of this program is based on the policy of the corporation to match competition rather than to underbid competition from other exporting countries. This explains why in many instances, generally speaking, the rates of financing must at times be much lower than those in existence in this country. This is part of the subsidization of our export trade, and I am sure that my honourable friend has no doubt in his mind that the economy of Canada is in serious need of a support program for our manufacturing industries. As I also mentioned, the economy generally benefits from this program.

It is regrettable that this bill will not be referred to a committee. I believe the deputy leader agrees that, due to pressure of time, we will not be able to have this bill considered in committee. However, I wish to assure him that this is not creating a precedent. I wish to assure him of that, and that under normal circumstances the bill would have been so referred. I repeat that I am in favour of his proposal that the Standing Senate Committee on National Finance be requested to study the operation of this corporation.

● (1710)

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?

**Senator Langlois:** Honourable senators, with leave of the Senate, and notwithstanding rule 45(1)(b), I move that the bill be now read the third time.

Motion agreed to and bill read third time and passed.

## PUBLIC SERVICE EMPLOYMENT ACT
## PUBLIC SERVICE STAFF RELATIONS ACT
## PUBLIC SERVICE SUPERANNUATION ACT
## INTERPRETATION 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-38, respecting the office of the Secretary to the Cabinet for Federal-Provincial Relations and respecting the Clerk of the Privy Council.

Bill read first time.

SECOND READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Hon. George McIlraith,** with leave of the Senate and notwithstanding rule 44(1)(f), moved that the bill be now read a second time.

He said: Honourable senators, this is a short bill. Its terms are straightforward and for that, among other reasons, I rather admire it. The drafting pleases me very much.

The purpose of the bill is direct and simple. It is to increase the capability of the government in carrying out its responsibility in the field of federal-provincial relations. The main intent of the bill is simply expressed in clause 1 which says that the Governor in Council may appoint:

> (a.1) the Secretary to the Cabinet for Federal-Provincial Relations;

This bill was forecast in the Speech from the Throne, but the debate on the motion for an Address in reply to the Speech from the Throne unfortunately did not draw as much attention to this important question as it might have.

I should like to recall to the minds of honourable senators two sentences from the Speech from the Throne:

> In the inter-related society and economy of today, a clear distribution of responsibilities among the different levels of government in a federal state cannot in practical application have the neat precision that it has in political theory. Few actions can be taken by one level of government without affecting, or taking into account, the policies and programs of another.

In this era of ever-increasing incursion of government at all levels into the activities of the lives of people, it becomes more and more important that the process of consultation between the various levels of government, whether federal, provincial or municipal, be effective.

In an effort to make this consultative process effective, a division on federal-provincial relations was set up within the Privy Council in 1968 and it has operated since that time. With the increasing need for effective direction of the federal government's activity in that field, we now have Bill C-38. The consultative process has functioned continuously in the area of federal-provincial relations since Confederation, but it has accelerated with the changes in the concept of the role of government in society since Confederation.

To illustrate in a rough way that rate of acceleration, in 1964 there were some 109 federal-provincial meetings, whereas in 1973 there were 332. It should also be obvious to everyone that the activities of the government in the field of social security, having expanded as they have in recent years, and, indeed, in the field of economic development, rather than leaving it exclusively to the private sector of the country in a largely unregulated way, have also increased. One need only look at the topical subject of resource development to realize the extent to which the government's activities in that area have expanded. Another field in which government activities have been expanded is in relation to the question of the patriation of our Constitution. I, for one, regard this subject as one which will require increasing attention in the years ahead.

It must be obvious to all that there is a need for the best possible machinery to service the federal government's activities in these areas. I believe that all persons, even those who are critical of the government's actions in the conduct of its affairs in those areas, would agree to the need for a strengthening of the capability of the government in these areas.

As to the bill itself, clause 1 deals with an amendment to the Public Service Employment Act, allowing for the appointment of a secretary to the Cabinet for federal-provincial relations. There is an incidental change made in that respect about which I have not spoken. In 1940, with the formalizing of the work of recording decisions of the Cabinet, the title provided in the legislation of "Clerk of the Privy Council" had added to it "Secretary to the Cabinet." That is the designation that has been used for the Clerk of the Privy Council since 1940. This change, therefore, is made to clarify that, to correct it and bring it into line. The remaining clauses are purely incidental.

In view of the fact that I shall not request that this bill be referred to committee, I should make reference to clause 2, which amends the Public Service Staff Relations Act by adding thereto the words "Federal-Provincial Relations Office". Part I of Schedule I of that act reads:

● (1720)

> Departments and other portions of the public service of Canada in respect of which Her Majesty as represented by the Treasury Board is the employer.

It is simply for that purpose.

The next amendment is:

> Part II of Schedule A to the Public Service Superannuation Act is amended by adding thereto the following:
>
> "Secretary to the Cabinet for Federal-Provincial Relations and the Federal-Provincial Relations Office"

Schedule A, Part I, of the act is a list of boards, commissions and corporations forming part of the Public Service.

The next incidental amendment is to section 28 of the Interpretation Act, and it simply provides for adding thereto, immediately after the definition "broadcasting", the following definition:

> "Clerk of the Privy Council" or "Clerk of the Queen's Privy Council" means the Clerk of the Privy Council and Secretary to the Cabinet;

It is a purely incidental amendment.

Honourable senators, following the Throne Speech on September 30 a press release was issued announcing the intention of the government to appoint Mr. Gordon Robertson to the position being created in this bill if and when it received passage through the house—namely, the position of Secretary to the Cabinet for Federal-Provincial Relations. It is perhaps not appropriate to say more here than that. I think all senators will be delighted by the fact that this subject is going to receive the attention of a person of the calibre of Mr. Robertson, as the responsible administrative head of the office. I have had the good fortune to observe his work fairly closely over the last decade, and I have nothing but admiration and respect for his character and capacity as applied to his work in this field.

**Hon. Senators:** Hear, hear!

**Senator McIlraith:** Honourable senators, I commend the bill to your favourable consideration.

**Hon. Allister Grosart:** Honourable senators, I am sure this is a bill of which we can approve, because I doubt if anybody would gainsay the simple statement that if anything can improve federal-provincial relations it will be very much to the benefit of Canada. I am not saying that

critically, but I think the evidence is that federal-provincial relations are not generally improving with time. The oil policy is one excellent example, and there are many others.

I am sure the creation of this office will at least put federal-provincial relations on the kind of level that the provinces have asked for for a long time. Provincial premiers and others have said over and over again, "Who do we talk to in Ottawa?" I am sure this will go a long way to answering that question.

It has, of course, been suggested that we go further and have a minister for federal-provincial relations. I myself would be inclined to agree with that, if it were not that it would add to what Senator O'Leary was objecting to the other day, more big government, a larger cabinet. If I were pressed, however, I would say that there are some cabinet offices that could be dropped, and perhaps even some cabinet ministers who might be summoned here, to permit the setting up of such a ministry. That may come in time.

I agree with the remarks of Senator McIlraith, who has long experience, both with the matters that will be considered in this office and with the person it is suggested will fulfil the office. Mr. Gordon Robertson has certainly had an outstanding record in the public service of Canada, and I am sure there could not have been a better choice for this important position.

**Hon. Senators:** Hear, hear!

**Senator Grosart:** I agree with Senator McIlraith's suggestion that it is not necessary to send this bill to committee.

**Senator Deschatelets:** May I ask Senator McIlraith a question? Of course, I agree with everything that has been said—but there is nothing in the bill about the exact responsibilities of the appointee, Mr. Robertson. Do I understand that from now on it is Mr. Robertson who will facilitate and co-ordinate the relations between the provinces and the federal government? Do I understand he is to be the person responsible? I ask that because there is nothing in this bill about the frame within which he is going to act.

**Senator McIlraith:** Yes, that will be his responsibility and the responsibility of that office. There has been a division of the Privy Council Office dealing with the subject of federal-provincial relations since 1968, and it has been headed by a deputy secretary in the Privy Council Office.

The Privy Council Office, curiously enough, is referred to in the British North America Act and the title has been brought forward from that time but there is not a statute, as in the case of the Department of Public Works, for instance, delineating the duties and responsibilities of the office.

**Senator Forsey:** Honourable senators, before this bill passes, there are some questions I should like to ask Senator McIlraith. First of all, what is going to happen to the deputy secretary who, I gather, has been more or less doing this job? Is he or she to be superseded, downgraded, or what?

**Senator McIlraith:** No, he will not be downgraded, and I would not say his work has been. He has not been doing the job just more or less; he has done it pretty well, and his office continues at exactly the same level as it is now. What is being sought here is the creation of the office of Secretary to the Cabinet reporting directly to the Cabinet in the field of federal-provincial relations. That is, there will be a Clerk of the Privy Council and Secretary to the Cabinet and then there will be a Secretary to the Cabinet for Federal-Provincial Relations. Formerly, the deputy secretary reported to the Secretary to the Cabinet, but that no longer will be the case. The newly created office will provide for direct reporting to the Cabinet.

**Senator Forsey:** The second question I would like to ask is: Is it the intention to enlarge the existing office? Is it the intention to create a further expansion of bureaucracy, or is this to be just the appointment of this secretary, with no further expansion of the office in the future?

**Senator McIlraith:** I believe there is no intention to increase it as such. I think I should qualify that remark—I would be less than frank if I did not—because it must be self-evident to all that the extension of activities of the federal government interact on the other governments in a way that was never thought possible even a few decades ago, and an expansion of the office is inevitable. It has a very small staff now—I believe there are about 28 officers—and it is simply unrealistic to answer no to the question. If the honourable senator intended to ask, "Is there to be any immediate buildup of staff?" then I have to answer, "No."

**Senator Forsey:** Senator McIlraith, if I understood him correctly, said that we might be undertaking a fresh effort to patriate the British North America Act. I hope this does not mean we are about to enter a fresh round of attempts to rewrite the Constitution, or discover some amendments that will be acceptable to everybody. If that is so, I am afraid that the best comment is that of Longfellow:

> Fair and young were they,
>
> When in hope they began that long journey;
>
> Faded and old were they,
>
> When in disappointment it ended.

I hope this is not a prelude to a fresh run of commissions, committees and discussions on what appears to be an almost hopeless quest.

**Senator McIlraith:** I indicated it was my view that in any realistic appreciation of Canadian affairs the question of patriation of the Constitution must receive attention, and I think it is unrealistic to think it can be otherwise.

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?

**Senator McIlraith:** Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(b), I move that the bill be now read the third time.

Motion agreed to and bill read the third time and passed.

• (1730)

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

GOVERNMENT HOUSE
OTTAWA

December 20, 1974.

Madam,

I have the honour to inform you that the Right Honourable Bora Laskin, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber Friday the 20th day of December, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the
Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

GOVERNMENT GUIDELINES FOR MOTIONS FOR PRODUCTION OF PAPERS REFERRED TO STANDING JOINT COMMITTEE

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the Guidelines for Motions for the Production of Papers, tabled in the House of Commons on Thursday, December 19, 1974, by the President of the Privy Council (Sessional Paper No. 301-7/7), has been referred to the Standing Joint Committee on Regulations and other Statutory Instruments.

RIGHT TO INFORMATION BILL—SUBJECT-MATTER REFERRED TO STANDING JOINT COMMITTEE

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the subject-matter of Bill C-225, respecting the right of the public to information concerning the public business, has been referred to the Standing Joint Committee on Regulations and other Statutory Instruments.

## ADJOURNMENT

**Senator Langlois:** 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, January 28, 1975, at eight o'clock in the evening.

Motion agreed to.

The Senate adjourned during pleasure.

## ROYAL ASSENT

The Right Honourable Bora Laskin, P.C., Chief Justice of Canada, in his capacity as Deputy 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 Governor General was pleased to give the Royal Assent to the following bills:

An Act to provide for representation in the House of Commons, to establish electoral boundaries commissions and to remove the temporary suspension of the Electoral Boundaries Readjustment Act.

An Act to incorporate the Federal Business Development Bank.

An Act respecting oil and gas in Indian lands.

An Act respecting the office of the Secretary to the Cabinet for Federal-Provincial Relations and respecting the Clerk of the Privy Council.

An Act to amend the Export Development Act.

An Act to amend the Supreme Court Act and to make related amendments to the Federal Court Act.

An Act to revise references to the Court of Queen's Bench of the Province of Quebec.

An Act to provide for a continuing revision and consolidation of the statutes and regulations of Canada.

The Honourable James Jerome, Speaker of the House of Commons, then addressed the Right Honourable the Deputy 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 the 31st March, 1975.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975.

To which bills I humbly request Your Honour's assent.

The Right Honourable the Deputy Governor General was pleased to give the Royal Assent to the said bills.

The House of Commons withdrew.

The Right Honourable the Deputy Governor General was pleased to retire.

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The sitting of the Senate was resumed.

**Senator Langlois:** Honourable senators, before I put the motion to adjourn, I should like to wish each and every one of you a very merry Christmas.

**Senator Grosart:** Honourable senators, I respond to the good wishes of the Deputy Leader of the Government and reciprocate by wishing all our colleagues on behalf of this group a merry Christmas, a happy holiday, and in the New Year good health, and good wealth when our colleagues on the other side make up their minds.

The Senate adjourned until Tuesday, January 28, 1975, at 8 p.m.

## APPENDIX

(*See p. 459.*)

### UNVEILING OF PORTRAIT OF HON. MURIEL McQUEEN FERGUSSON, P.C

IN THE SENATE FOYER, WEDNESDAY, NOVEMBER 20, 1974

[*Translation*]

**Hon. Raymond J. Perrault (Leader of the Government in the Senate):** Madam Speaker, Honourable Muriel McQueen Fergusson, colleagues and guests: It is a privilege for me to be given an opportunity to be present today for this event honouring one of our most distinguished senators and a very great Canadian. Not only is Senator Fergusson the first woman to be appointed as Speaker of the Senate, but during her entire career in Parliament she has been an example which has brought great credit to her and to the Senate.

May this portrait which I am privileged to unveil today remind this generation, and coming generations, of one who has served and continues to serve this nation with great distinction.

[*English*]

**Hon. Renaude Lapointe (Speaker of the Senate):** Dear guests, we are gathered here to celebrate the merits of a queen, a beloved queen of a very special kind, with no royal blood but with a crown of charm and distinction; with no kingdom but with a court of thousands of admirers from coast to coast, some of the most fervent and devoted being around her today.

In her two years of gracious but too short reign as the first woman Speaker of the Senate, Muriel McQueen Fergusson has written in gold a page of Canadian history. Her unique ability and wisdom, and the contributions she had made to public life, together with her outstanding work in the Senate for twenty years had prepared her wonderfully to carry out her new duties. She accepted them because she fully deserved the honour, because she wanted to take up the challenge and also because it represented another important step forward for the promotion of women.

Not only did she perform with an extraordinary savoir-faire and a high sense of duty, but she has been the best public relations agent the Senate has ever had. Apart from presiding over Senate sessions and delivering many speeches throughout Canada, as Madam Speaker she entertained often: diplomats, distinguished visitors from abroad, party leaders and other parliamentarians, VIPs, heads of women's organizations, never forgetting her fellow senators. It is hard to meet someone who has not been her guest at one time or another. She enjoyed meeting and bringing people together, with her warm and likeable personality.

Amazingly young and zestful, continously on the run, Muriel Fergusson has not allowed her appointment to slow her down politically in the energetic pursuit of her interests concerning the promotion of women and the well being of the underprivileged and the aged.

As a twenty-year veteran of the parliamentary scene, Madam Speaker Fergusson seldom missed the meetings of the parliamentary associations. She also had the honour of being co-chairman of the Canadian Inter-Parliamentary Group delegation to the annual Canada-United States meeting in Washington and of leading the first Canadian Parliamentary Group to visit Hungary.

For her lifetime of service to her country, for the remarkable example she has set through her hard work and dedication and particularly for her exceptional accomplishment as Speaker, everyone here is happy to pay Senator Fergusson a tribute of admiration and gratefulness and to wish her many more years of intense activity, not only in the Senate and in her province of New Brunswick, but throughout Canada.

[*Translation*]

Dear guests, I should like to add a few words in French to recall that when she was appointed Speaker, Mrs. Fergusson was paid enthusiastic tributes by her francophone colleagues, among others Senators Flynn, Bélisle and Desruisseaux. Once again a well-deserved chorus of praise underlines the end of her mandate. Everyone has appreciated her outstanding participation in the many official and diplomatic functions, her vivaciousness and good sense of humour, her generosity and availability at all times, as well as her smiling hospitality.

I therefore take this opportunity to echo my colleagues who have spoken here by expressing to Senator Fergusson my fullest admiration, and by wishing her many more long years of magnificent achievements.

[*English*]

We are particularly honoured to have with us Mr. Hubert Rogers, the distinguished painter whose work you are witnessing today. Mr. Rogers, a native of Prince Edward Island, who now lives in Manotick, has a long and brilliant career behind him and he is far from having set aside his brushes. Among the portraits to which he has given extraordinary life are those of Governor General Alexander, Mary Churchill, wife of Sir Christopher Soames, A. Y. Jackson, and Brigadier General Paul Triquet, V.C.

We sincerely think that this portrait is adding a special dimension to his accomplishments.

**Hon. Jacques Flynn (Leader of the Opposition in the Senate):** Honourable senators, ladies and gentlemen: Whenever I see a portrait, I'm reminded of the time I asked an artist how it was that all his portraits turned out so beautifully. "The secret" he said "is never to show the bad ones."

I'm also reminded of the lady visiting the local fine art museum, trying to soak up a bit of culture. She stopped in front of a beautiful oil painting of a ragged but happy vagabond. "Well" she exclaimed, "Too broke to buy a decent suit of clothes, but he can afford to have his picture painted."

I'm quite certain that Senator Fergusson, like most of us, could not personally afford to commission such a large oil painting of herself by such a renowned artist. I'm therefore happy, as I'm sure all of you are, that we could do this for her.

But just like the little boy who gives his mother candy at Christmas for obvious reasons, we are really giving ourselves a portrait of Senator Fergusson and for equally obvious reasons: we will be permitted for many years to come to look at it and remember how very striking and distinguished she looked in her robes of office.

Not being a connoisseur but only a lover of fine art, my sole criterion for judging a painting is whether or not I like it. If it pleases me, it's good. And this painting pleases me.

I was glad when it was unveiled to see that it wasn't abstract. I'm afraid I'll never really get used to abstracts. I'm a bit like the little boy who looked at a painting and said to his mother, "What's that?" "That's supposed to be a cowboy and his horse" she answered. "Well, if that's what it's supposed to be, why ain't it".

This painting pleases me because Hubert Rogers has translated onto canvas, for posterity to see and appreciate, the real Muriel McQueen Fergusson.

What you see is what she is—a warm, witty, affable and generous human being. But what has also been captured in this painting is the drive, the determination and the pride of this great New Brunswicker.

As Speaker, she was permitted to play an even greater role in the affairs of our country. She carried out this trust with the zeal for efficiency and excellence typical of those who are never satisfied with anything less than an outstanding effort. She brought inestimable credit to Canada, to the Senate and to herself, and she was one of the best public relations investments Canada and the Senate ever made. She has every reason to be as proud of herself as we are of her.

Senator Fergusson is also a credit to her sex. She was the first lady Speaker, and appropriately so. Her career is an enviable collage of significant achievements in the noble pursuit of equal rights. for women.

She went to college when other girls thought high school was the limit for them. She even went on to invade what was then a sacred preserve of men—the legal profession. But what's more important is the way in which she made use of her talents and education. Her career became a beacon for other women. Her concern, her interest, her total involvement in the affairs of the community served as a sterling example for other women in New Brunswick. She gave them reason to be proud, reason to feel that they too had not only the right but the duty to participate in public affairs.

It's the Muriel Fergussons of this world—unassuming, intelligent, reflective and totally dedicated—who will win for their sex that position in society which they deserve to hold but have been unfairly denied for far too long. These are the women who will force the male chauvinist to rewrite his dictionary. Nevermore will woman be defined as a creature who is convinced it takes two to keep a secret.

On that subject, I once overheard a senator complain to Muriel that generally speaking women were generally speaking. Senator Fergusson replied, "Yes, we women talk too much. But, even at that, we don't say half of what we know".

You can believe all I say about Senator Fergusson because I have known the lady for over 30 years. We both served during the same period from 1942-45 as Enforcement Counsel for the Wartime Prices and Trade Board. And let me tell you, she was every bit as impressive then as she is now.

I joined Muriel in the Senate about 12 years ago, and she joined me in the Privy Council about 12 days ago. I take this opportunity to congratulate her publicly on that appointment. It is one of which she is particularly deserving.

Senator Fergusson's performance as Speaker was so impressive that it served to pave the way for a successor of the same gender, and a very able lady in her own right.

Senator Fergusson, if she gets lonely hanging there on the Senate wall, the only lady among so many male predecessors, can look forward to a day less than half a decade away when Senator Lapointe will take her place beside her and so lend moral support and companionship. Together, they can eavesdrop on tourists and smile when the little girl asks her mommy if these ladies were really bosses in the Senate like mommy is at home.

Senator Fergusson, this portrait of you will bring to the walls of the Senate all the charm and grace that your person has brought to the chamber. And those who derive pleasure from gazing upon your countenance will never know that the pleasure they derive from that is only a small fraction of what they might enjoy if, like us, they had the pleasure of knowing you personally and serving with you in the Senate.

[*Translation*]

Honourable senators, ladies and gentlemen, in concluding, I want to say to Muriel that all her colleagues in the Senate have the greatest esteem for her and they are very happy at the thought of being able to see her even more often from now on. Indeed, in addition to meeting her in person occasionally, they will be able to admire her picture.

[*English*]

**Hon. Muriel McQueen Fergusson:** Madam Speaker, Mr. Leader, Senator Flynn, colleagues and other friends: This occasion is a very memorable one for me. Not many people have the great honour of having their portrait painted to be hung on the walls of our beautiful Canadian Parliament Buildings.

Despite the kind things that have been said today, I really feel like the mate in Hood's story "UP THE RHINE" when during a terrible storm at sea a titled lady sent for him and asked if he could swim. "Like a duck, my lady" he replied. "That being the case, I will condescend to lay hold on your arm all night." But the mate replied, "That's too great an honour for the likes of me."

Even though having been Speaker of the Senate, which has now entitled me to have my portrait painted to be hung on these walls, "it may have been too great an honour for the likes of me." It was a wonderful experience which I enjoyed thoroughly.

I will always remember with gratitude the friendly encouragement and co-operation, during my term as Speaker, of all my colleagues and of the officers, and all the staff of the Senate, particularly the devoted and invaluable assistance of Mrs. Murl Smith, who was my secretary.

Surely it is not amiss on this occasion for me to refer to the experience of sitting for this portrait of which I hope you approve. That also was an enjoyable experience, although it did take a great deal of time and patience on the part of both the sitter and the artist. During sittings I learned much more about painting and art than I had ever known before. I am very happy that Mr. Hubert Rogers, a Maritimer like me, is able to be with us today accompanied by his daughter, Elizabeth.

I thank you all for doing me the honour of being here today, but especially I thank Madam Speaker.

# THE SENATE

Tuesday, January 28, 1975

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

Prayers.

## PROPERTY QUALIFICATION OF SENATORS

SUPPLEMENTARY RETURN PRESENTED

**The Hon. the Speaker:** Honourable senators, in accordance with the motion adopted by the Senate on November 12, 1974, I have the honour to table herewith a supplementary list of names of members of the Senate who have renewed their declaration of property qualification.

## CUSTOMS TARIFF, (NO. 2)

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-39, to amend the Customs Tariff, (No. 2).

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## CANADA BUSINESS CORPORATIONS BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received with Bill C-29, respecting Canadian business corporations.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of Report, dated July 30, 1974, on the proposed investigation under section 23 of the Pilotage Act, Chapter 52, Statutes of Canada, 1970-71-72.

Report on operations under the Regional Development Incentives Act for the months of September and October 1974, pursuant to section 16 of the said Act, Chapter R-3, R.S.C., 1970.

Report of the Economic Council of Canada, including financial statement certified by the Auditor General, for the fiscal year ended March 31, 1974, pursuant to section 21(1) of the Economic Council of Canada Act, Chapter E-1, R.S.C., 1970.

Report on the administration of the Canada Assistance Plan for the fiscal year ended March 31, 1973, pursuant to section 19, Chapter C-1, R.S.C., 1970.

Report on the administration of Allowances for Blind Persons in Canada for the fiscal year ended March 31, 1974, pursuant to section 12 of the Blind Persons Act, Chapter B-7, R.S.C., 1970.

Report of expenditures and administration in connection with the Unemployment Assistance Act for the fiscal year ended March 31, 1974, pursuant to section 8 of the said Act, Chapter U-1, R.S.C., 1970.

Report on the administration of Old Age Assistance in Canada for the fiscal year ended March 31, 1974, pursuant to section 12 of the Old Age Assistance Act, Chapter O-5, R.S.C., 1970.

Report on the administration of Allowances for Disabled Persons in Canada for the fiscal year ended March 31, 1974, pursuant to section 12 of the Disabled Persons Act, Chapter D-6, R.S.C., 1970.

Report relating to matters transacted by the Registrar General of Canada as Registrar under the Trade Unions Act during the year ended December 31, 1974, pursuant to section 30 of the said Act, Chapter T-11, R.S.C., 1970.

Report of the Department of the Environment for the fiscal year ended March 31, 1974, pursuant to section 7 of the Department of the Environment Act, Part I of Chapter 42, Statutes of Canada, 1970-71-72.

Report of the Public Service Staff Relations Board for the fiscal year ended March 31, 1974, pursuant to section 115 of the Public Service Staff Relations Act, Chapter P-35, 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, 1973, pursuant to section 8 of the Department of Insurance Act, Chapter I-17, 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, 1974, pursuant to section 17 of the National Arts Centre Act, Chapter N-2, R.S.C., 1970.

Copies of Press Communiqué, dated January 16, 1975, of the Interim Committee of the Board of Governors on the International Monetary System, which met in Washington, D.C., January 15 and 16, 1975.

Copies of Communiqué, dated January 16, 1975, issued following the Ministerial Meeting of the Group of Ten, held in Washington, D.C., January 14 and 16, 1975.

Copies of a contract between the Government of Canada and the Municipality of Cardston, 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).

Text of Statement made in the House of Commons on January 23, 1975, by the Secretary of State respecting the Income Tax Act and certain foreign magazines, notably *Time* and *Reader's Digest*.

Report of the Ministry of State for Science and Technology for the fiscal year ended March 31, 1974, pursuant to section 22 of the Ministries and Ministers of State Act, Part IV of Chapter 42, Statutes of Canada, 1970-71-72.

Report of the Department of Industry, Trade and Commerce for the fiscal year ended March 31, 1974, pursuant to section 8 of the Department of Industry, Trade and Commerce Act, Chapter I-11, R.S.C., 1970.

## THE SENATE

PERMISSION GRANTED TO TAKE PHOTOGRAPHS OF THE PRECINCTS AND SENATORS FOR DISTRIBUTION TO CANADIAN EMBASSIES

**Senator Perrault:** Honourable senators, may I at this time make a brief comment about the request which was received a few weeks ago to photograph the Senate chamber and members of the Senate. Honourable senators will recall that on November 13, 1974, Madam Speaker referred to the Senate a request for permission to photograph the Senate chamber from both galleries for the purpose of a photo-story on the Senate which is now being produced for the Department of External Affairs for distribution to all Canadian embassies throughout the world. The following day I indicated to the house that I would like to have the matter stand pending consultation. I am now in a position to report to the Senate that there are certainly no objections to such photographs being taken.

May I suggest, if honourable senators agree, that such photographs be taken on Wednesday, February 12, between 2 p.m. and 2:30 p.m. when we shall expect our usual full attendance.

**Hon. Senators:** Agreed.

## SCIENCE POLICY

ATTENDANCE OF PRESIDENT OF CLUB OF ROME BEFORE SPECIAL SENATE COMMITTEE

**Senator Lamontagne:** Honourable senators, with leave I should like to make a special announcement.

**Senator Flynn:** Leave is granted, of course.

**Senator Lamontagne:** Dr. Peccei, the President of the Club of Rome, will be in Ottawa this week, and he has generously agreed to appear before the Special Senate Committee on Science Policy on Thursday morning at 10 o'clock. Members of the committee will receive notice of this meeting this evening, but because of this special occasion, and because of the reputation of this man as a world leader, I should also like to extend to all honourable senators an invitation to attend the meeting.

**Senator Asselin:** I should like to ask a question on this announcement. We have received notice that this meeting will be held in camera. Why?

**Senator Lamontagne:** Because we want to leave Dr. Peccei as free as possible to make the remarks he wants to make. We would also like all senators attending to feel free to ask Dr. Peccei all the questions they would like to, which might be quite controversial.

**Senator Asselin:** Will there be any press release after the meeting?

**Senator Lamontagne:** No.

## VISIT OF PRIME MINISTER OF UNITED KINGDOM

QUESTION

**Senator Yuzyk:** Honourable senators, I understand that the Prime Minister of the United Kingdom today paid a visit to the Canadian Parliament. If that is the case, I should like to inquire of the Leader of the Government whether the right honourable gentleman called upon the Honourable the Speaker of the Senate?

**Senator Perrault:** Honourable senators, I understand that the right honourable gentleman, the Prime Minister of the United Kingdom, has been in Ottawa only a few hours. He has a very limited time here. He has come to meet with the Right Honourable the Prime Minister of Canada. Beyond that, I shall certainly undertake some inquiries. I understand that it is not one of the occasions when it is the intention of this visiting head of state to address any joint meeting of the two Houses of Parliament.

## CRIMINAL CODE (COMMUTATION OF DEATH SENTENCE)

BILL TO AMEND—SECOND READING—ORDER STANDS

On the order:

Second reading of the Bill S-21, intituled: "An Act to amend the Criminal Code (commutation of death sentence)".—(*Honourable Senator Robichaud, P.C.*).

**Senator Robichaud:** Honourable senators, with leave I would ask that this order stand until February 12. The reason for this request is that I have been invited, and have accepted the invitation, to attend a meeting of the Atlantic Provinces Policemen's Association to be held in Moncton on February 8. At that time I may get some pertinent information that could affect the outcome of this bill. I would therefore ask that this order stand until that day.

**Hon. Senators:** Agreed.

Order stands.

## THE WORK ETHIC IN CANADA

PROPOSED SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Wednesday, December 4, 1974, the adjourned debate on the inquiry of Senator Croll

calling the attention of the Senate to the status of the "work ethic" in Canada today, and the need for the establishment of a Senate committee to examine and report thereon.

**Hon. Chesley W. Carter:** Honourable senators, the motion before us contains two proposals. The first is that an inquiry be made into the status of the work ethic in Canada today, and the other is that this inquiry be carried out by a Senate committee with power to examine and report thereon.

● (2010)

This gives rise to three obvious questions: One, what do we mean by "work ethic?" Two, why should we examine it? And three, why by a Senate committee?

The term "work ethic" always reminds me of Tom Sawyer's definition, that "work consists of what a body is obliged to do, and play consists of what a body is not obliged to do." This definition embodies a great truth because we know from experience that what may be regarded as work by one person may very well be regarded as play or recreation by another. Some people are so fascinated by work that they can sit and look at it for hours. Others like it so much they can sleep alongside it all day long. On the other hand, there are those who like work because they enjoy being busy, and some carry it so far as to be regarded as work addicts. Such people are bored when they have nothing to do.

It does not follow, however, that any one of these attitudes to work is necessarily the correct one which should, therefore, be imposed upon everyone else. Our approaches and attitudes to work are determined by our underlying moral philosophy, out of which we evolve certain moral laws, principles and values, which in turn enable us to form certain judgments with respect not only to work but to workers as well. This underlying philosophy with its system of principles and values is described as our "work ethic."

It was not until I started researching this subject that I began to realize how much our concept of work has changed down through the years. The ancient Greeks in the days of Plato and Aristotle regarded work as a nuisance, something to be limited to what was absolutely essential so as to provide as much leisure time as possible. They prized their leisure time, not for indulgence in sensual pleasures and orgies but for contemplation—contemplation of the universe and the world around them; contemplation of man himself and his place in the scheme of things. To them contemplation was the one activity in which man could participate as well as the gods, and to that extent become god-like.

*Horas non numero nisi serenas*—the hours do not count unless they are serene. This motto on an old Roman sun dial shows that the ancient Romans had a similar concept. The great philosopher Seneca asked, "What is the good life?" and answered in one word, *tranquilitas.*

Our modern work ethic is a product of many influences. One of the most important of these is Holy Scripture—particularly certain passages of the Old Testament which have been interpreted as implying that work is a curse imposed on man by his Creator as a punishment for man's disobedience. For example, Genesis, chapter 3, verse 19, says:

> In the sweat of thy face shalt thou eat bread, till thou return unto the ground—

The New Testament writer seemed to subscribe to this interpretation when he said:

> —if any would not work, neither should he eat.

It is interesting to note, however, that Jesus Himself did not stress this particular interpretation. Instead He hallowed and dignified work by engaging in it with Joseph in their carpenter shop. He taught that while work was necessary, it should be kept in perspective. If anything, He seemed inclined toward the concept of the ancient Greeks when he asked:

> For what shall it profit a man, if he shall gain the whole world, and lose his own soul?

Also, in Matthew, chapter 6, verses 25 and 26:

> Therefore I say unto you, Take no thought for your life, what ye shall eat, or what ye shall drink; nor yet for your body, what ye shall put on. Is not the life more than meat, and the body than raiment?
>
> Behold the fowls of the air: for they sow not, neither do they reap, nor gather into barns; yet your heavenly Father feedeth them. Are ye not much better than they?

St. Luke also describes in chapter 10 how Martha, the sister of Lazarus, complained to Jesus because her sister, Mary, was not doing her share of the household chores. He told Martha gently that she should not let herself get so upset and bothered about work, and that what Mary was interested in was of far greater importance.

Thomas Aquinas in his *Summa Theologica* thought that religious activity should take precedence over secular activity, and contemplation above all else. Sir Thomas More, the author of *Utopia,* in his treatise on the work society stated that work was an essential part of nature, but given a surplus situation in which people can maintain themselves without all of them having to work, then man was under no obligation to toil.

It is quite clear that man's concept of work has changed as his circumstances, and particularly his economic environment, have changed. In the Middle Ages the masses traded their freedom for security. They tilled the soil while the nobles who protected them engaged in other pursuits. The artisans and skilled people of those days were free to work or not to work as they wished. The wealthy employed them to build cathedrals, castles and other great architectural monuments which surpass anything we can produce today. Yet they had more leisure time than their modern counterparts.

In Canada our forefathers were compelled to work from dawn to dusk in order to survive, but as our economic environment developed from a rural economy to an industrial economy, our concept of work changed again. The words "labour" and "employment" became more frequently used than the word "work." The word "job" also acquired new significance.

Then along came Karl Marx who added a new dimension to the work ethic when he showed how a capitalistic economy makes man into a thing. The worker sells his

labour and his time like any other commodity. Work, therefore, becomes a means of self-alienation, and all beings become materialized.

Thus we have come all the way from the ancient Greek and Roman philosophers, who regarded leisure for contemplation as the essence of the good life, to the Greek and Roman artisans who regarded their work and its products as a part of themselves, causing them to strive for perfection in even the minutest details because though the flaws could not be seen by human eyes, they believed they were nevertheless perceptible to the gods.

● (2020)

In the Middle Ages the same ideas were perpetuated through the crafts and guilds, for the worker had to make his masterpiece before being recognized and admitted as a master workman. His masterpiece then became the hallmark and guarantee of the quality of his work. How different from today when we have a confusion of conflicting concepts and ideas about the work ethic.

We have the Protestant work ethic which proclaims that work is good for the soul and necessary for the development of character, and essential also for the development and maintenance of human dignity. On that basis work then becomes a fundamental human right.

The word "dignity" comes from the Latin word *dignus* which means "worthy" or "having worth." The Christian work ethic holds that man has special worth in himself as a created being, and strangely enough both Marxists and communists subscribe to this proposition when it suits them, although by denying the existence of a Creator they deny the very basis of man's claim to human dignity.

Nevertheless, our present-day society though founded on Christian principles is just as inconsistent as the communist. We have developed a system of values which has resulted in a sort of caste system based on jobs. You may remember several years ago when the low paid railway non-operating employees secured a pay increase, the highly paid operating employees, including engineers, threatened to strike also not because they were underpaid but merely to restore the differential so that they could maintain their former ranking position in the hierarchy of jobs.

We also have the curious situation where unemployed people refuse jobs such as picking apples, harvesting crops, et cetera, because they consider it beneath their dignity to do that sort of work. It follows, therefore, that instead of lending dignity to his job, the worker now depends upon the job for his dignity. We have lost sight of the basic principle of work being really a contract between the individual and society whereby the worker contributes to the community in exchange for the benefits of being able to draw on community resources. In today's society the job is not only the means whereby the worker participates in society; it has become the axis along which the worker's whole life is organized. It serves not only to maintain the worker in his group but regulates his whole life activity. It determines the pattern of his social participation, the nature of his life experience, and at the same time it is a source of many of his satisfactions. Today a person's social position is affected by whether or not he holds a job, by the nature of the job he holds and the manner in which he performs it. In short, the job in our society exerts an influence which pervades the whole of the human life span.

So much then for the work ethic. Now for the second question—why should we examine it? The answer to this question can be deduced from what I have already said.

I have shown how our work ethic has become so complex and diffuse that we have lost sight of its basic principle as a contract between the individual and society whereby each contributes to the other. I have shown that we have become confused in relating our work ethic to other moral concepts such as dignity, and how this confusion manifests itself in the system of values which individuals or society as a whole use to determine the worth of services rendered. I have shown how our concepts of work have changed as our economic environment has moved from an economy of scarcity to an economy of abundance, and as our economic difficulties have changed from problems of production to problems of consumption.

We are now on the threshold of a new era which in many ways will be fundamentally different from anything we have known in the past. While it is impossible to discern the exact shape of things to come, we can nevertheless see the forces that are shaping them, and one thing we can be sure about is that the shape of the future will be vastly different from anything we have experienced in the past. We may be moving back again to an economy of scarcity. That seems to be the case with respect to energy and certain key raw materials. On the other hand, necessity is the mother of invention, and after a period of adjustment it is possible that technology will usher in a new era of abundance. Be that as it may, we can be certain that Canada will become more dependent on other nations and we shall have to share more of our wealth and more of our products, particularly food products, with those nations who do not have enough. The battle for a caring, sharing world is meant to be the next great chapter of history.

Speaking of sharing, we have the problem of the unequal distribution of wealth here in Canada—the growing disparity between the rich and the poor. In a recent speech the Minister of National Health and Welfare, as quoted by Senator Croll at page 283 of *Hansard*, stated that in 1972 the top 20 per cent of Canadians received 39 per cent of the wealth produced, while the bottom 20 per cent received less than 6 per cent. The corresponding figures for 1967 were 38.5 per cent and 6.8 per cent. The income gap between the richest Canadians and the poorest is widening. The devices we use to redistribute wealth are working in reverse. This cries out for investigation, and in itself is sufficient to justify an in-depth study by a Senate committee.

We must, therefore, shake off the idle dream that Canada can remain an island of isolated prosperity living selfishly and alone in a vast ocean of poverty, starvation and deprivation. We must awake to the reality that we have moral obligations to the rest of mankind, and that we shall have to meet fiercer competition under more difficult circumstances and overcome more difficult problems than we have ever experienced in the past. This means that in order to survive and be able to fulfill our moral obligations to the rest of the world, Canadians will have to adjust as never before.

● (2030)

We can be sure that the changes which we can see coming will require further changes in our work ethic and our concepts of work. We have seen where our present concepts have led us and it should be clear that Canadians cannot be expected to make the necessary adjustments and make them in the right way without having a clearer understanding of our work ethic and clearer concepts than we have now. The confusions and contradictions in our present concepts are the result of allowing ourselves to be overtaken by events. Surely it is the part of wisdom to prepare ourselves beforehand as much as possible so that we can learn from past mistakes and be ready to make the right response to each challenge as it arises.

That, in my opinion, is the main reason for an examination of our work ethic in Canada today, but it is by no means the only one. Society today is questioning the traditional work concepts and we are living in a time when work is changing its meaning in fundamental ways for large groups of people, particularly those who are no longer motivated by hunger or by material gain. Work has values other than purely financial in the lives of many people. Changing attitudes are shifting the emphasis from the economic to the social aspects of work; from quantity to quality and from the purpose of work to its meaningfulness to the individual and its usefulness to the community.

There are also questions as to how much work is being done solely for economic value and how much essential work is being left undone, particularly in the health and social fields, simply because the people needing those services lack sufficient income to pay for them.

Not only do we need to re-think our concepts of work and our underlying philosophy but we also need to re-examine our system of values and the criteria by which we evaluate the importance to society of the work being done and the services performed. For example, who provides the most valuable service for society: the primary producer or the processor? What can be more important than food and shelter, the very basic necessities of life? Why then should the farmer, or fisherman, the miner, the woodsman be paid less by society for their services than those who process and distribute the primary products they produce? Why should we pay such fabulous salaries to entertainers and hockey players whose services are the least essential of all?

**Senator Croll:** That's what Ballard thinks.

**Senator Carter:** How should we evaluate the work of garbage collectors, the fruit pickers, the street cleaners, the floor sweepers, the people who perform these so-called menial tasks? Should not the value of these services be assessed on their importance to the community and those who perform them paid accordingly?

By what sort of rationalization do we justify the attitude that these menial jobs are beneath the dignity of Canadians and should therefore be performed by immigrants from other countries? Are not the Mexicans, the Asians, Africans and West Indians entitled to the same dignity as Canadians? The time has come when we simply must revise our thinking and our attitudes on these matters or we shall never be able to make the right responses to the challenges of the future.



Then there is the question of the right to work. The strength of a nation lies in the character of its people. If work is good for the soul and essential for the development of character, then surely it should be a fundamental human right, yet the unions and employers enter into closed shop agreements whereby this basic right is denied to workers unless they conform to certain conditions laid down by unions, some of which may even be in conflict with the workers' conscience.

To a large extent our problems today are the result of too much emphasis on our so-called "rights" and too little emphasis on our duties. We no longer distinguish between our wants and our needs. The common man wants facilities that until recently have been uncommon. He also wants short hours of work and long holidays. But without automation it is impossible for the bulk of society to have more and more, while working less and less. Arithmetic rules it out. Convinced of their "rights" they seek in vain to defy arithmetic.

The demands of each sectional interest are, in most cases, understandable. Each lot can satisfy itself that it is worse off than others, if not worse off than before. Almost always each demanding group has, in some ways, a just cause. The trouble is that justice for one group can spell disaster for other groups, and with galloping inflation also for themselves.

The life and health of all nations, not only of Canada, depend on a shift of emphasis from rights to duties. Civics and ethics have always prescribed duties. So conscious of this is Chairman Mao that he has made it the guiding principle of the society he is trying to create.

The right to work brings up the question as to whether the private sector can provide jobs for every person who is able and willing to work. If not, what is the responsibility of the public sector and of society as a whole? Should a worker be penalized because his job is destroyed by technology which in the long run will be a benefit to society? Should a worker be penalized because his job has been destroyed by policies which governments have been forced to adopt in order to protect society as a whole?

Why should one-fifth of our Canadian population be trapped in poverty because, owing to disability or circumstances, they are unable to perform traditional jobs or because of the unemployment rate they are unable to find jobs? For that matter why should anyone be compelled to work for an inadequate income?

Also, to what extent should governments at any level become the employer of last resort? What kind of balance should or can be struck to reconcile the needs of society with the needs of the individual including the need for personal fulfillment and the need to do his own thing? How much emphasis should be placed on the service rendered to the community? To what extent should government encourage labour intensive enterprises, by way of capital grants and loans for group or community projects and for non-profit cooperative enterprises or limited profit enterprises? These are all questions that are related to our concept of work and our work ethic. It is important that we find the answers and find them soon.

Over against all this is the widespread public belief that our social security programs are destroying the work ethic of our people. I think we must face the fact that once getting something for nothing becomes a way of life for any person, his self-respect and his whole character begins to deteriorate. But does it need to be that way? Doesn't the real blame rest with us, the politicians, who with humanitarian instincts and with the best of intentions advocate welfare programs but do nothing to avoid the erosion of character which could result, and even neglect to point out the danger. Are we not our brothers' keepers in this respect also?

Then there is the contention that most workers prefer to live off welfare and unemployment benefits instead of working. This myth has been exploded a number of times, but the media, by propagating and sensationalizing misinformation, continue to revive it. They distort the picture by giving the impression that every person receiving unemployment benefits is paid at the top rate. Senator Asselin, in his excellent speech on December 4, 1974, made reference to this when he said, as recorded on page 340 of *Hansard*:

> Under the Unemployment Insurance Act provisions, when people stop working after they have qualified they can receive between $100 and $115 a week.

He then goes on to ask, "How many can you find who will accept a job which will give them between $100 and $115 per week? Actually, only 28 per cent of the unemployed receive benefits of $100 per week and over. The average benefit is only $75 per week, which is well below the poverty line, and welfare benefits are lower still.

● (2040)

Nevertheless, as Senator Croll pointed out on page 284 of *Hansard* of November 20, there is the problem of over half a million Canadians being out of work while over 130,000 jobs go begging, and there is the problem of having to import indentured labour from Mexico, Spain and other countries to fill jobs that Canadians will not take.

There is also the disregard by teachers and public servants for contracts supposedly entered into in good faith. Surely these problems alone, since they go to the very roots of our economy and of our survival as a nation, are sufficiently important to justify an inquiry by a Senate committee.

In addition, there is also the need to take a good look at our official definition of work. *The Oxford Universal Dictionary* defines work as "action involving effort or exertion directed to a specific end, especially as a means of gaining one's livelihood." That definition is broad enough to include stealing, gambling and even protitution.

The official definition as set forth by Statistics Canada on page 67 of the *Labour Force* of December 1972 defines a work as:

> All persons who during the reference week
>
> (a) did any work for pay or profit;
>
> (b) did any work which contributed to the running of a farm or business operated by a related member of the household; or
>
> (c) had a job, but were not at work, because of bad weather, illness, industrial dispute or variation or because they were taking time off for other reasons.

Practically the same definition is embodied in the Unemployment Insurance Act. It follows from these definitions that with the exception of services rendered by family members to family enterprises, work activities which bypass the market mechanism are regarded as free services and, like free goods, such services are deemed not to have a price. Not having a price they have no value, and since they have no value they cannot be regarded as work in the value-added sense.

Is this reasoning logical? Surely the absence of a price does not mean there is no value in the services rendered? The volunteer social welfare worker, the volunteer hospital worker, the citizens who transport handicapped people, the homemaker, the mother rearing children and the scores of men and women serving in churches, clubs, associations and numerous other organizations render services which would have to be purchased if volunteers did not supply them.

This market orientation of the work concept implies that any work activity to be recognized as legitimate must meet three conditions: (1) there must be a market price for the activity; (2) the productivity of the individual performing the activity must be such as to command the prevailing market price; and (3) the individual performing the activity must be able and willing to accept payment for it.

The implications and ramifications of these concepts are such that their validity is being challenged and certainly should be looked into. For example, the establishment of a price depends, among other things, on an actual or effective demand which in turn depends on purchasing power. The absence of actual demand does not mean that a need does not exist. There may very well be a potential demand; also, the absence of a market price does not mean that the activities related to filling the potential demand does not constitute work.

The market orientation concept dictates that to be employed the individual must produce a value or output which will at least cover the wage the employer is required to pay, either by law, by labour management contract or by the market. This concept imposes a severe penalty, because any individual who because of advanced age, minor handicap, lack of skill or other impediment, cannot produce a value of output equal to what the prospective employer is required to pay, is unable to obtain work and the higher the level of unemployment the weaker the competitive position of those whose productivity is at the lower end of the scale. It also penalizes those who do not wish to be bound by contractual arrangements which turn them into marketable resources.

A further undesirable aspect of the market orientation of the work concept is that is divides the adult population into employed, unemployed, and unemployable. Each of these conveys a good or bad connotation about the individuals involved, their roles in society and their contributions to the community.

The concepts inherent in our present official definition place the emphasis on production and ignore consumption

completely, although in the future consumption may well become more important than production. It also raises questions about the operation of supply and demand in the labour market and to what extent supply and demand is or ought to be controlled.

Then there is the other side of the labour coin, which is leisure. Leisure is such a vast subject and of such tremendous importance that it could very well require a completely separate study.

Senator Asselin concluded his excellent speech on December 4 last by questioning whether there was a need for an inquiry into our work ethic and asked specifically what such a committee would do. I do hope that what I have said will convince him of the need for such an inquiry and that the lines of investigation which I have indicated will satisfy him that there will be plenty of important work for the committee to do.

As to why this inquiry should be carried out by a Senate committee, the answer is obvious. It can be done only by a Senate committee or by a royal commission, and of the two the Senate committee can certainly do it much better and cheaper. Furthermore, for the most part, Senate committee meetings are open to the public, and the printed proceedings of the committee are also available to the public. Thus the opportunities for making the public aware of the problems under consideration are far greater than is possible with a royal commission.

The work ethic lies at the heart of our social contract. In the final analysis, it is our ideas and concepts which will determine the kind of society we will have. The most healthy exercise we Canadians as a society can perform is to take a good look at ourselves, our ideas and concepts and how they relate to the problems we face today and those we can foresee in the future. By focusing attention on these matters and educating the public and generating thoughtful discussion, as was done with respect to poverty, a Senate committee can perform a very useful service and, in view of the changing times in which we live, a service that is very essential.

Honourable senators, an inquiry into our work ethic is an important job which needs to be done. It is a job which the Senate can do and, in my opinion, ought to do for Canada. I therefore support Senator Croll's suggestion and hope it will receive unanimous approval.

On motion of Senator Petten, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, January 29, 1975

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

Prayers.

## RESTAURANT OF PARLIAMENT

STANDING JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Scott has been substituted for that of Mr. Munro (Esquimalt-Saanich) on the list of members appointed to serve on the Standing Joint Committee on the Restaurant of Parliament.

## EXCISE TAX ACT AND EXCISE 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-40, to amend the Excise Tax Act and the Excise Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

## CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—QUESTION

**Senator Croll:** Honourable senators, I have a question dealing with Bill S-14, to amend the Criminal Code (control of weapons and firearms). A very large number of letters have reached me, as they have undoubtedly reached many members of the Senate, with respect to Bill S-14, which we will refer to as the gun bill. These letters need to be answered and I am at a loss to know what definitive reply I can give.

The history of the bill is as follows. In the first session of the Twenty-ninth Parliament a similar bill, known as Bill S-2, was given first reading on February 5, 1973. On March 2, 1973, it received second reading and was referred to the Standing Senate Committee on Legal and Constitutional Affairs. It was not reported to the Senate, and the session ended on February 26, 1974, almost a year later. In the second session of the Twenty-ninth Parliament, the legislation was introduced as Bill S-4 and was given first reading on March 26, 1974. On April 22, 1974, it received second reading and was referred to the Standing Senate Committee on Legal and Constitutional Affairs. It died in the committee on account of dissolution of Parliament. In the present session the legislation received first reading as Bill S-14 on October 29, 1974. On November 21, 1974, it received second reading and was referred to the Standing Senate Committee on Legal and Constitutional Affairs. It is now before that committee.

This was presented as an important and urgent bill. It is still important, in my opinion, but the government now has in mind legislation in the field of gun control, and, since this is an important and delicate bill, unless the leader has some other plan, my suggestion is to let the House of Commons take the responsibility for remedial action. If remedial action is going to be taken, and I believe it will, why not let it be by a joint committee—this matter is a natural for a joint committee—to avoid confrontation with the Commons?

This bill was considered urgent and important at one time; it is certainly important, but it cannot be quite as urgent as it was thought to be when presented a couple of years ago. My question is: What action will be taken in order that we can make some reasonable reply to the large numbers of letters coming in to us at the present time?

**Senator Flynn:** Are you addressing your question to the Leader of the Government or to the Senate?

**Senator Croll:** To the leader and to the sponsor.

**Senator Flynn:** This is a private bill. It is about time we knew to whom you were addressing the question.

**Senator Croll:** I am prepared to accept your answer.

**Senator Flynn:** If you get mine, I don't think you will be happy with it.

**Senator Perrault:** Honourable senators, members of this house have a right to advance those measures which they believe to be in the public interest. The sponsor of this bill, a public bill in the hands of a private member, has every right to proceed with it.

**Senator Flynn:** Sure.

**Senator Perrault:** And to advance its cause in this place irrespective of what may or may not happen in the other place. I am sure that the sponsor of this legislation has heard his colleague speak this afternoon and will give due consideration to his judgment and his remarks. Beyond that I am not prepared to suggest that anyone withdraw any measure in this place.

**Senator Flynn:** You did not take Senator Croll's remarks as a question but as a comment on the bill. Is that it?

**Senator Croll:** My point was that in view of the record of this bill some reply must be given to the hundreds of letters which are coming in to senators.

**Senator Asselin:** Why not put your question to the sponsor of the bill?

**Senator Croll:** He can answer it, if he likes, but he has no control over it. That is the point.

**Senator Flynn:** My understanding is that you are seeking advice as to the type of reply that you should give to these letters.

**Senator Croll:** And that others should give. I can give a reply.

**Senator Walker:** Are you in favour of the bill?

**Senator Cameron:** Honourable senators, I have been trying to get this bill before the Standing Senate Committee on Legal and Constitutional Affairs for some considerable time, but, as you know, adjournments and prorogations have made it necessary to postpone it from time to time. There is a request now on Senator Goldenberg's desk to convene a meeting of the committee in order to deal with it at the earliest possible moment. I believe the reason that the committee has not been able to get at it before is that there have been such lengthy hearings on the parole question.

I believe Senator Goldenberg has just come in and can answer as to how soon he can get at it. But I should like to urge that we get at it as quickly as possible, because letters are just pouring in asking what action is being taken.

**Senator Goldenberg:** Honourable senators, the committee is meeting this afternoon and I will discuss this with the committee. But there are two bills, the cannabis bill and the gun control bill, and it will be up to the committee to decide how it wants to proceed.

**Senator Cameron:** May I ask the honourable senator that this be given high priority so that it can be dealt with as soon as possible. It has been dragging on for a long time.

● (1410)

**Senator Flynn:** You do not have to wait for that to answer letters that you receive.

**Senator Goldenberg:** Honourable senators, as far as the bill's dragging on is concerned, as Senator Cameron said, two such previous bills received second reading. The first time was just before an adjournment, and the second time was just before dissolution; so we had to introduce it for the third time, and it only received second reading just before Christmas.

**Senator Flynn:** A Christmas gift.

## VISIT OF PRIME MINISTER OF THE UNITED KINGDOM

QUESTION

**Senator Yuzyk:** Honourable senators, would the Leader of the Government have any further information regarding the possible visit of the Prime Minister of the United Kingdom to the Parliament of Canada, and in particular to the Honourable the Speaker of the Senate?

**Senator Perrault:** Honourable senators, as you are aware from a previous communication, there is a probability that the Right Honourable Harold Wilson, Prime Minister of the United Kingdom, will be present on the Senate side of the Parliament buildings at approximately three o'clock this afternoon. My understanding is that he will enter through the Peace Tower entrance and then proceed to the chambers of Madam Speaker, where he will pay his respects and sign the visitors' book. The proposal, which I shall voice again for the convenience of the honourable senator, is that we adjourn at approximately ten minutes to three, to await the arrival of the Prime Minister. Afterwards, the sitting will resume at the call of the bell, should there be other business to be transacted.

## THE SENATE

NEWSPAPER ARTICLES—QUESTION OF PRIVILEGE

**Senator Rowe:** Honourable senators, I rise on a small matter of privilege which, nevertheless, I consider to be important from the standpoint of the record.

Recently, as I believe many honourable senators know, I wrote a couple of articles on the Senate which were published in a newspaper. Since I was anxious that all my colleagues would know what I had actually written I asked my office to make photostatic copies of the two articles and distribute them to all senators. I believe most senators got their copies, but in the event that any honourable senator is lacking both copies I would be pleased to supply them. I believe some senators got copies of only one article. That, I may say, is not my point of privilege. The point I actually wish to raise is as follows.

It has been brought to my attention by half a dozen of my colleagues that there is an error in one of the articles. It says that the Committee on Mass Media was headed by Senator Maurice Lamontagne. I have here a carbon copy of my actual script, and I would like to have the correct version entered in our official record. Here are the exact words as they appeared in my script:

> Among these in recent years have been the Special Committee on Poverty headed by Senator David Croll, the Committee on Land Use headed by Senator Arthur Pearson, the Committee on Mass Media headed by Senator Keith Davey, and the Committee on Science Policy headed by Senator Maurice Lamontagne.

I apologize for this. It was obviously a typesetter's error. I suppose you could say it was a case of "man proposes but"—in this case, not God—"the typesetter disposes." I apologize to my colleagues for, from my standpoint, this completely inadvertent error and I would like to have this entered in the record.

## CLERESTORY OF THE SENATE CHAMBER

APPOINTMENT OF SPECIAL COMMITTEE

**Hon. John J. Connolly** moved, pursuant to notice:

> That a special committee of the Senate be appointed to consider and report upon the question of the installation of stained glass windows in the clerestory of the Senate chamber;
>
> That the committee have power to send for persons, papers and records, to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;
>
> That the committee have power to sit during adjournments of the Senate; and

That the committee be composed of the Honourable Senators Beaubien, Cameron, Carter, Connolly (*Ottawa West*), Deschatelets, Fergusson, Forsey, Gélinas, Hicks, Lafond, Neiman, O'Leary, Quart, Sullivan and Yuzyk.

He said: Honourable senators, I shall not take much time to discuss this motion. At the outset I should like to apologize to the Senate for the fact that this has been on the Order Paper for a considerable length of time, although this is due to circumstances beyond my control. I might also add that the subject matter of this motion is neither a burning one nor a momentous issue to place before Parliament at the moment.

Honourable senators will remember that a few years ago a project was completed in the House of Commons whereby the windows of that chamber were filled with stained glass. The theme for that project centered around the floral emblems of each of the provinces and territories. I think I can safely say that it has been generally agreed that that project could be described as being appropriate, dignified and beautiful.

As many senators are aware, the authorities in charge of matters of this kind are now considering a similar project involving the 11 windows in the upper walls of this chamber, in other words in the clerestory. I spoke on this subject on April 4, 1974, and in the discussion which followed mention was made by various senators of the importance of this chamber. It was stated that if stained glass windows were to be installed here, they should embody a particular theme and should be appropriate to and in harmony with the other features of the chamber itself. The view was also expressed that senators themselves should be able to make a contribution to the development of the project rather than find themselves confronted by a proposal or even by a definite installation which they might not be able to change.

In this motion I have restricted the proposal to an inquiry with reference to the installation of stained glass in the windows, whereas in our earlier discussions I referred to changes that might some day be made in the Throne area. Other senators referred particularly to the pictures which are presently on our walls. It seems to me, however, that one project is sufficient for a group of senators to undertake at one time, particularly when it is an important problem, such as this. Should the motion be approved, I am sure the committee would prefer to sit at times when it would not interfere with the important work of our standing committees and other special committees. Also, if the motion is approved, I suggest that the committee should consider a number of aspects of this subject.

● (1420)

First of all, it should examine where the authority lies to make these fairly extensive changes within this chamber. Then it should discuss the theme of the windows, and on that point I am sure many ideas will be expressed by various committee members. For example, there could be a recommendation that significant milestones in parliamentary history, either generally or with respect to Canada, might be an appropriate theme for the windows. Another suggestion might have to do with the bicameral aspects of Parliament, or a geographic theme for Canada may be put forward.

In my opinion, the most appropriate type of theme would be historical, touching mainly the early history of this country. During the earlier discussion in which I participated, I thought that the work of the discoverers and explorers of this country might be a highly appropriate theme for the windows in this chamber. We should adopt a theme in which there is a closed universe of discourse. For example, if we embarked upon a theme dealing with Prime Ministers or Governors General of Canada, we would have an open end. This would probably result in many beautiful windows, but the time would come when we would run out of space for Prime Ministers.

Any committee, to do a responsible job of work, should consult with experts—and in this case it would be experts on stained glass. We are very fortunate in these buildings to have the services of Miss Eleanor Milne, who was really in charge of the work done in the House of Commons and who is in charge, as honourable senators all know, of the carving that is continuing in this building. I suppose the committee should form some idea, also, of the contractual side of the project. In that respect the committee would probably call upon officials of the Department of Public Works.

Since an historical theme would be of great importance, or certainly worthy of careful consideration, we should enlist the services of good Canadian historians. There may also be experts in other categories to whom we should pay some attention. We may have to consider the views of artists. Also, if a committee is appointed, I believe it should discuss an appropriate timing for the project, and consider whether or not this is the appropriate time to incur an expenditure of this kind. A recommendation from the committee would be valid, even if the project could not be proceeded with at once.

I had thought originally that this matter should not be referred to a special or select committee but rather to the Standing Senate Committee on Internal Economy, Budgets and Administration. However, on considering the points that I have mentioned this afternoon, I felt that this investigation is a little broader than the work conducted by the members of that committee. Their task is a more immediate one and concerns day-to-day housekeeping problems. They might not thank the Senate for foisting a problem like this upon them.

If the Senate should approve the motion, I would ask, without my making a formal amendment to the motion, that by unanimous consent the name of Senator Thompson be added to the list of senators proposed to serve on this committee.

**Senator Flynn:** No comment from the Leader of the Government?

**Senator Croll:** A comment from you.

**Senator Flynn:** This matter involves the government to a large extent, and I'm sure that the majority of senators would like to hear from Senator Perrault.

**Senator Perrault:** No response at this time.

**Senator Flynn:** Why don't you move the adjournment?

**Senator Langlois:** Why don't you do it yourself?

**Senator Flynn:** On behalf of Senator Perrault, I move the adjournment.

**Senator Perrault:** He can speak for himself.

**The Hon. the Speaker:** Honourable senators, is it agreed that the name of Senator Thompson be added to the list of senators to serve on the proposed committee?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion, as modified?

Motion agreed to.

## BUSINESS OF THE SENATE

**Senator Langlois:** Honourable senators, before moving the adjournment of the Senate, I should like to remind you that, as indicated by the numerous notices we have received in the mail, the work of the Senate for this week is centred mainly in the committees. A heavy schedule of committee work is in store for us this week.

Following the visit this afternoon of the Right Honourable Harold Wilson, Prime Minister of the United Kingdom, the Standing Senate Committee on Legal and Constitutional Affairs will sit in Room 356-S to deal with Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code. It is an organizational meeting and will be held in camera.

I move that the Senate do now adjourn.

**Senator Grosart:** Honourable senators, the Deputy Leader of the Government has referred to the work of committees. I wonder if the Leader of the Government will again give consideration to setting up some guidelines, or rules, in order that we shall not continue to have, as we have this week, a conflict arising because of the number of committees sitting.

At the moment it seems that the chairman of any committee who wishes to call a meeting can do so. This matter has been discussed before. There was, I thought, a consensus that any chairman wishing to call a meeting would consult with the Director of Committees in order that the matter might be regulated.

This matter is very important to us on this side of the house, because we are few in number. Many of us are on four or five committees—of necessity, and not because we want to be on them. I again suggest that we should have some rule or guideline laid down by the Leader of the Government to avoid a continual recurrence of this situation. We have had assurances in the past, but apparently nothing has been done—certainly nothing effective. I again ask that some action be taken.

● (1430)

**Senator Langlois:** Honourable senators, shortly before the Senate adjourned in December I announced that, as a result of discussions between my leader and the Leader of the Opposition, it had been decided to form a steering committee, comprised of honourable senators from both sides of the house, to arrange the future work of Senate committees. It is my intention to call a meeting of that committee for some time next week, and it is my hope that that committee will do the kind of work that Senator Grosart has in mind.

**Senator Molson:** Honourable senators, before the Senate adjourns I should like to rise on a point of privilege. It is in connection with the information the Senate is now getting. Yesterday we were told by Her Honour the Speaker that messages had been received from the House of Commons with Bills C-39 and C-29, both of which were then read the first time. We have not yet received copies of those bills. Today Madam Speaker told us that another message has been received with Bill C-40, and we have not got that bill.

In response to my inquiry I was told that the text of Bill C-39 will reach us tomorrow, and that Bill C-29 has not yet been printed. I think that is the story. I should like to ask the Leader of the Government whether we could discuss our internal arrangements in an effort to rectify this situation and ensure that we have copies of all bills as soon as they come forward.

**Senator Perrault:** Honourable senators, I will initiate inquiries and do what I can to expedite the production of these bills. I realize this is a matter of importance to all honourable senators.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, January 30, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Langlois** tabled:

Report of the Department of the Solicitor General for the fiscal year ended March 31, 1974, pursuant to section 5 of the Department of the Solicitor General Act, Chapter S-12, R.S.C., 1970.

Report of the Superintendent of Insurance on the administration of the Investment Companies Act, for the fiscal year ended March 31, 1974, pursuant to section 27(1) of the said Act, Chapter 33, Statutes of Canada, 1970-71-72.

Capital Budget of Central Mortgage and Housing Corporation for the year ending December 31, 1975, 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. 1975-171, dated January 23, 1975.

Report of the Department of Energy, Mines and Resources for the fiscal year ended March 31, 1974, 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 Indian Affairs and Northern Development for the fiscal year ended March 31, 1974, pursuant to section 7 of the Department of Indian Affairs and Northern Development Act, Chapter I-7, R.S.C., 1970.

## SCIENCE POLICY

SPECIAL SENATE COMMITTEE—CHANGE IN COMMITTEE MEMBERSHIP

**Senator Macdonald**, with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Sullivan be removed from the list of senators serving on the Special Committee of the Senate on Science Policy.

**The Hon. the Speaker:** The house has heard the motion, which cannot be proceeded with without unanimous consent. Is there unanimous consent?

**Hon. Senators:** Agreed.

Motion agreed to.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

**Senator Macdonald**, with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Quart be substituted for that of the Honourable Senator Asselin on the list of senators serving on the Special Joint Committee on Employer-Employee Relations in the Public Service; and

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

**The Hon. the Speaker:** The house has heard the motion, which cannot be proceeded with without unanimous consent. Is there unanimous consent?

**Hon. Senators:** Agreed.

Motion agreed to.

## BUSINESS OF THE SENATE

**Senator 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, February 4, at 8 o'clock in the evening.

Honourable senators, before the question is put I should like to give, as usual, a brief outline of the program for the next week.

First, I shall deal with the work of committees. On Tuesday the Standing Senate Committee on Foreign Affairs will meet at 3.30 p.m. to continue its study of Canada's relations with the United States. The Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 8 p.m.

Also on Tuesday, at 2 p.m. the Standing Senate Committee on Legal and Constitutional Affairs will commence its examination of Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code. The Minister of National Health and Welfare will appear at that meeting together with officials of the department. I am informed by Senator Goldenberg, the chairman, that it is his intention to hold meetings of the committee on Tuesdays, both morning and afternoon, until examination of the bill is completed.

On Wednesday morning the Standing Senate Committee on Banking, Trade and Commerce will continue its study of competition in Canada and of the Combines Investigation Act. The Special Joint Committee on Employer-Employee Relations in the Public Service will meet again on Thursday at 9.30 a.m. and at the same time the Standing Senate Committee on National Finance will proceed with its examination of the Manpower Division of the Department of Manpower and Immigration.

With respect to our work in the chamber, we will continue the debate on the second reading of Bill C-39, to amend the Customs Tariff (No. 2), and proceed to second reading of Bill C-29, respecting Canadian business corporations, and Bill C-40, to amend the Excise Tax Act and the Excise

Act. In addition, Senator Deschatelets will open the debate on the inquiry standing in his name.

**Senator Molson:** Honourable senators, might I ask the Acting Leader of the Government if we could adopt the practice of having this information, which in fact is an agenda for the next week's business, mailed to senators at their home addresses? Sometimes when a senator is away for a day or a week, unless he sees our printed proceedings, which may give some indication, he has no information as to what business the Senate is going to deal with the following week. Mailing this information to senators as soon as it is available would facilitate the planning of our week, and it might also help to improve our attendance.

**Senator Langlois:** In voicing his suggestion the honourable senator omitted to say if he wanted such statements mailed to the home addresses of honourable senators, or to their mailing addresses here in Ottawa.

**Some Hon. Senators:** To their home addresses.

**Senator Molson:** I said "home addresses."

**Senator Langlois:** I see no objection to adopting that practice. Of course, it would be impossible to do it today, but we can start next week. We will see if this can be done.

**Senator Prowse:** Honourable senators, I would like to ask the Acting Leader of the Government if consideration could be given to calling a meeting of the Standing Senate Committee on Standing Rules and Orders to consider changing the present time of sitting on Wednesdays from 2 o'clock to 3 o'clock.

The time of sitting was changed from 3 o'clock to 2 o'clock with the idea of accommodating senators who had booked flights home on Thursdays. The earlier sitting allows them to attend to their work in the chamber and still catch their flights. As to Wednesday, however, many of us, on both sides of the house, would like to attend caucus. If a senator is a member of more than one committee he is precluded from attending caucus because many committee meetings are scheduled for Wednesday mornings. On the other hand, if the Senate were to sit at 3 o'clock on Wednesdays senators would be able to attend caucus, and it would be possible for committees to sit between 1 o'clock and 3 o'clock on those days to take care of the many routine references to committee.

**Senator Langlois:** Honourable senators, there is certainly no objection to considering the suggestion just made. Since the chairman of the committee concerned is in his seat, and heard the suggestion, I am sure he will be ready to discuss it with me at the next opportunity.

**Senator Grosart:** Honourable senators, I wonder if I could ask the acting leader if there is a chairman of that committee?

**Senator Langlois:** There used to be one.

**Senator Grosart:** Yes, but I am asking if there is one now, and, as a supplementary, if there is any reason why that committee has not been reconstituted.

**Senator Langlois:** I do not think there is any doubt that there was such a person as a chairman, but it might be appropriate to ascertain whether he was re-elected for this session. Unless my memory is failing, he was, and I would be very pleased to discuss it with him.

**Senator Grosart:** But my question is: Has that committee been reconstituted in this session; and if not, why not?

**Senator Langlois:** From memory I cannot say, so I cannot be positive, but I am going to discuss the matter with the former chairman. With regard to whether the committee has been reconstituted, there has been no need so far this session to re-activate this committee, but it can be done at the next opportune moment.

**Senator Grosart:** Might I suggest to the acting leader that there is every reason for that committee to be reconstituted, because it is required under our rules to keep the rules under constant consideration.

**Senator Walker:** And may I add that never have we had a more able chairman. We are lucky to have his services. I think the committee should be reconstituted, and that he should be the chairman.

**Senator Langlois:** I agree with you entirely.

**Senator Flynn:** Would the former chairman identify himself?

Motion agreed to.

[*Later:*]

**Senator Langlois:** Honourable senators, a short while ago, when Senator Grosart asked me whether or not the Standing Rules and Orders Committee had been constituted, my memory failed me and I could not reply in either the affirmative or negative. I have now been informed that the committee has been selected, but the organization meeting to elect a chairman has not yet taken place.

**Senator Flynn:** Is there any reason for that?

**Senator Petten:** Perhaps I might be allowed to answer that question. I have been remiss in my duties as Whip in not calling an organization meeting. I shall remedy this oversight immediately.

**Senator Flynn:** I would say that is the most reassuring explanation we could have.

• (1410)

## CUSTOMS TARIFF, (NO. 2)

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Senator Cook** moved the second reading of Bill C-39, to amend the Customs Tariff, (No. 2).

He said: Honourable senators, this is not a complicated bill. It is, however, full of a great deal of detail. Furthermore, the background to the bill is also full of details which are not too easy to explain clearly and concisely. The bill and its background are therefore matters, I would respectfully suggest, to be considered and studied more fully by the Standing Senate Committee on Banking, Trade and Commerce, to which committee I shall move that the bill be sent if it is given second reading.

Having said that, I shall now endeavour, with the forebearance and patience of honourable senators, to give a brief explanation of this legislation. In short it is a relieving measure whereby duties on imports of an estimated

value of $1 billion will be reduced by an estimated total of $65 million a year.

The history of the bill is this. In the budget of February 19, 1973, tariff reductions were proposed on a broad range of consumer products for an initial period of one year. The February 19, 1973 proposal was approved by the Senate and given royal assent in July, 1973. The legislation provided that these temporary tariff reductions would expire on February 19, 1974.

On January 10, 1974 the Minister of Finance tabled a Notice of Ways and Means Motion proposing that most of these temporary reductions be continued until June 30, 1974. The tariff reductions on sugar and related products, which were based on recommendations by the Tariff Board were, however, to be extended until June 30, 1976.

The session ended before the Notice of Ways and Means Motion could be dealt with and the tariff reductions were reintroduced in a new notice of March 1, 1974. This motion became Bill C-21 and received first reading in the other place on April 8, 1974. That bill, of course, lapsed when Parliament was dissolved last May.

On October 1, 1974 a new Notice of Ways and Means Motion was tabled by the minister; this new notice was the same as the March 1, 1974 notice. These proposals came before us recently as Bill C-27 and were passed by the Senate in November.

In the meantime other events had taken place. In his May 6 budget, the minister had proposed that the temporary tariff reductions, which were to expire on June 30, 1974, be extended to December 31 of last year. This proposal, being part of a budget on which the government was defeated, could not be maintained in effect. Therefore, on July 1, 1974, the rates of duty under all tariff items listed in schedule I of Bill C-27 reverted to the levels in effect before February 20, 1973.

In a statement issued on May 9, the Minister of Finance said that it was the government's intention, if re-elected, to ask Parliament to enact legislation implementing the proposals contained in the May 6 budget. He further indicated that the amendments to the Customs Tariff would not be applied retroactively; instead, the new rates would become effective on dates to be proposed at the time the measures were reintroduced in Parliament.

In his November 18 budget, the minister proposed the reintroduction of most of the temporary tariff reductions, these reductions to apply from November 19, 1974 to June 30, 1976. Economic conditions, of course, are somewhat different now from what they were in May. Because of this, because of the longer period involved and because of the coming into effect on July 1, 1974 of the Canadian system of tariff preferences for the goods of developing countries, a number of products which were covered by the May 6 proposal are not included in the present bill.

The preferential rates for developing countries, known as the General Preferential Tariff, are equal to the British Preferential Tariff rates or to the Most-Favoured-Nation Tariff rates reduced by one-third, whichever is the lower. Clause 2(2) of the bill provides that where the one-third reduction rule applies, it will continue to apply on the basis of the pre-budget rates of duty and not on the basis of the rates set out in schedule II of the bill.

Some of the products which are not in the bill are related to the current slowdown in construction, particularly in the housing sector in both Canada and the United States; among these are such goods as plywood, furniture, large household electric appliances, house trailers and mobile homes. Luggage, toys and batteries are excluded because of the reduced rates which were introduced for these products from developing countries as of July 1.

Live hogs, fresh lamb and mutton, fresh pork and other meat products were not included because of current difficulties in the market for meats. Raisins and currants were left out of the present proposal, and the British Preferential rate on meat extracts was reduced to free following representations from the Australian government for restoration of the margins of preference on these products. The margins of preference are the difference between the rates which apply under the Most-Favoured-Nation Tariff and those which apply on our imports from Australia. A number of Canadian exports to Australia receive preferential treatment in exchange for our maintaining margins of preference on Australian exports.

The list of products covered by this bill was carefully examined to ensure that these temporary reductions would not have any serious effects on production and employment in Canada. However, as a safeguard measure, the minister is again asking Parliament to provide the government with the necessary authority to restore by order in council the pre-budget rates of duty on any particular product where circumstances warrant such action.

The other tariff provisions included in the May 6 budget, which are of a miscellaneous nature, are covered by clause 1 and schedule I to the bill. I am sure all honourable senators will be pleased to note the increases in the so-called "tourist exemptions." The quarterly exemption from duty and tax available after a 48-hour absence is doubled from $25 to $50. The annual exemption is increased from $100 to $150 and the minimum period of absence is reduced from 12 days to 7 days. While many Canadians would undoubtedly like to see these duty- and tax-free exemptions raised even more, higher exemptions could well lead to the resumption on a large scale of combined pleasure and shopping trips to neighbouring cities across the border. These trips were quite popular years ago when our exemptions were at the $100 level after an absence of 48 hours. Imports under the exemptions are quite substantial. In 1973 over four million exemptions were claimed on imports valued at over $110 million.

● (1420)

Lastly, there is another proposal in the bill which will allow the government to provide for the duty-free entry of bona fide handicraft products from developing countries.

On motion of Senator Grosart, debate adjourned.

The Senate adjourned until Tuesday, February 4, at 8 p.m.

# THE SENATE

Tuesday, February 4, 1975

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

Prayers.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Towers has been substituted for that of Mr. Dinsdale on the list of members appointed to serve on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

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, 1974, pursuant to section 12 of the Department of Supply and Services Act, Chapter S-18, R.S.C., 1970.

Statement of the Chartered Banks of Canada showing Revenue, Expenses and Other Information for the fiscal year ended October 31, 1974, pursuant to section 119(1) of the Bank Act, Chapter B-1, R.S.C., 1970.

Report of operations under the International River Improvements Act for the year ended December 31, 1974, pursuant to section 10 of the said Act, Chapter I-22, R.S.C., 1970.

Report of the Department of Manpower and Immigration for the fiscal year ended March 31, 1974, pursuant to section 5 of the Department of Manpower and Immigration Act, Chapter M-1, R.S.C., 1970.

Copies of Report, dated August 16, 1974, issued by the Department of Transport and entitled The Elements of an International Shipping Policy for Canada.

Copies of English text of Report of the Airport Inquiry Commission appointed by Order in Council P.C. 1973-3026, dated October 5, 1973, pursuant to Part I of the Inquiries Act, together with French text of Chapters III and V of the said Report.

Report of the Department of Communications for the fiscal year ended March 31, 1974, pursuant to section 6 of the Department of Communications Act, Chapter C-24, R.S.C., 1970.

Copies of a document entitled The Constitutional Review 1968-1971, dated April 14, 1972.

Copies of the Green Paper on Immigration Policy in four volumes, together with Statement thereon by the Minister of Manpower and Immigration dated February 3, 1975.

## LEGAL AND CONSTITUTIONAL AFFAIRS

CHANGE IN COMMITTEE MEMBERSHIP

**Senator Macdonald,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Sullivan be substituted for that of the Honourable Senator Choquette on the list of Senators serving on the Standing Senate Committee on Legal and Constitutional Affairs.

**The Hon. the Speaker:** The house has heard the motion, which cannot be proceeded with without unanimous consent. Is there unanimous consent?

**Hon. Senators:** Agreed.

Motion agreed to.

## CUSTOMS TARIFF, (NO. 2)

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, January 30, the debate on the motion of Senator Cook for the second reading of Bill C-39, to amend the Customs Tariff, (No. 2).

**Hon. Allister Grosart:** Honourable senators, in introducing this bill the sponsor, Senator Cook, gave us a broad outline of the implications of the proposed amendments. He said the bill "is not complicated but is full of detail," which I think is a fair description. It consists of merely three clauses with a number of subclauses, and two schedules. However, I must say that some part of the clauses, as well as some part of the schedules, enact legislation and reflect government policy, and in some cases innovations in government policy, so I feel it is my duty to draw the attention of the Senate to these as I see them.

The bill, as usual, in reducing existing tariffs, covers a wide range of commodities from pretzels to typewriters, peanut butter to aircraft and aircraft engines, records to skis and golf clubs, bicycles to fruits and vegetables, and so on.

We are told that this will make an important contribution to the war against inflation. Personally, I am not quite sure how it is going to do that, although, as Senator Cook pointed out, it involves approximately $1 billion worth of imports and, as he has told us, the reduction in tariff charges will amount to about $65 million.

One thing that always concerns me about these customs tariff bills or customs bills is that we are never given an explanation of exactly how each of these items is going to achieve the purpose for which it is included in the bill.

I have mentioned a few of the commodities. Obviously, some of them are made or grown in Canada and some are not. But nowhere have I yet seen in this bill, or in preceding bills of its kind, an explanation by anyone as to the categories into which each of the many items—and there are hundreds of them here—fall. I would suggest that in future, or perhaps in the committee to which Senator Cook has said the bill will be referred, we might seek some further information. It is not just enough to list a whole host of items and then say, "these will do the job," because they are so disparate in nature that surely the public and parliamentarians have a right to have a more specific understanding of the intention of the government in making each of these tariff reductions.

One would ask, assuming that the purpose is to contain inflation, will these tariff reductions be passed on to the public? Will they result in lower prices or at least contain rising prices? Again we have no indication of which ones will and which ones will not do that. There has to be a suspicion that the purpose of some of these tariff reductions is to place some pressure on existing prices. If that is so, then Parliament should be advised; but nowhere in the presentation of this bill has, to my knowledge, any such information been given to Parliament. Nevertheless, Parliament has always jealously guarded its right to legislate changes in the customs tariff. That is part of our heritage. The general rule, as I understand it, is that any formal change in tariff charges can only be made through a financial bill preceded by a budget and a Ways and Means Motion.

I will have something further to say about that in a moment, because there are some items in the bill before us that do not seem, in my judgment, to conform to that general rule.

We are also told that there is a longer time extension in this more or less temporary bill than was anticipated in the May budget, the fate of which is well known to all honourable members. We are told that one of the reasons for extending these reductions to June 30, 1976, is to implement the General Preferential Tariff that was introduced in July. It is my feeling, on reading the bill, that there is a very serious failure on the part of Canada to honour some of the commitments it made at that time. This bill, in effect, amends that bill without so saying.

● (2010)

In clause 3(3) the usual authority is given to the Governor in Council to revert to the earlier rates in particular circumstances. This has been in bills before. The earlier date is, I think, November 19, 1974. The Governor in Council is authorized in specific circumstances to revert to the rates at that date, but, except in what I consider to be certain aberrations in this bill, not otherwise.

To illustrate these general remarks I will comment, if I may, on only three items in the bill. If honourable senators wish to follow me, they are 69615-1, on page 4; 70310-1 on page 5; and 87500-1 on page 6.

The first item, which is in schedule I on page 4, 69615-1, is a tariff reduction covering motion picture films, sound or silent, separate sound film track, slides or slide films, positive or negative, and sound recordings for use therewith, and so on, which are of an educational, scientific or cultural character within the meaning of the Agreement for Facilitating the International Circulation of Visual and Auditory Materials of an Educational, Scientific and Cultural Character adopted at Beirut, Lebanon, in 1948.

This was a UNESCO convention, the purpose of which was, of course, to facilitate and liberalize—my friends opposite will like that term—the distribution of educational, scientific and cultural materials in this era. We signed that convention, and we are now told that the policy of Canada will be, in respect to these items, that only under such regulations as the minister may prescribe they will come in free. We signed a convention saying that they will come in free, and now we renege on that and say, "If the minister feels like it, or if the minister agrees that they should come in free, then we will let them come in free, regardless of the convention and regardless of any international undertaking we may have made."

I should say that there is a reason for this. It has been found that because the convention requires only a statement by the host country, or an appropriate government agency, that if these do come under this UNESCO convention, they can come in free. We have had some problems with regard to material that certainly was not contemplated by the convention. We have had some obscene and scurrilous literature, and so on, coming in, and the government decided that something should be done about it. I do not disagree with that, but I have grave reservations as to whether the way to do it is that contained in this bill, namely, to say that, regardless of what is in the convention, we are now going to use our own discretion. I say that because the convention is very clear, that the whole authority lies with the host country to decide whether free import of materials into another country is to be permitted regardless of the convention.

The spokesmen for the government have made it very clear that under the convention as it stands the department has no choice but to accept the entry, if certified by the government or appropriate agency, and, again, the convention provides no discretion.

I have raised some doubts as to the propriety, in international relations, of our conduct in this regard. On the other hand, I have no sympathy whatsoever with our position in regard to any UNESCO convention. This may surprise some senators, but I think the time has come for us to take this kind of stance about UNESCO, although I do not think this is the right way to take it. Most of us have over the years regarded UNESCO as a vital and important arm of the United Nations Organization—one which, by and large, has done a very good job—but suddenly as of last November UNESCO has, in my view, completely destroyed its credibility and capability to carry out its task or to do any good whatever in this very important field. I am sure that all honourable senators are aware of what I am referring to. In this connection I should like to quote from the Montreal *Star* of January 7, referring to that November decision, where it says:

> In the past few weeks the dissatisfaction with UNESCO's flagrantly political gambit has spread. A large body of scientific and artistic opinion has threatened to withdraw its services to the various UNESCO committees; Switzerland has reduced its annual support by 10 per cent, and other nations may follow; and in Washington, Congress has voted to suspend U.S.

> financial aid. All this because the international agency, or more precisely the pro-Arab bloc within UNESCO, acted in clear violation of its charter.

Here I would add that it is not only the Arab bloc but also the Communist bloc.

> The EEC countries, with one exception, voted to accept Israel as a member of the European group. Pope Paul has lent his voice to the restoration of UNESCO's real philosophy of educational, social and cultural assistance. No "political" manoeuvring can ever supplant that universally admired mandate.

This is the kind of organization to which we find ourselves committed by convention. I commend the government for the stand it has taken, if not for the way it has taken it. In these remarks I am referring, of course, to the decision of UNESCO to exclude the State of Israel from its European group, and to cut off financial aid to Israel in spite of the fact that the contribution of Israel to UNESCO was much greater than the mere $26,000 it was receiving.

I feel sure that all honourable senators will agree that the time has come for this situation in which UNESCO has become involved to be brought to the attention of the Senate and, it is to be hoped, to the public of Canada generally as it has been done so well by our media.

I turn now, if I may, to tariff item 70310-1 to be found in schedule I on page 5 of the bill. My comment on this will be brief, as Senator Cook explained it thoroughly in introducing the bill. This refers to the increase in the permissible tax-free importation that returning Canadians may make. The tax-free amount that may be claimed once per year has been raised from $100 to $150. The period spent abroad has been reduced from twelve to seven days. The quarterly concession has been raised from $25 to $50 for a forty-eight hour stay, and there has been a minor change in the $10 limit, which is merely casual. It is interesting to note that the sponsor in introducing this bill for the government said that this was nothing more than a recognition of the increase in the rate of inflation.

The next item is on page 6 and is numbered 87500-1. This refers to handicrafts coming particularly from developing countries. The situation here is that when we passed, somewhat less than a year ago, the General Preferential Tariff, we said that we were now permitting certain products of developing countries into Canada tax-free.

● (2020)

Included in these, of course, were handicrafts, which are important to many developing countries. They are very important factors in their total export to countries such as ours. The bill before us now gives the minister extraordinary powers. It gives him the power to allow entry of these products under such regulations as he may prescribe.

I am sure there are honourable senators here who recall that in 1961 there was a quite famous debate in this chamber on this very matter—the discretionary powers of the minister in the customs tariff field. Indeed, in the discussions which have taken place—and this may interest honourable senators—the leading Conservative spokesman, the financial critic of the Conservatives in the other place, actually quoted Senator Hayden on that occasion, favourably and with approbation. He said Senator Hayden had taken the position that he was always in favour of an appeal and was against any situation in which an appeal was denied where it might normally lie. What has happened, of course, is that we passed an act last July saying we will grant General Preferential Tariff conditions to these developing countries, and now we come along and say no, only to the items that the minister allows in. The excuse given—and I have to call it an excuse, because it is not a reason—is that it is very hard to define handicrafts. Someone may be sending in machine-made Eskimo artifacts, and therefore the minister must be given this discretion.

The definition of handicrafts is given and I suggest to honourable senators that it could not be more explicit. It speaks of the benefits of the General Preferential Tariff and continues "when certified by the government of the country of production". That is one of the conditions. They must be certified by the government of that country as genuine handicrafts, "or by any other authority in the country of production recognized by the minister as competent for that purpose." They must "be handicraft products with traditional or artistic characteristics that are typical of the geographical region where produced," and they must "have acquired their essential characteristic by the handiwork of individual craftsmen". Yet we are told over and over again by government spokesmen that we must watch these manufactured products.

The definition is so clear, and I wonder why the minister wants this particular authority. It is without precedent, although there have been suggestions that there are precedents. I have examined the precedents and, in my view, not one of them covers this situation. In the Customs Tariff and the Customs Act there are discretions given which have been accepted, and which are generally understandable. The minister has discretion in cases where imports are used for processing. They shall not be sold to the public, but used only as an ingredient in further processing in Canada. There is a precedent where the government, when it is negotiating concessional tariff agreements, may use its discretion to obtain a concession from another country in the matter of Canadian exports going to that country. There is an example of that in this bill with regard to some of our exports to Australia and imports from Australia.

Now, for the first time, so far as I can find, the minister is asked to go beyond that and to say that in this case he may decide what commodities may be imported from which country. I suggest that this is completely contrary to the broad general concept that it is Parliament which legislates in this sensitive area. I might call it a policy of creeping precedents, because we go on from one to another, and surely at some time in the future someone will say that Parliament agreed to giving the minister discretion far beyond anything ever contemplated in the act. Then they will say, "Because Parliament, the House of Commons and the Senate, agreed to it one day in February 1975, it is a precedent and we can go on from that." If we go on from that, in effect we have destroyed Parliament's control completely, in my view, of custom tariff items.

There is another aspect. This refers back to the General Preferential Tariff Agreement, where we said to developing countries, "We will let certain of your products in—not

free but", we said, "at the lower of the British Preferential Tariff, the Most-Favoured-Nation Tariff, less one-third".

We were being very generous because we are one of those countries which are sensitive to the needs of developing nations and we get a very good press because of that, despite the fact that our history is not very good in this whole area of what outside of Canada is called universal preferential tariffs. We resisted them for many years and drew the fire and antagonism—and to some extent the enmity—of many countries. We finally relented a year ago under pressure and said, "From here in this is the rate: the lower of those two less one-third."

Now, under this bill, believe it or not, we say we have reduced tariffs in a number of items to a new rate effective November 19, 1974, but these new rates will not apply to the products we allow to enter under the act of last July. They must come under the previous rates, not the rates that we are establishing here generally for all commodities.

So, clearly we are reneging on what appeared to be a generous change of heart in respect to developing countries. It is very hard for me to understand why the Government of Canada would, for the small inconsequential amounts involved, put themselves in the position of reneging on a position we took belatedly, under international pressure. Why? I do not know.

Honourable senators, I am raising a few questions here in the hope that some of them will be raised when the minister or his officials come before the Standing Senate Committee on Banking, Trade and Commerce. I am not a member of that committee and I usually find that I have another commitment at the time the committee sits. But it is one of our most distinguished committees. I would hope that some of these questions might be raised just so that we could have at least an explanation. I am not suggesting that there may not be explanations, but they have not been given so far. These questions have been raised without, in my view, adequate answers, and I would suggest that the Senate, particularly that committee, might do another of its very useful jobs by obtaining such information which, I am sure, many parliamentarians and members of the Canadian public would like to have.

● (2030)

There are also some omissions from the commodities which were included in the May budget and the legislation that would have been subsequent had the election not intervened. I find these a bit surprising, because they are mostly in the field of building supplies—plywood, and so forth. I am sure there is a reason, but it seems strange to me that a bill which is intended importantly—that is the word used—to reduce inflation should leave out the important component of building materials. It may be that this was done to protect the Canadian industry. I do not know. However, I would hope that there would be an explanation, and certainly I would hope that we would have some kind of explanation as to the reason for tying these General Preferential Tariffs to what are non-existing tariffs. This, to me, is the extraordinary thing about it. These tariffs do not exist. They have been reduced, and we say in this bill that as far as developing nations are concerned, their rates will be based on a Canadian tariff that has ceased to exist.

I trust these questions may be discussed, as I am sure they will, and I hope we will have adequate answers.

**Senator Cook:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, I wish to inform the Senate that if Senator Cook speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Cook:** Honourable senators, I do not think it is necessary for me to say anything further except to thank Senator Grosart for his usual helpful and penetrating remarks, and to again point out that we all agree with the principle of the bill, which is to reduce taxes. I am sure that in committee the questions which Senator Grosart has posed will be discussed and, hopefully, answered.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Cook, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

## CANADA BUSINESS CORPORATIONS BILL

SECOND READING

**Hon. Salter A. Hayden** moved the second reading of Bill C-29, respecting Canadian business corporations.

He said: Honourable senators, Bill C-29 provides a new basis of law applicable to the incorporation of business corporations under an act of the federal Parliament. There is no provision in this bill for non-profit corporations, such as you have in the existing Canada Corporations Act. The statement has been made, however, that there will be presented currently a new bill dealing with non-profit corporations, and I am told that a comprehensive report was published in June of last year on that very subject.

Bill C-29 applies to companies that are incorporated after it comes into force. Existing companies incorporated under the Canada Corporations Act, which is presently the law governing federal companies, will have five years in which to apply for a continuance of their incorporation. If they do so, a certificate of continuance will be issued by the director, and they will then become subject to the provisions of the statute which is now identified as Bill C-29.

I must say, first of all, that in my view this bill is an excellent one, and one which marks a notable advance in the position of federally incorporated business corporations. It is clear, it is practical, and it is comprehensive. That does not mean, of course, that I give it my unqualified blessing, because in some particulars I may find it necessary later to call the attention of the Senate to certain things in it which I think should be further considered, and which may require some change. However, I think the plan that was followed in the preparation of this bill was one to simplify the procedures, and to develop a modern corporate approach to this question of business corporations. If I may say so, I think it was intended, and, indeed, appears to be designed, to conform to the Ontario Business Corporations Act, which represents a modern approach in corporate procedures.

We may again—and perhaps reasonably soon—have to look at this bill which it is now proposed we enact into law, because I understand there is on the drawing boards in Ontario a new corporations act to deal with business corporations. Corporate operations, corporate approaches, have developed rapidly, and have done so along the lines of simplicity in approach, and simplicity to the extent that within the corporation, by virtue of what the statute says, you may find the necessary authority in the directors and shareholders to carry out their plans and designs in the best interests of carrying on the business of the corporation. This is a principle that is recognized in this bill, and I will later have something to say about the role of the majority as recognized in connection with the formalities that must be followed in order to effect fundamental changes in the constitution of the corporation.

● (2040)

Then there is also recognition given to the minority position. If the minority shareholders dissent in relation to some things, particularly any fundamental change having to do with classes of shares, and rights and privileges attaching thereto, the dissent is recorded. A minority shareholder having recorded his dissent then has what is called an appraisal right, and he is entitled to demand that the company pay him and permit him to withdraw his capital on the basis of the appraised value of those shares at the time this fundamental change was carried through by a majority vote.

I may as well go on to summarize very briefly what happens if a fundamental change is proposed, and a majority vote carries through that fundamental change. There are only some instances in which the appraisal right is an effective right. In other cases, where there can be brought forward evidence of fraud or impropriety, or something not in the best interests of the company or the shareholders, or somebody in the majority trying to get some special advantage for himself, there is what is called an oppression remedy. An oppression remedy means that the shareholder who feels aggrieved may go to the courts and have the courts intervene. He can have a full hearing, and the courts have authority to decide whether there is foundation to his complaint, or whether there is not. If there is not, the court has power to make certain orders, which are to be found in the bill.

Coming back to the incorporation of a company under Bill C-29, I should tell you first that this bill has not been rushed into. It has been, I suppose you might say, on drawing boards in some form or other for perhaps three, four or five years. There was a task force, and in 1971 there were published two volumes entitled *Proposals for a New Business Corporations Law for Canada*. Following that a bill was introduced in the last session, Bill C-213, which died on the Order Paper. Following that, submissions were made by people who were still concerned about some provisions in Bill C-213. They recorded their objections, a number of which—some of them to very important provisions in the bill—were given effect to and changes were made. Thus there are changes as between Bill C-213 and the present bill, Bill C-29.

The then minister had undertaken that he would publish a detailed background paper, by which he would correlate—I call it a concordat; you can give it any name you like—the Canada Business Corporations bill, so that if you want to get in substance what the law is, and also the substance of the proposals, it is developed in this background paper in considerable detail, and the changes are emphasized. There one will find also the correlation I have referred to, the various clauses and what they relate to under Bill C-213, and also the correlation of that to the corresponding clauses in this bill, Bill C-29. Therefore, one has a pretty complete background for an approach, study and examination of Bill C-29.

I should also tell you that I think the Senate should be—and I know it is—pretty well informed on the provisions of the present law, the Canada Corporations Act, because that act was passed in 1970. On it we had a great number of hearings in the Standing Senate Committee on Banking, Trade and Commerce, with the minister present at all times, and with representatives of the Department of Justice present. We finally made a report, which recommended 26 changes, many of them substantial, to the Canada Corporations bill, as it then was. Before we made our report, all those changes were agreed to by the minister at that time. Therefore, to a considerable extent we have a responsibility for what I will call the improvements in the Canada Corporations Act of 1970. We have now in 1975 a bill that proposes to simplify and modernize the corporate approach, parallelling—these are my words—to the extent feasible the more up to date and modern provisions of the Ontario Business Corporations Act.

Having said that, I must tell you the principles. If you are fearful that this volume is going to be pawed over by me tonight you can dismiss those fears right away. I have done all my pawing over this bill, and I am telling you what I think is important in it. In any event, I do not think it is any part of the work of the sponsor on second reading of a bill to deal with it in detail, clause by clause. I think we should try to extract principles, and if there are new things in the bill we should call attention to them. If there are some things in the bill that, even as the sponsor, I think require some change or correction, then I regard it as part of my duty to call attention to those things. In any event, I propose to call attention to them.

The important changes are these. Under Bill C-29 we shall get into the era of registration of incorporations, and completely away from the idea of letters patent corporations. If I might summarize the important changes, I would say they are these. Incorporation under Bill C-29 is a matter of right. In other words, you file your material, and the director can do nothing but grant it and register it if you have not violated any of the prohibitions in the statute. Heretofore, of course, the letters patent were the basis for incorporation, and that made the grant of the incorporation a privilege, pursuant to some government prerogative. That will disappear under this bill. Thus, administration is generally in accordance with the expressed rules or standards, and not at discretion. You will recall I gave an illustration of that in connection with "appraisal right" and "oppression remedy," where the will of the majority is recognized under the statute. But then care is taken under the bill to deal with minority rights, recognizing that they also have a position.

● (2050)

The formalities of incorporation are rather simple. One or more individuals may incorporate by signing articles of incorporation, and forwarding the same to the director. Then they must attach to that certain documents that are specified. There is no objects clause. The corporation incorporated under Bill C-29 has all the rights, powers and privileges of a natural person. Accordingly, the *ultra vires* doctrine is of no effect, and such corporation may pursue any lawful object unless its business activities are restricted by its articles of incorporation.

This is significant, and on page 8 of the bill the form of the application for incorporation sets out some of the details to be included. You will notice that there is no place for objects as such. You do have to give your name, of course, so as to be identified; you do have to indicate a place within Canada where your registered office is; you do have to indicate the classes of shares and the rights and privileges, et cetera, that attach to those; and, if the transfer of shares is to be restricted, you have to indicate that. With regard to the number of directors you have to indicate a minimum which is required—that is, if it is a company which may in any way be involved in the distribution of shares to the public, then you cannot have a number of directors less than three, but the maximum can be whatever you provide in your application for incorporation.

In that connection, I should say, too, that all the shares, regardless of class, are non-assessable and must be without par value. This brings to mind a point I wanted to make, that even in preferred shares and the various classes with different rights and responsibilities, where there is provision for redemption, the redemption can be stipulated as a fixed amount, because, obviously, your shares have no par value.

On the question of dividends, there are problems in connection with stating how the dividends may be declared. Under this act the simple way would be to fix the dividends in a dollar amount, because of the fact that you have no par value shares. Or, in your incorporation, you stipulate that the rate of dividend shall be calculated on the issue price of the shares and then you can get to a percentage.

I should point out, too, that there is a provision in this bill that, in respect of the consideration that is received for the shares which are issued, all that consideration must be carried under a heading of "stated capital." You do not have those characteristics of paid-in capital, capital surplus or the description which applies when you may issue some of your shares at a premium. So this is the reason for having to follow the manner which I have described in dealing with redemption.

If a company is going to distribute any part of its shares to the public, it must have a minimum of three directors, two of whom cannot be employees or officers of an affiliate or subsidiary company. Moreover, the majority of the directors must be resident Canadians. In addition, a private company may be incorporated with one shareholder. That is a provision which presently exists in the Ontario Business Corporations Act.

Much of this is detailed, but it is basic, and that is why I have gone into it in this fashion.

The directors, of course, will not be able to resist claims that are made against the corporation by innocent third parties. They will not be able to cite provisions in the constitution against that, because there is no such thing. Everybody is responsible for what he does, and there is no such thing as an *ultra vires* act. You cannot say, "Well, whoever was the representative of the company did this, that or the other thing. It was an *ultra vires* act and he had no authority to do it."

There are provisions with respect to accounting records, and so on, and there is a provision that the company may buy its own shares. That is in the Ontario Business Corporations Act now. A limitation is that they can use only surplus for that purpose and can go only to the extent of surplus, and must be in a solvent condition at the time they do it.

When a corporation, even if it is a corporation incorporated under the Canada Corporations Act, applies for a continuance, which it must do within five years under Bill C-29 when it becomes law, if its shares, or any of its shares, are par value shares, they shall, after a certificate of continuance has been granted, be deemed to be non-par value shares.

There are provisions under which the shareholders may impose constraints on the classes of shares and on the holding of various classes of shares. This must be done in accordance with a special resolution. A special resolution such as you have in the Ontario Business Corporations Act means that two-thirds of the voting shareholders must vote for it and then it must be in accordance with regulations, and provision is made for the Governor in Council to enact certain regulations.

I have taken a little time on that because it does mark quite a substantial difference in procedure and I thought I should call your attention to it. I have before me the various sections in support of the statements which I have made to you. Rather than destroy the continuity of my explanation I chose not to refer to those sections, but I have them and I can do so if the need arises.

There are certain new aspects to this bill. For example, provision is made for receivers and managers. There has been no such provision before. The provisions are not very detailed. There are some statutory standards and a wide discretion in the courts as to qualifications, rights, powers and duties, and the position of the directors and the liquidator and the trustee in bankruptcy. It does establish that only one legal system applies, regardless of the number of jurisdictions in which the company is operating.

The shareholders have a residual power to amend bylaws and to submit general proposals. These general proposals, if they are submitted by shareholders, must, if the form in which they are presented is correct, and if they are presented within the correct time limits, be presented to all the shareholders, and the proposals may be discussed by the shareholders who have put them forward. If a vote is taken, for instance, on repealing or amending bylaws, or making another bylaw, and that is started in this form by a proposal that is put forward, then in this

way you have a residual power in the shareholders to make, to amend, and to repeal bylaws.

● (2100)

One of the difficulties that I see is in section 140 of the bill. What that section contemplates is something new, namely, that you can have a unanimous agreement to which all the shareholders are a party, or you can have a unanimous agreement to which all the shareholders are a party, together with an outside party, who is not a shareholder but who may be a trustee. I am thinking, for instance, of voting trust agreements, and things of that kind. The situation, however, is this, that under section 140, if the unanimous agreement becomes an effective agreement, then the powers and duties of the directors are at an end, except to the extent that the unanimous agreement may save some of those powers and duties.

This presents something of a complication, because the function of directors is to manage the business and affairs of the corporation; but now, if you have a unanimous agreement of the character I have been describing, where the shareholders succeed to the authority to manage the business and affairs of the corporation, where do the directors then sit? The only provision in section 140 is that to the extent that the functions of a director are restricted, then they are relieved of those powers, rights and duties.

It seems to me, however, that there is something there that they have not spelled out. For instance, what happens with regard to the liabilities of directors? Directors are liable for wages in certain circumstances, and there are other directors' liabilities in this bill.

The bill does not say, however, that this relieving of directors of their functions extends so far as to relieve them of their liabilities. I think this is something we should take a good look at in committee because, while the directors may be sitting there by reason of the terms and conditions of the unanimous agreement, they may not have any authority which they can exercise. They sit there, they have a title, they have been elected as directors, they have liabilities under the bill, but how do they deal with those? How do you deal with the liability for wages in those circumstances? You could, of course, I would expect, make a transfer of that liability in the unanimous shareholders' agreement, but this is something I think we should have a look at.

One thing that bothers me is that where you have a voting trust agreement, and you have a third person who is not a shareholder but who becomes a trustee under that voting trust agreement, which is part of this unanimous agreement to which all the shareholders are signatories, you then have a situation where this third party could possibly be given the power of a director, because under this bill a director does not have to be a shareholder. I think, therefore, that there are things at this point in the bill, and on this particular subject, for which we should have some explanations.

There are some things that I am not going to talk about, and perhaps I should give you a list of them. They are technical provisions, such as securities registration and transfers; trust indentures; receivers; liquidators; investigations, insider trading; proxies; and take-over bids. I do not propose to talk about these because they are largely continued in substance from the present act, and therefore they are more properly examined in committee.

On the question of dividends there is no specific provision in the bill, which you find in earlier legislation, about the power of the directors to declare dividends. There is a provision which says that a corporation may pay a dividend in money or property, or by issuing fully paid shares. Then there are the exceptions, which say that you cannot do that if the effect would be to make the company insolvent, or impair its capital. I think we have to presume—and perhaps we should ask some questions on this—that the authority of the directors, when it has not been weakened, restricted or taken away from them, to manage the business and affairs of the corporation is such that there would be inherent in it the power to declare a dividend. You will not, however, find it in the bill in specific terms.

I should tell you, too, that the investigation sections have been changed, and my reaction is to say, "Well, thank God for that." Under the Canada Corporations Act, the investigation sections gave the right to make a complaint in connection with mishandling of the business of the company, et cetera, and to go through the Restrictive Trade Practices Commission. This bill authorizes a court to deal with these matters, instead of the Restrictive Trade Practices Commission. This provision is in line with the principle that runs through the bill, that the law is largely self-enforcing through the ordinary judicial process instead of through a government tribunal.

I now come to the question of amalgamation, and I hope you will bear with me for a moment while I explain it. I do not want to be too long or to weary you on this, but, as you know, under the present act, and under this bill, where several federally incorporated companies decide to get together and enter into an amalgamation agreement, if certain procedures are followed and certain votes are taken, the net result, after you furnish all that material and the court approves it, is that a certificate may be issued which is really a sort of letters patent for an amalgamated company; but the wording of the statute is that the amalgamating companies are continued in the amalgamated company.

There is a famous case that went through to the Supreme Court of Canada, which handed down its judgment in 1974, I believe—the *Black & Decker* case. What happened in that case was that a number of Ontario companies got together and entered into an amalgamation agreement, one of the companies being Black & Decker. The amalgamation having been completed, a certificate of amalgamation was issued, and about a year later the Department of Justice preferred charges under certain provisions of the Combines Investigation Act having to do with resale price maintenance. The defence was made that the amalgamating corporations had ceased to exist, and the courts in Ontario, right through to the Court of Appeal, held that the proceedings could not go ahead because those amalgamating corporations had gone into the amalgamated corporation and had ceased to exist. In the amalgamation the liabilities and the assets were carried forward into the amalagamated corporation. So the Supreme Court of Canada came to another conclusion. It came to the conclusion that notwithstanding the fact that

all the assets and liabilities of the amalgamating coporations were taken over by the amalgamated corporation, nevertheless they did not cease to exist because the language in the statute is that they shall be continued in the amalgamating corporations. So by whatever metaphysical process was necessary they came to the conclusion in their judgment, which is law, that these amalgamating corporations are still an entity. They have no assets and they have no framework of activity, but they still continue within the amalgamated corporation. It might be difficult, and I do not know, short of some metaphysical process, what we might use in order to discern it but they continue there. Clause 180 of this bill attempts to give effect to that judgment.

● (2110)

I think the form of the bill as it went through the House of Commons and the appropriate Commons committee was within the scope of the general law and was in conformity with the decision in the *Black & Decker* case. But in committee, as you will see on page 136, the words "or its directors or officers" were added to subclauses (*e*) and (*f*) of clause 180.

Subclause (*c*) says:

> (*c*) the amalgamated corporation continues to be liable for the obligations of each amalgamating corporation;

That is correct. But then in (*d*) they say:

> (*d*) an existing cause of action, claim or liability to prosecution is unaffected;

The *Black & Decker* case gave a broad interpretation to the word "liability," and here they have affirmed this by using the word. So, an existing cause of action or a liability or a claim continues and is unaffected. This means that if there is a criminal liability on the part of one or more of the amalgamating corporations, that liability can be asserted against the amalgamated corporation. Then subclause (*e*) says:

> (*e*) a civil, criminal or administrative action or proceeding pending by or against an amalgamating corporation or its directors or officers may be continued to be prosecuted by or against the amalgamated corporation or its directors or officers;

As you will see, they have included the words I referred to earlier, "its directors or officers."

Now, where the directors of the amalgamated corporation may be different from the directors of the amalgamating corporations, how in the world can you properly say that that is acceptable so far as the law is concerned? It means that no court of law would recognize that proceeding. This subclause is saying that where the director of an amalgamating corporation might be guilty of some offence under the Combines Investigation Act, and then there is an amalgamation, that proceeding can be continued against not only the director of the amalgamating corporation who is the one who has done that thing that is illegal, but also against the directors and officers of the amalgamated corporations who may not be the same persons. That just does not make sense.

When I queried this, honourable senators, the only answer I got was that since this was so obviously something that just could not possibly be given effect to, why were we bothered about it. My answer was this. If you add these words unnecessarily—and I say they are unnecessary because if you have a right to prosecute a director of an amalgamating corporation and he is not the director of the amalgamated corporation, there is no way in which you can carry through that right to prosecute against third persons who are directors of the amalgamated corporation. The response I got was that any intelligent person would appreciate that that is not possible. In turn, my answer is that if that is the case then we as intelligent people should make this read intelligently.

Honourable senators, I have just about come to the end of this essay or speech or exposition, or whatever you regard it as being, of the principal features of this bill. I have attempted to describe the things I think are new. I have explained my criticisms in relation to some of the clauses, and I have explained the clarification which I think is needed in some areas. I have by no means exhausted the potential in this bill, but this could be better done in committee. In due course, if second reading is given, I intend to ask that the bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

**Senator Deschatelets:** May I ask Senator Hayden a question? You indicated that the bill introduces many changes, one of these being that a director of a corporation will not necessarily have to be a shareholder of the corporation.

**Senator Hayden:** That is right.

**Senator Deschatelets:** What is the reason for this change?

**Senator Hayden:** The very simple reason I would give is that the Ontario Business Corporations Act contains such a provision. Therefore, if they are interested in getting incorporated federally, and everybody subscribes to the simplicity of the Ontario Business Corporations Act, then you should have contained in this bill similar provisions. Further, there is an advantage in being able to have a director who is not a shareholder. You may be able to get responsible people more easily. A corporation may have a director without having to go through the process of finding or buying a share for him in order to qualify him. I think the qualification of a director and his ability to direct and be a good director is more important than the problem of his just having one share as against having no shares.

● (2120)

**Senator Flynn:** Only nominal, also.

**Senator Hicks:** May I ask a question of Senator Hayden, also having to do with directors? Am I to understand that the provisions of this bill will eventually be made to apply to all presently existing federally incorporated companies?

**Senator Hayden:** No, you have not phrased it exactly correctly. Five years from the date this bill becomes law the presently existing federally incorporated companies must apply for a certificate of continuance or they will be dissolved. So, if they apply for the certificate of continuance they will be subject to the provisions thereafter of this bill when it is passed into law.

**Senator Hicks:** Yes, that is as I understood it. I am sorry if I did not phrase my question correctly. To follow up on that, this will require all Canadian corporations in the future to have a majority of directors who are resident Canadians?

**Senator Hayden:** That is right.

**Senator Hicks:** And "resident Canadians" means that they must be Canadian citizens, not merely persons of another nationality residing in Canada?

**Senator Hayden:** That is right. "Resident director" is defined in the bill.

**Senator Flynn:** We will find out.

**Hon. David Walker:** Honourable senators, it will be nice to have Senator Hicks attend the Standing Senate Committee on Banking, Trade and Commerce when we are considering those details.

May I say to Senator Hayden that he has used the words tonight that the bill is clear, practical and comprehensible. So is Senator Hayden; that was a remarkable presentation. I would also add these words, that he is also lucid and always convincing. Senator O'Leary will be glad to know I am not going to agree with everything he said.

You know, this is a tremendous all-encompassing bill and a great leap forward from the jumbled mix-up of convoluted and antiquated legislation that we have been labouring under for many years. That is why I gave up corporation law. I was trained as a corporation lawyer in the Tilley firm and I was damn glad to get away from it.

**Senator Hayden:** This may win you back.

**Senator Walker:** No; too little and too late. This bill is interesting reading, containing 266 clauses. Like Senator Hayden, I do not intend to go into the details. Suffice it to say in general that I think we on this side of the house approve the main principles of the bill. Nor need I blush, but perhaps the other side can blush a little. This is really the product of the Ontario Corporations Act—and I see my friend Senator Hayden nodding.

**Senator Hayden:** That is my opinion.

**Senator Walker:** That is your opinion and I think we all have to join with you. It is a huge bill, based on the Ontario Corporations Act of 1970, a product of the government at that time under Premier Robarts, who was a businessman himself. It is the most modern bill of its kind and the Ontario legislation is still a pattern, not only for this Parliament but for many provincial legislatures throughout Canada. I am glad to hear my friend so generously say that the Davis government is now considering further up-to-date amendments, because the growth of corporation law is fantastic and, as my friend said, the growth of it is mainly determined by one main principle, simplicity.

I used to spend all my time up there endeavouring to get concessions out of the officials of the Companies Branch. In the old days we had to do that and we also had to come down to Ottawa and wait months and months to get an answer.

Before proceeding further, may I assume, in order that I need not bore you, that after second reading the bill will be referred to the Standing Senate Committee on Banking, Trade and Commerce?

[Senator Hayden.]

**Senator Hayden:** If the Senate so decrees.

**Senator Walker:** Perhaps the antediluvian, antiquated Canada Corporations Act which this bill is replacing is partly responsible for the fact—this is a remarkable thing—that out of 270,000 corporations in Canada, only 23,000 of them have been incorporated in Ottawa. That really speaks for itself and for the outdated legislation under which we have been labouring since it was passed in 1934 and amended from time to time, but never completely. It is a remarkable thing to consider that only 8 per cent of the corporations in Canada were incorporated in Ottawa. As a matter of fact, in the last two years Ontario has incorporated more companies than the total of federal corporations in Canada.

**Senator Hayden:** The answer is more flexibility.

**Senator Walker:** More flexibility; that is a very good answer. You will recall, as I do also, it was a complicated bill, Bill C-213, which was the would-be Corporations Act until Senator Hayden and a few others put their knife into it and it fortunately died on the Order Paper in 1973. This bill, of course, consists of very many up-to-date amendments of that proposed bill. Most of the amendments, of course, advert to the Ontario Corporations Act. As I said earlier, it is not only a delight to read this bill, but there have been eliminated from it many of those old English formalities. I do not know whether the French were the same as the English, but I refer to the convoluted jargon which featured so much of our legislation and remains in part even up to the present time.

There are now, as my friend has so eloquently said, clear rules and clear standards for administrative discretion. It even provides remedies which make the law self-enforcing and does away with much of the need for what has been so well described as "administrative paternalism." Where details are lacking, it proposes the setting up of regulations, for instance, governing the contents of statutory forms and financial statements and requires publication of such proposed regulations at least 60 days before they become effective.

As a matter of fact, the essence of the bill appears to be that it is a brand new law applying only to business corporations, setting out the new rules in a compact, logical manner and making a real effort for the sake of uniformity with the provincial acts. It is a great effort to cooperate with the provincial acts. In the old days Ottawa was so supercilious about such mere things as provincial corporations. They have also cooperated on such issues as proxies, Part XII; insider trading, Part X; take-over bids, Part XVI, and financial disclosure, Part XIII, with respect to all of which it is very important that there should be uniformity.

Now I shall deal with certain parts of the bill, not the details of the clauses, very briefly. Part I applies to all federal business corporations other than financial intermediaries. By that, of course, they mean the banks—Senator Molson's bank, the oldest bank in Canada. The banks have their own act, the insurance companies have their own act, and the trust companies have their own act.

• (2130)

**Senator Hayden:** And the loan companies.

**Senator Walker:** Yes, and also the loan companies, and it is perfectly proper that they should. Aside from that, all federal business corporations will be within the purview of the bill we are considering tonight.

The Canadian Bar Association—of which most lawyers are members if they have paid their fees; the payment of fees shows that you have not been disbarred—is a highly respected organization. It too is on record as approving the bill in principle, and has had most of its objections to the bill met by the department. The Department of Justice has changed its attitude. It has greatly improved since I was the parliamentary assistant to the Minister of Justice. It has improved tremendously since that time.

**Senator Flynn:** It started from there.

**Senator Walker:** I was moved from there in about a year. Let us have the true story. I was then made a minister, but not of Justice.

Here is one of the things the Canadian Bar Association objects to. My honourable friend will probably agree with this. I refer to section 4, a very odd section, which provides:

> The purposes of this Act are to revise and reform the law applicable to business corporations incorporated—

Listen to this.

> —for objects other than provincial—

What are we doing? Are we downgrading ourselves in Ottawa because provincial corporations seem to be the most popular thing? This is going the wrong way, and the Canadian Bar Association objects to section 4 because in their view it detracts from and downgrades the federal claim to be entitled to legislate widely—just as wide as they want to in this field.

The words which circumscribe or limit the field would appear to be "for objects other than provincial." I would ask my honourable friend that when the bill is before the Standing Senate Committee on Banking, Trade and Commerce this very important point be cleared up. The wording is short but is of great import.

**Senator Hayden:** If my friend wants me to comment on it now, I will do so.

**Senator Walker:** I would be delighted.

**Senator Hayden:** I do not think it is well drafted. The bill does not provide for objects in the corporation; it has all the rights and powers of a natural person. In that context how does one incorporate "for objects other than provincial"?

**Senator Flynn:** I refer you to the British North America Act, which says that you can incorporate a company for federal purposes. It is in the B.N.A. Act.

**Senator Walker:** That is a solution. I have watched the chairman of the committee draft legislation as we sat there. This is going to be an easy one. He could just delete that clause, and we would not have any more trouble. It means a lot to the Canadian Bar Association. They worry about these things, and we should please them in this regard.

Another important point is that automatically the bill applies to all new corporations. From now on every new corporation has to come within the purview of this act. It will be simplicity itself.

Concerning the corporations, 23,000 of which are already in operation and in force, there is introduced a plan. It is a good plan, requiring that a federal corporation take positive steps so that within a period of five years such steps are taken to bring it completely within the purview of this act. My honourable friend mentioned that. It is a very good thing.

In that connection, I would like to make a further comment. If any corporation does not take such steps, it will be considered dissolved at the end of a five-year period. Ontario has similar legislation for other things. It is an awful feeling sometimes, if a person is not on his toes, to find that Ontario does not bother if you do not do such and such a thing. Your charter is dissolved automatically after a certain period has elapsed. That feature is introduced here, and is a good thing. Clearly the objective of Part I is to bring about a comprehensive business corporation law, as Senator Hayden so eloquently said.

Part II sets out guidelines for governing the operation. For the first time in history a federal incorporation becomes a matter of right rather than a privilege under the old letters patent system.

Secondly, it substitutes clearly expressed rules and standards, and no longer must one rely on administrative discretion; no longer must the Ottawa authorities be constantly consulted and appealed to. They became the great Pooh-Bahs. We had to go down and get their opinion, their sanction, and finally, after a few months, get a letter confirming what they told us in the conversation.

Thirdly, that old tommy-rot formality for interim incorporation with provisional directors, most of them law students or clerks, is being done away with. I, as a law student, was a provisional director of dozens of them during the boom years before the crash of 1929. Probably Senator Hayden's firm had more.

It was a great thing. We used to get a $10 fee for each student to sit on those things. We would then pass over our mighty responsibility as provisional directors to the real directors. All the great men would be in the room. One day I walked into the room feeling very important and joined the rest of them, when Mr. A. E. Ames said, "Here comes the hockey team." That is no depreciation of hockey players. All that tommy-rot is at an end.

I will leave out a great many points, because my honourable friend has simply and eloquently expressed them, but, getting back to the bill, corporate names are being granted pursuant to certain prescribed standards, with regulations still to be promulgated. It will be remembered what a hit and run game it used to be. At one time it was thought that I had some diplomacy with the person in charge at Queens Park. I would have to go out and soft soap her for several minutes before mentioning the name I was seeking. If she was not good natured she would turn it down automatically. All that foolishness is over. There are now rules by which if you are entitled to a certain name

you will get it. It is clearly a good system which is now incorporated in the new bill.

Plaguing the corporate lawyer, as Senator Hayden said, has been the *ultra vires* doctrine, and for many years Canadians have sought a uniform corporation law. Now they will have it if this bill is passed.

Again, the federal government has sought help from the Ontario Business Corporations Act, as a result of which the bill abandons entirely, as my honourable friend has said, that crotchety letters patent procedure and adopts a simple registration system where it is assumed that incorporation can be obtained as of right. There was nothing like that in the old days. A lot of what I would like to describe as the old "hufty-dufty" of unreasonable technicalities has at last been removed.

● (2140)

This bill returns corporations to what they lost in the nineteenth century. I do not intend to go into the history of that, but, as my honourable friend well knows, this bill clearly states that a corporation has the capacity as well as the power, rights and privileges of a natural person. This is something which we did not know about before, except in the Ontario Corporations Act.

Honourable senators, you will have to excuse me for mentioning the Ontario act from time to time. This apparently new concept is, in fact, an old concept which was used in England in the nineteenth century under the original common-law doctrine. So that now, for example, under Part III, the right of a third party contracting in good faith with a corporation cannot be ignored, and that third party has the right to assume that the corporation has the capacity to enter into a contract with him and not learn later, as we used to learn on behalf of our clients, that an expressed restriction in the bylaws nullified the agreement which was entered into in such good faith.

I am glad to see Senator Godfrey making a note of that. Senator Godfrey is one of the good corporate lawyers in this house.

Part V concerns corporate finance and deals with many difficult problems relating to redemption of shares, dividends, and the very capital structure itself. It even goes so far as to permit, in certain circumstances, the acquisition by a corporation of its own shares. That will be interesting, and is interesting.

Another important step under this proposed legislation is the increase in the residual power of the shareholder to control indirectly the management of the entire corporation. I have had a lot of trouble with that; I have seen so many screwball shareholders at annual meetings. I have been sent to annual meetings on occasion to quietly sit in the background as a shareholder to try to squelch them. Those individuals will now have more opportunities than ever. Under the proposed legislation, a shareholder may now initiate bylaws, remove directors by ordinary resolution and vote on fundamental changes. So, here we have for the first time democracy in corporations.

Part IX of the bill is of interest to us nationalists—and almost everyone here is nationalistic in his or her outlook at this time. Part IX requires that the majority of directors of a corporation be resident Canadians—not just Canadians, but resident Canadians. In this connection, one question which I think should be raised in committee is why they should be given five years to comply. If it is an old corporation, it will have five years to set its house in order—five years to get a majority of the directors who are Canadian residents. Why should such corporations not comply in one year? Under the Ontario Corporations Act they have one year in which to comply, and I believe most of the corporations have complied. That is one area in which the bill could perhaps be amended.

Another matter for our committee to consider is that this bill does not adopt that part of the Ontario Corporations Act which requires that for foreign-controlled corporations a majority—I cannot hear myself talk. Thank you, Senator Bourget.

**Senator Bourget:** I was listening; I was not talking.

**Senator Walker:** I remember once in court saying, "My Lord, my learned friend is disturbing the train of my thought," at which point my honourable friend got up and said, "If that is the train of your thought, it should be disturbed."

To repeat, this bill does not adopt that part of the Ontario act which requires that for foreign-controlled corporations a majority of outside Canadian directors be elected. By "outside directors" is meant directors who are not employees of the foreign-controlled corporation. Why should we not have that section in the federal act? I understand there were a lot of representations about it from Washington to Ottawa and it was dropped. In any event, the existing Canadian corporation should have at least one year, but not more than two, to achieve a majority of Canadian directors. This, of course, would require an amendment to the bill as it is presently drafted, and I am sure that could be done in committee.

Part XI of the bill is significant in that it increases the power of the shareholders to participate directly in the internal affairs of a company and to control, if necessary, the business of the corporation.

Part XIII strengthens the role of the auditor. I often wondered what good those auditors' reports were, what authority they had. Part XIII strengthens this considerably. It again follows the Ontario act by requiring that an audit committee be picked to ensure that the auditors be responsive to the directors. I am sure many of you who are corporate lawyers will remember getting auditors' reports—and I shall not give the names of some of the well known auditors—but what did you know about them? Under the proposed legislation there will be an audit committee which can make the proper application of pressure for explanations of some of the things in auditors' reports.

I now turn to page 179 of the bill, Part XVIII, clause 222, with which I wish to deal briefly. Clause 222 states:

(1) A shareholder or the Director—

Of course, "Director" is the name of the head man in Ottawa, is it not, Senator Hayden? It says, "A shareholder or the Director . . .", and "Director" is capitalized.

**Senator Hayden:** It would be the director in the company's branch.

**Senator Walker:** Yes, exactly. It continues:

—may apply, *ex parte*—

Imagine, a shareholder!

> —or upon such notice as the court may require, to a court having jurisdiction in the place where the corporation has its registered office for an order directing an investigation to be made of the corporation and any of its affiliated corporations.

That is something new, and in that connection the Canadian Bar Association would like to have an opportunity to appear before the committee. Very briefly, the point of view of the Canadian Bar Association is that this clause would permit a disgruntled shareholder or the director under the act to apply, *ex parte*—that is, without notifying the company, without notifying anyone. He could simply go before the court having jurisdiction for an order directing an investigation of the corporation and any of its affiliated corporations. The court may direct that notice be given to the corporation, but is not required to do so. However, if the application is being made by a shareholder, the director has to be given reasonable notice, but not the corporation.

In the result, the court, upon such an application, may have before it only one side of the story. If the order is made, the corporation is subjected to an investigation which is going to be costly to it, and there is to be no security for costs from the applicant.

The reason given by the department for the application being allowed to be made *ex parte*, the reason which is obvious, is that the corporation might destroy its files unless an *ex parte* application is made. While this might conceivably and rarely happen, it does not warrant an order being made for a complete investigation without notification to anyone. Instead, it would only justify an order to seize files. If an *ex parte* order is to be authorized, it should be limited to a seizure of files. It is sometimes necessary to have an *ex parte* order to seize files before they are destroyed.

● (2150)

Any investigation is bound to be an adversary proceeding—this is a good company with an *ex parte* application being made by a screwball shareholder—and publicity follows, which may be damaging to a corporation and its other shareholders to a degree far outweighing the damage which the disgruntled shareholder claims he has suffered. The cost to a corporation of even monitoring such an investigation could be enormous, even though it might be entirely cleared in the result. This is very serious. The order may be changed by the court under clause 223, and the order of the court is subject to appeal under clause 242, but once the order is made the damage to the company may be done. It is just like those allegations we see in the newspapers from day to day—whether they are right or wrong, they do an awful lot of damage.

**Senator Hayden:** I take it my friend knows there is provision in the bill that where there is an application by any interested party the hearing be *in camera*.

**Senator Walker:** Yes, without notice to anybody originally too. In my experience not everyone, certainly not the public, understands that *ex parte* means that the corporation to be investigated is not given an opportunity to be heard before the order is made. I trust that this will be considered.

In conclusion, I must compliment the government on its open admission that it has followed the 1970 Ontario Business Corporations Act, and it has even gone beyond that act in certain refinements. That is an achievement. In the old days we never had such a thing. I cannot remember ever giving any credit to any body for anything when I was a minister. You had to keep your guard up; it would have been a mistake to let it down and become casual. We now have a bill which is readily understandable, readily readable, readily workable and in which the confusion, formalism and obscure language of the present act have been swept away in one fell swoop. This is progress, and I am sure that even the corporation lawyers will approve of it, even though some of them may lose a lot of business because of it. Much of their time in the future will be freed to enable them to deal with progressive measures for their corporations, rather than trying to unravel and abide by the intricacies of the old act, which has become, one might almost say, archaic.

**Senator Molson:** Honourable senators, might I ask the sponsor one question? On page 4 it says:

> "prescribed" means prescribed by the regulations.

Where is the provision for regulations? Who is going to issue regulations, for what purpose, in what way, and how do they appear? It refers to "the regulations," so we assume that the bill is going to be supplemented by a considerable volume of regulations.

**Senator Hayden:** The only word I cannot agree with is the word "considerable." Certainly I would expect that the bill, having regard to its terms, will have regulations in relation to certain parts of it, but they will not be regulations that destroy the rights and powers of shareholders. They may be procedural, and they may have to do with the manner in which you get to court on the investigative process, things of that kind.

**Senator Molson:** Are they provided for in the bill?

**Senator Hayden:** They are in various places.

**Senator Molson:** Thank you.

**Senator Godfrey:** Could I ask the sponsor of the bill a question? You pointed out that under clause 100 there is a requirement that the majority of the directors must be Canadian residents, yet under clause 40 by unanimous shareholder agreement you can take away all the powers of the directors.

**Senator Hayden:** That is right.

**Senator Godfrey:** That seems to be sort of window-dressing. Is there any explanation, or is there any safeguard that would prevent having a foreign controlled company? You might have Canadian directors, but it is meaningless if they have no power.

**Senator Hayden:** This is exactly the point I was making. As I said, I think there should be some thinking about this and clarification in committee on this very point.

Honourable senators—

**The Hon. the Speaker:** Honourable senators I should inform the Senate that if the Honourable Senator Hayden speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Hayden:** Honourable senators, I do not propose to deal further with the provisions of the bill. Senator Walker has made a good contribution. He has obviously examined the bill very carefully. He has raised some points which I think are worth while, but I do not think this is the place to settle them. I would therefore hope that Senator Walker will be present when the Standing Senate Committee on Banking, Trade and Commerce, of which he is a member, meets, and that he will see to it that these points that he has made are put forward. That will save me the trouble of underlining what he has said and raising the points myself.

**Senator Walker:** But you will work out the answers in advance, will you not?

**Senator Flynn:** Some of them.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Hadyen, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, February 5, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Annual Report to the Governments of the United States and Canada by the Columbia River Treaty Permanent Engineering Board for the period October 1, 1973 to September 30, 1974. (English text).

Reports of the Department of Veterans Affairs and of the Canadian Pension Commission for the fiscal year ended March 31, 1974, pursuant to section 8 of the Department of Veterans Affairs Act, Chapter V-1, and section 4(2) of the Pension Act, Chapter P-7, R.S.C., 1970, including reports of the Pension Review Board, the War Veterans Allowance Board and the Bureau of Pensions Advocates for the same period.

## CUSTOMS TARIFF, (NO. 2)

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Hayden,** Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-39, to amend the Customs Tariff, (No. 2) and has directed that the bill be reported without amendment.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Cook** 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

**Senator Molson:** Honourable senators, a matter has arisen requiring a meeting of the Internal Economy subcommittee on classifications of salaries. I propose to hold a meeting of that subcommittee in my office at 5.30 this afternoon. The members of the subcommittee are Senators Langlois, Buckwold, Grosart, Bélisle and Laird, as well as myself.

## EXCISE TAX ACT AND EXCISE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Alan A. Macnaughton** moved the second reading of Bill C-40, to amend the Excise Tax Act and the Excise Act.

He said: Honourable senators, this is an important bill for several reasons, not the least of which is the fact that it covers almost $1 billion in sales tax reductions. It is a technical bill, and in order to help in its presentation this afternoon I have grouped different matters under different headings.

This bill provides for a number of significant amendments to the Excise Tax Act and the Excise Act, and the first question I asked myself was, "Why the two acts in one?" On inquiry from the officials I found that the Excise Act imposes taxes only on tobacco, beer and spirits, whereas the Excise Tax Act is the general federal sales tax of 12 per cent, plus a series of what we call special excise taxes such as those on heavy cars, wines and other items.

The proposed changes would implement important dimensions of the government's policies to deal with the two major problems confronting most western economies at the present time, namely, inflation and slower growth.

This bill provides for sales tax reductions amounting to an estimated $940 million in a full year. These reductions will provide an important stimulus to the housing and general construction industries as well as to the transportation sector of the economy. The effects of these measures, combined with other policies proposed in the budget, will directly benefit consumers through their impact in moderating prices and encouraging the creation of new jobs.

In addition this bill provides for important new taxes on high energy-consuming vehicles as well as for moderate increases in the levies on liquor, wine and tobacco products. Many questions will probably be asked about these measures during the committee stage of the bill. At this time, however, I should like to restrict my comments to the general substance of the bill.

The amendments related to adult clothing and footwear proposed in this bill will formalize the sales tax reductions for these goods provided under the Financial Administration Act of July 16, 1974. These are important measures, affecting over $5 billion in annual retail sales of clothing and footwear, and they will save the consumer over $300 million in taxes over a full year. In the May 6 budget it was emphasized that adult clothing and footwear accounted for a significant proportion of the budgets of most families and that the proposed action would significantly reduce the prices of these products. The Department of Consumer and Corporate Affairs has been monitoring prices in this area since action was taken to remove the tax on July 16, 1974. The final report of the price monitoring exercise should be tabled this year. However, preliminary indications suggest that the reductions are being passed on and have had a significant impact on moderating price increases in this important sector of the economy.

Turning to the measures in this bill which affect housing, the exemption of construction equipment and municipal water distribution equipment and the reduction of

federal sales tax to 5 per cent on a wide range of construction materials and equipment for building should provide a significant stimulus to the house building and general construction industries. In this regard questions have been raised concerning the specific impact that the government's housing policies will have on the price of a home. The government proposed a number of policies in the budget which are directly related to the housing industry. These measures include a $500 grant for persons purchasing moderately priced homes, the Registered Home Ownership Savings Plan, new provisions concerning capital cost allowances, the proposal to disallow the deduction of carrying costs on land awaiting development, as well as the sales tax reduction all over one-half billion dollars provided for in this bill. While it is not possible to provide specific details concerning the dollar impact that these measures will have on the price of a home, it is hoped that these reductions will stimulate new investment and that competitive market forces will assure that home buyers will benefit through a significant moderation in house prices. The reduction of the tax on construction materials alone should constitute a tax saving of an estimated $650 on a house currently selling in the $40,000 range.

The Secretary of State for Urban Affairs will be monitoring the impact of these measures on the housing industry and will be reporting to Parliament in due course.

● (1410)

Turning to the proposals to remove federal sales tax from a comprehensive list of transportation equipment, the budget speech pointed out that cost pressures in the transportation industries were significantly undermining the vitality of that industry and that these cost pressures were being translated into price increases affecting virtually every other sector of the economy. The transportation measures proposed in this bill will affect approximately $1 billion in annual sales and will result in a reduction of an estimated $100 million in federal revenues over a full year. It is hoped that the reductions will be reflected in increased investment in this industry as well as in a moderation of transportation costs.

Honourable senators will be aware of the minister's intention, announced on December 2, 1974, to request the government to provide relief for tax-paid inventories of trucks and related transportation equipment. This action was necessary because of a combination of critical factors affecting the trucking industry and related transportation industries. Dealers were unable to sell tax-paid inventories because the sales tax already paid on larger trucks and other equipment often amounted to several thousands of dollars per unit. In addition, customers were refusing to accept shipment of many highly specialized, custom-built items which had been ordered but not delivered as of budget day. Many customers were prepared to wait for tax-free goods to become available or to transfer orders to dealers who already had tax-free inventories on hand.

It must be emphasized that the proposed action constitutes a marked departure from traditional practice. However, the combination and intensity of adverse circumstances affecting the transportation industries made immediate action necessary in order to avoid extreme hardship and a serious disruption of production and employment.

[Senator Macnaughton .]

The bill also contains important amendments related to the air transportation tax. The bill proposes that the Governor in Council be given authority to impose a ceiling on the 5 per cent ad valorem tax. It is proposed that this ceiling will initially be set at $5. This will benefit all persons who travel long distances by air. In particular, this ceiling will assist persons living in the North and in other remote parts of Canada. The Minister of Transport may have more to say about these changes during the committee stage of the bill.

The bill also contains measures to deter wasteful energy consumption by imposing special excise taxes on high energy-consuming vehicles. These measures, first referred to in the May 6 budget, have been modified to increase the effectiveness of the tax by providing for significant rate increases. For cars weighing more than 4,500 pounds and station wagons weighing over 5,100 pounds, the rate will be $20 for the first 100 pounds over the limit, $25 on the next 100 pounds and $30 for each subsequent 100 pounds. For motorcycles with big engines, the rate will be 5 per cent. The rate for privately owned aircraft, boat motors larger than 20 horsepower, and boats designed to be propelled by these motors, will be 10 per cent. These new taxes will increase federal revenues by an estimated $30 million in a full year.

As mentioned earlier, the bill also contains proposals to moderately increase federal levies on liquor, wine and tobacco products. These measures were first proposed in the May 6 budget. At the time the budget was defeated, it was the government's intention to re-introduce these measures if the government were returned. These amendments will generate an additional $130 million in federal revenues in a full year.

The bill also contains important new sales tax exemptions for a number of articles purchased by handicapped persons. In addition, the provisions in the Excise Tax Act which permit certified institutions to purchase all goods exempt from federal sales tax have been broadened to include purchases made by day-care centres, physiotherapy units and other institutions.

In general the budget emphasized that through the taxation system and in other ways the government was encouraging the private sector to maintain a healthy level of activity in the present, and to build new capacity to increase the supply of goods and services for the future. The measures proposed in the bill, in particular those related to the housing industry and the transportation industry, constitute important steps in this direction.

It might be of real interest to honourable senators if I try to summarize the provisions of the bill very briefly in terms of dollars and cents and percentages. The reductions in federal sales taxes amount to almost $1 billion. I propose to give the house some examples or highlights of those items which are set forth in the bill. I deal now with the tax reductions.

First, there is a reduction in federal sales tax on construction materials, from 12 per cent and 11 per cent to 5 per cent.

Second, the federal sales tax is completely removed for a comprehensive list of transportation equipment. Examples of this would be railway rolling stock, large trucks and

commercial aircraft. The reduction to the government in federal revenues is $100 million.

Third, the federal sales tax is removed from all clothing and footwear. The revenue reduction to the federal government in one year is $300 million.

Fourth, there are a number of important tax exemptions for municipalities. Examples are the purchase of materials and equipment for water distribution systems and all parts and equipment for mass transportation. The loss is $25 million.

**Senator Flynn:** What do you mean by "loss?"

**Senator Macnaughton:** Loss of revenue.

**Senator Flynn:** You mean reduction, not loss.

**Senator Macnaughton:** "Reduction" is a much better word. Thank you.

Fifth, sales tax on construction equipment is removed.

**Senator Asselin:** About time.

**Senator Macnaughton:** The reduction in revenue is $40 million.

Sixth, there is a broadening of the definition of certified institutions such as day-care centres. The revenue reduction is $20 million.

Seventh, relief for a number of devices purchased by handicapped persons. Examples of this are communicating devices to assist people in the use of telephones, selection control to assist them in the use of machines, invalid chairs, and heart monitoring devices. The figure for revenue reduction in this case is a little less than $5 million.

That concludes my remarks on second reading. In due course, if honourable senators so decide, I shall move that the bill be referred to committee.

**Senator Flynn:** I shall move the adjournment of the debate so that I can digest all these figures.

● (1420)

**Senator O'Leary:** Honourable senators, being less kindly than my leader, I should like to ask the honourable senator who has just spoken when he became a public relations officer for Mr. John Turner?

**Senator Macnaughton:** I am happy to answer the honourable senator. John Turner has been a close friend of mine for many, many years, and I wish him all good luck in the future. I assure honourable senators, who know this better than I, that John Turner needs no public relations man.

**Senator O'Leary:** You did pretty well.

**Senator Flynn:** If it was at all useful.

On motion of Senator Flynn, debate adjourned.

## QUEBEC PROVINCIAL POLICE

### FINANCIAL COMPENSATION FOR MAINTENANCE—DEBATE ADJOURNED

**Hon. Jean-Paul Deschatelets** rose pursuant to notice:

That he will call the attention of the Senate to the claim made by the Minister of Justice of the Province of Quebec for financial compensation from the federal government with respect to the Quebec Provincial Police Force and to the ever-increasing costs of maintaining the various police forces in Canada.

[*Translation*]

Honourable senators, last year I put on the order paper a notice of my intention to comment on the financial claims of the Government of Quebec to the Canadian government about a financial agreement providing the use of the RCMP in the provinces. I was prevented from doing so by the dissolution of Parliament. But, for many reasons, which I am going to explain, I wanted to come back to that matter during the current session.

This question is difficult, complex, but most interesting, as it results from a federal-provincial agreement. I believe that an Upper House has been established in our parliamentary system so that the representatives of a province in that House might have the opportunity to report the claims of their own province when they feel the cause fair and just.

Keeping this in mind, I want to make a few comments to find a solution which might do justice to my province.

I have examined the very elaborate document as well as the detailed statistics about the operational costs, not only of the Quebec Police Force but also of the Ontario Provincial Police and of the various police activities of the RCMP within the provinces. Those documents have been handed over to the Government of Canada by the Quebec Minister of Justice. I must say that the financial consequences for my province leave me a little puzzled. However, I must admit that I did not realize the full implication of this problem before the Quebec Minister of Justice spoke publicly of it. Of course, I knew that the RCMP had police responsibilities in many provinces and municipalities, but I did not know that those agreements with the other provinces had such important financial consequences for the taxpayers of Quebec.

I would like to examine briefly with you all the facets of this situation. Then, I hope we shall be able to come to some conclusions.

Under section 20 of the Royal Canadian Mounted Police Act, chapter R-9, Revised Statutes of Canada, 1970, the Solicitor General may enter into an agreement with the government of any province, or municipality, for the use of the RCMP in such province or municipality. For that matter, the first agreements date back to 1905.

In 1964, at a conference with eight of the provinces, with the exception of Ontario and Quebec, new contracts were reached for a period of ten years, from 1966 to 1976. The current dispute stems from that last agreement, which will come up for renewal in 1976.

Under that agreement covering the period from 1966 to 1976 it was agreed between the federal government and the eight provinces, with the exception of Quebec and Ontario, that the federal contribution would total 60 per cent of the annual cost of police services in the province involved, and that each year the federal contribution would be reduced by 1 per cent each year and, on the other hand, the contribution of the contracting provinces would increase by 1 per cent each year, to reach 50 per cent of the costs in 1976. In all provinces other than Quebec and Ontario, as well as in 171 contracting municipalities, the

RCMP enforces the Criminal Code, federal legislation, as well as provincial legislation and municipal by-laws, if applicable.

As a result, there is now in Canada a system of different police forces depending on the provinces and municipalities, and the question now is this: what are the financial implications resulting from such a system?

It must be admitted that Quebec and Ontario having not entered into agreements, both maintaining their own provincial police force, must support alone 100 per cent of the cost of their police operations while in the eight other provinces the federal government assumed 60 per cent of the cost in 1966, with a 50-50 split being reached at the expiration of the contract in 1976.

Moreover, Quebec and Ontario taxpayers are forced to pay, through federal income tax, part of the police costs for eight provinces.

Honourable senators, this is a very brief summary of the situation which degenerated into a controversial issue when, on November 11, 1973, just before the federal-provincial conference on the Canadian corrections system, the Quebec Minister of Justice, the Honourable Jérome Choquette, submitted a request to the Solicitor General of Canada for a retroactive compensation and a notice of financial compensation to be determined for the subsequent years until 1976.

It must be noted here that Quebec's initial claim covered the period from 1966 to 1973-74, and the brief submitted to the Canadian government states that for that seven year period it would have cost the Canadian government approximately $362 million to maintain RCMP members in the Province of Quebec which would have acted in federal, provincial and local areas of jurisdiction.

For the year 1973-74, the federal government would have paid 52 per cent of the total cost, which is about $68 million.

I must also say that on October 24, 1974, in a letter to the Solicitor General of Canada, the Honourable Warren Allmand, the Quebec Minister of Justice, abandoned the $362 million retroactive claim, when he stated in paragraph 7, page 5, of his letter, and I quote:

● (1430)

> Finally, please take note that I shall not insist on a settlement of our past claim in spite of its validity . . . if this aspect of our claim is only a pretext for doing nothing until 1976.

However, what must be remembered from all this is that the retroactive claims of $362 million have been abandoned.

Honourable senators should note that on June 13, 1974, the Solicitor General of Ontario—and I shall ask you to take note of it as it is an important aspect of the problem—announced that his government was going to join forces with Quebec, claiming a federal financial compensation for the police costs in Ontario and that, for 1974-1975, the claim of Ontario amounts to $84 million approximately.

[*English*]

**Senator Rowe:** Honourable senators, I wonder if I may interrupt for a moment to advise that the simultaneous interpretation system has not been working for the last couple of minutes.

**Senator Deschatelets:** I can do my best to proceed in English, if you like.

[*Translation*]

**Senator Flynn:** No.

**Senator Deschatelets:** Honourable senators, what conclusion can we draw from this controversy that involves not only huge sums of money but also—and I think it is one of the major problems—some basic principles which have governed in the past the various agreements between the Canadian government and the provinces?

I wish to be as unbiased as possible. I do not believe that we can deny the basic fact that the administration of justice and police forces at provincial and municipal levels are a provincial jurisdiction under our Constitution. Then, if a province is entitled to rent this jurisdiction to the federal government if it finds it advantageous, any other province has also the right to reject such a contract and to fully apply its jurisdiction. I think that we unanimously agree on those principles. But, consequently, why should the province which refuses to rent a recognized provincial right not have the right to ask the federal government for a financial compensation to be determined in proportion to costs?

If I cannot admit the validity of the retroactive claim of the Quebec government for the 1966-76 period, Quebec not being a party to the contract, I do not believe that such a claim could be used as basis in a serious dispute before the courts. I also believe that Quebec was right in giving notice that it wanted to take part in the negotiations when the contract expires in 1976. I refer to the correspondence between the Solicitor General of Canada and Quebec's Minister of Justice because I believe it is still possible to discuss this problem and settle it equitably.

In the last paragraph of his statement, on page 40, Mr. Choquette writes the following, and I think his attitude is a reasonable one. I quote:

> In 1976, when those contracts expire, the government of Quebec submits that it should take part in the talks which will be held by the federal government and other provinces in order to reassess the whole problem of financial participation by the federal government in the settling of problems relating to the safety and protection of Canadian citizens. It will then be possible to consider alternate schemes of financial compensation.

As I said, that is a reasonable proposal. I do not think it is the kind of proposal which can be dismissed easily.

**Senator Asselin:** It has been.

**Senator Deschatelets:** If it were agreed that Quebec might take part in those talks I believe a *modus vivendi* might be reached. Unfortunately, it is not so and it would be far too simple; we would not be faced with a complex problem, for if I refer to page 4 of Mr. Allmand's letter to Mr. Choquette dated September 9, 1974, Mr. Allmand wrote the following:

> Also we can hardly understand that the government of Quebec might take part in the preliminary talks and negotiations for the renewal of contracts between

> the RCMP and other provinces for the period beginning April 1st, 1976. A contract between two parties only involves those two parties, and we can see no reason why Quebec should take part in those negotiations.
>
> Of course the exact wording of those contracts will again be available to you as well as to the government of Ontario. We shall be glad to discuss with yourself or the Ontario representatives the terms of the proposed contracts, in case your province or Ontario should decide to request the services of the RCMP.

In other words, Mr. Allmand—I hope I understand him well—states that the services of the Royal Canadian Mounted Police which are available to eight provinces also are available to Quebec and Ontario if both provinces want to avail themselves of those services, but that future requests for RCMP help by Quebec and Ontario would be a *sine qua non* to their part in those discussions leading to the renewal of contracts in 1976.

We seem to have no opportunity to open talks on the compensation. Moreover, there is, especially in Mr. Allmand's letter, apparently no acknowledgement of the fact that if Quebec, for reasons of its own, refuses to rent a jurisdiction which is its own, there might be compensation which the Canadian government would be ready to discuss.

● (1440)

Honourable senators, when we look for a solution, I believe that there is no way which should be left unexplored. It happened in the past—it is not the first time we face this type of problem—it happened in the past that provinces, refusing to abandon some rights within their jurisdiction, were granted financial compensation. I wonder if we have not a similar case with universities.

**Senator Lamontagne:** May I put a question to the honourable senator?

**Senator Deschatelets:** Yes, Senator Lamontagne.

**Senator Lamontagne:** The honourable senator could certainly give us a much more striking example than the one he has just mentioned. He could refer to what has been called the "opting out" formula, which is much more general and should certainly apply to this case.

**Senator Deschatelets:** Of course, I raise the issue with the hope that, through precedents created in similar cases of agreements with provinces, it could be possible to obtain a financial share from federalism, as we have known if for so many years. The fact remains that, in some cases, a province may choose not to exercise its jurisdiction, if it is in its interest to do so. But I think that a principle always governed those agreements; the provinces which did not have the same reasons, were given financial compensation corresponding to their share of the costs. For a number of years, we in Quebec have lost considerable amounts of money because the government of the time—that was their right—felt it not advantageous to accept the same agreements as the other provinces.

**Senator Asselin:** Some of these problems were dealt with by the Conservative government of Premier Sauvé.

**Senator Deschatelets:** Yes, I thank Senator Asselin for reminding me of it. But I would like to be, and I will try to remain, as unbiased as possible, without partisanship. Senator Flynn understands quite well what I mean.

**Senator Lamontagne:** Arrangements for the opting out formula were made in 1965.

**Senator Asselin:** Because we had an example in 1960.

**Senator Deschatelets:** Now, honourable senators, I mentioned I wished to get away from any partisan allusions, in order to prevent this kind of exchange.

One paragraph in Mr. Allmand's letter seems to close the door, but in my opinion the last paragraph holds out a hand to Mr. Choquette. I quote:

> There are at any rate areas of application of criminal law we could profitably examine together.

I emphasize the words "examine together". I am not blaming anybody, but I think the discussion had a bad start, to say the least. Any suggestion of a common examination of certain implications, concerning contracts, would be welcome. I believe Mr. Choquette, Quebec's Justice Minister, could take advantage of the last paragraph of Mr. Allmand's letter, inviting him to examine together certain implications of the RCMP's role. I suggest once more no avenue should be neglected, and it is possible that discussions, a mature dialogue across the table, might lead to the exploration of a possible solution.

**Senator Flynn:** Both are indeed quite flexible.

**Senator Deschatelets:** The exploration of a possible solution all Quebec taxpayers are hoping for.

Honourable senators, in the light of the facts I have just mentioned—and this strongly impressed Quebec taxpayers who were not aware of the implications—taxpayers in Quebec now pay 100 per cent of the cost of provincial police forces. They also pay, indirectly, part of the cost for eight provinces. I submit that Ontario and Quebec, which have expressed the desire to take part in the next negotiations, should be invited to attend the discussions and negotiations which will take place before the renewal of the agreements between the Royal Canadian Mounted Police and the other provinces for the period following April 1, 1976. I do not want to go much further, although there is a lot of things that could be said, but there is only one case that I want to mention.

As everyone else, we see the exaggerated, exorbitant escalation of police costs—be it the Quebec Provincial Police, the Ontario Provincial Police or even the Royal Canadian Mounted Police.

**Senator Asselin:** Would it not depend on the social situation?

**Senator Deschatelets:** That is quite possible. I examined the statistics provided, and from year to year there is an increase that seems exorbitant.

Now, I talk about this because I had to pay a parking ticket about a year ago.

**Senator Flynn:** Oh, no!

**Senator Deschatelets:** As any good citizen, I went down to a police station in Verdun.

**Senator Flynn:** A good citizen abides by the law.

**Senator Deschatelets:** When he does not, he must pay for it—with a smile—as I did.

Now, when you get to a police station, as I had the opportunity to do, you see in the office about twelve policemen. There were two or three answering telephone calls, others were looking into records, and so on. And I wondered what those police officers who went through intensive training in the fight against crime were doing in that office handling purely clerical work. It is my impression that the spiralling increase in police administrative costs could be at least stopped, if not reduced, if as is done elsewhere in other administrative areas they were given support staff to look after the office routine work, which would have the advantage of cutting down considerably the exorbitant costs we now face. I say this in the hope that those who enforce the law can find a way to put an end to the increase in these exorbitant costs.

I hesitated before dealing with that question once again. I think that as a representative of a province I must occasionally support at least the basic data of a problem that seems right to me. I sure hope that with positive dialogue between both ministers involved, if not at a higher level, there would be a possibility of finding a fair solution for the province of Quebec for 1976.

On motion of Senator Asselin, debate adjourned.

● (1450)

[*English*]

## THE SENATE

### SIMULTANEOUS INTERPRETATION SYSTEM—QUESTION

**Senator Croll:** Honourable senators, before we adjourn, I think it should be pointed out to the honourable senator who has just spoken that the interpretation system was off and on during most of his speech, which is hardly fair to him. Surely it is the responsibility of someone in this house to see that the system is put into order so that it will work. Wherever you turn to mention this, you are told that someone else should be looking after it. The system in the House of Commons works, and the system here should work. I would ask that the necessary steps be taken to make it work.

**Senator Flynn:** Honourable senators, this point was raised during the absence of Senator Croll, and I understand that it was brought to the attention of the Gentleman Usher of the Black Rod. However, I think the point has been very well taken for the second time.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, February 6, 1975

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

Prayers.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Dinsdale has been substituted for that of Mr. Towers on the list of members appointed to serve on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## SENATE (INTERSESSIONAL AUTHORITY) BILL

FIRST READING

**Senator Flynn** presented Bill S-22, to provide for the internal economy and administration of the Senate between sessions of Parliament and between Parliaments.

Bill read first time.

**The Hon. The Speaker:** Honourable senators, when shall this bill be read the second time?

**Senator Flynn** moved that the bill be placed on the Orders of the Day for second reading on Tuesday, February 18.

Motion agreed to.

## STANDING COMMITTEES

LEGAL AND CONSTITUTIONAL AFFAIRS—COMMITTEE AUTHORIZED TO MEET DURING SITTING OF SENATE

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

> That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit while the Senate is sitting on Wednesday next, February 12, 1975, and that rule 76(4) be suspended in relation thereto.

**Senator Flynn:** Explain.

**Senator Langlois:** Honourable senators, the reason for this motion and for a motion which I intend to present relating to the Standing Senate Committee on Banking, Trade and Commerce is that these two committees have very important meetings scheduled for Wednesday and notices have to be sent out in order to have the witnesses in attendance. It is rather unlikely that the permission sought in these motions will be necessary because we intend to arrange the work of the Senate for Wednesday afternoon in such a way that the house will adjourn around 2.30 to enable these two important committees to get on with their important work. In the case of the Standing Senate Committee on Legal and Constitutional Affairs, Wednesday appears to be the only day on which they can have certain witnesses from the RCMP in attendance.

So far as the Standing Senate Committee on Banking, Trade and Commerce is concerned, this committee is very anxious to complete its work on the Combines Investigation legislation. Furthermore, we expect that the tax bill will come to us from the other place next week, in which case it will be desirable to deal with it next week if at all possible. For these reasons I commend these two motions to the house.

**The Hon. the Speaker:** Honourable senators have heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

Motion agreed to.

BANKING, TRADE AND COMMERCE—COMMITTEE AUTHORIZED TO MEET DURING SITTING OF SENATE

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

> That the Standing Senate Committee on Banking, Trade and Commerce have power to sit while the Senate is sitting on Wednesday next, February 12, 1975, and that rule 76(4) be suspended in relation thereto.

**The Hon. the Speaker:** Honourable senators have heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

Motion agreed to.

## BUSINESS OF THE SENATE

**Senator 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, February 11, at 8 o'clock in the evening.

Before the question is put, I should like to give, as usual, a brief outline of the program for the next week. Most of the work of the Senate next week will be in committees.

On Tuesday the Standing Senate Committee on Legal and Constitutional Affairs will continue with its study and hear witnesses on Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code. The committee will sit at 10 a.m. and again at 2 p.m. Also on Tuesday, the Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 11 a.m.

On Wednesday the Standing Senate Committee on Banking, Trade and Commerce will meet at 9.30 a.m. to continue its study of the Combines legislation. Should Bill C-40, to amend the Excise Tax Act and the Excise Act, have been referred, the committee will consider it on Wednesday morning before proceeding with the Combines legislation. On Wednesday afternoon this committee will continue with its study of the income tax legislation.

On Thursday at 9.30 a.m., the Banking, Trade and Commerce Committee will commence its examination of Bill C-29, respecting Canadian business corporations. The Standing Senate Committee on National Finance on Thursday morning—the time has not yet been fixed but notice will be given in due course—will continue its examination of the Manpower Division of the Department of Manpower and Immigration. The Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 11 a.m.

The Senate, hopefully, will conclude the second reading debate on Bill C-40, to amend the Excise Tax Act and the Excise Act, and refer the bill to the Banking, Trade and Commerce Committee.

● (1410)

**Senator Flynn:** If it passes.

**Senator Langlois:** I said hopefully. We shall continue with the debate on Senator Deschatelet's inquiry on financial compensation from the federal government with respect to the Quebec Provincial Police Force, and with Senator Croll's inquiry on the anatomy of a special Senate committee report.

Bill C-49, to amend the statute law relating to income tax, is still before the House of Commons, and hopefully it should reach us some time next week.

**Senator Flynn:** The Deputy Leader of the Government is full of hope.

**Senator Buckwold:** Honourable senators, may I make one minor correction to keep the record straight? On February 13, the Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 3.30 p.m. rather than 11 a.m. as announced by the Deputy Leader of the Government.

**Senator Flynn:** Does the committee have leave to sit while the Senate is sitting?

**Senator Buckwold:** Yes, it does.

**Senator Flynn:** On Thursday?

**Senator Everett:** Honourable senators, for your information, the Committee on National Finance will sit at 9.30 a.m. on Thursday to hear the Minister of Manpower and Immigration, it being the first of our hearings on the Manpower Division.

**Senator Hicks:** At 9.30 a.m. on which day?

**Senator Everett:** Thursday.

**Senator Grosart:** I am not clear as to the permission we gave to the two committees to sit while the Senate is sitting next week. My understanding is that permission was given for the Standing Senate Committees on Legal and Constitutional Affairs and on Banking, Trade and Commerce to sit. Has the other committee, the chairman of which has just announced that it will sit at 3.30 p.m. on February 13, received permission to sit while the Senate is sitting?

**Senator Langlois:** Yes, it has.

**Senator Flynn:** Was general authorization given?

**Senator Buckwold:** Yes, general authorization was given.

**Senator Langlois:** It is a joint committee.

Motion agreed to.

[*Later:*]

**Senator Langlois:** Honourable senators, as a result of the timely suggestion made last week by the Honourable Senator Molson, I wish to inform the Senate that the statement I made this afternoon on the work program for next week will be mailed at the earliest moment today, in both English and French, to the home addresses of honourable senators.

## AIR CANADA

### SERVICE BETWEEN ST. JOHN'S AND OTTAWA—QUESTION OF PRIVILEGE

**Senator Rowe:** Honourable senators, I rise on a matter of privilege affecting the province of Newfoundland. The matter I wish to discuss concerns the quality of Air Canada's service between St. John's and Ottawa, both going and coming.

I preface my remarks by saying that generally speaking I have heard few complaints—I am sure my Newfoundland colleagues will corroborate this—about the quality of the service provided by Air Canada on the St. John's-Halifax, St. John's-Montreal, and St. John's-Toronto runs. But the St. John's-Ottawa service leaves much to be desired.

We should remind ourselves that we are talking about two capitals. There is a distinction between the relationship of a capital of a province and the capital of the nation and that which exists between a city in one province and a city in another province. I do not need to elaborate on that. I am sure it is obvious. Traffic between St. John's and Ottawa, going and coming, has increased considerably in recent years. In an average month between 1,000 and 1,200 passengers travel to and fro between St. John's and Ottawa. A considerable amount of this traffic is made up of members of Parliament and senior public servants.

**Senator Benidickson:** Honourable senators, I rise on a point of order. As Senator Rowe knows, I have high esteem for him and personal friendship. However, I wonder if this is a matter of privilege. I think we are fairly free in our rules in this place and usually I appreciate that freedom. But it seems to me that we have means of dealing with this type of thing which are not available in other legislative bodies, such as the privilege of any honourable senator to institute an inquiry. It seems to me that a point of privilege usually involves our personal privilege as legislators. In all kindness, I do not think this is the method to raise a grievance of this type.

I am wondering whether other honourable senators and you, Madam Speaker, agree with my point.

**Senator Flynn:** Honourable senators, I think the point of order raised by Senator Benidickson is well taken. It is important that we do not abuse our rules. However, if honourable senators are in agreement, leave can be given to Senator Rowe to proceed with this matter now because it does not appear that there is any other business to be proceeded with today. That is my suggestion. I agree that Senator Benidickson's point of order is entirely correct, but since the point has been made and it cannot be used as a precedent, I would be willing that unanimous consent be given for Senator Rowe to proceed.

**Senator Benidickson:** I simply want to make sure that it is not used as a precedent for rising on the basis of a point of privilege. Our practices are rather free—and I see no reason why they should not be—but I would be loath to think that a matter of our "privilege" could be repeated in this particular form. There are other ways matters which are fairly broad in application, and which affect more than members of Parliament, can be brought to our attention.

**The Hon. the Speaker:** Is it agreed, honourable senators, that Senator Rowe proceed now?

**Hon. Senators:** Agreed.

**Senator Rowe:** Thank you, honourable senators. I thank Senator Benidickson for raising this matter and the Leader of the Opposition for his generous cooperation. I was under a misapprehension. Inasmuch as this is a service which affects to a serious degree the activities of members of Parliament—and in what I am saying I can assure you that I have the support of the Newfoundland members of both houses—I thought that this was a matter which could be raised on a point of privilege. However, I assure the house that I shall not take advantage of this and regard it as a precedent.

As I was saying, there are now between 1,000 and 1,200 passengers in the average month going and coming between St. John's and Ottawa, and a very considerable portion of that traffic is made up of members of both Houses of Parliament, who are travelling back and forth constantly. This is especially true of members of the other place. I do not need to point out that practically every weekend members of the other place go back to their constituencies. This also applies to senators. Senior public servants, both federal and provincial, also travel this route extensively. They are extremely busy people, to whom an hour's delay can sometimes represent a serious loss.

As schedules now stand, it is impossible to go from Ottawa to St. John's without using two or three planes with changes at Montreal and/or at Halifax to cover what is, in this jet age, a comparatively short distance, a thousand miles. That is a distance which can be covered by a DC9 or a DC8, or any of the jet planes for that matter, in just two hours, namely, from St. John's to Montreal, or from St. John's to Ottawa, a difference of only five minutes if they come direct, the difference between two hours and ten minutes and two hours and five minutes.

● (1420)

For many people, particularly members of Parliament, the trip from Ottawa to St. John's can be an ordeal. Most travellers complete their business in Ottawa in the late afternoon and want to get to St. John's that night, rather than undergo the expense and inconvenience of spending another night in Ottawa or Montreal, getting only part of a night's sleep.



Perhaps I might be allowed to make this personal reference. My own schedule this afternoon and evening is a good example of what I have in mind. Hopefully I shall take a plane at about 4.30 this afternoon with the intention of going to St. John's. I will go to Montreal and wait around there for a while—for how long, I do not know; it varies. I may have to wait an hour or two. I will then take a plane to Halifax. If that plane is on time, I will have to sit around at the Halifax terminal for three hours. It is too short a time to go into Halifax or Dartmouth. There is nothing to do but sit around, and then hopefully connect with the Toronto-St. John's flight, which lands at Halifax. I said hopefully, because very often that flight is late. If it is on time I will arrive at Torbay Airport at midnight; otherwise it will be one, two or three o'clock in the morning.

I would emphasize that to make what should be a two-hour flight, you have to take three planes, which triples the chances of mechanical or other trouble. Apart from that, it triples the possibility of the nuisance of having luggage mislaid. I do not need to remind honourable senators how often that happens when taking only one flight. When you have to take three flights, the possibility is multiplied.

I have heard, and I think it has been announced publicly, that this spring a Toronto-Charlottetown flight will call at Ottawa, coming and going. It is good to know that. No one will begrudge our Prince Edward Island friends this service. All we in Newfoundland are asking is that the service between St. John's and Ottawa by Air Canada be improved. We are not asking for something special. We are asking for a service equal to the Ottawa-Charlottetown service, the Ottawa-Halifax service and the Ottawa-Fredericton service. I do not think that is too much to ask. We are asking that the St. John's-Ottawa service, coming and going, be upgraded to the level of the services between Ottawa and the other three capitals of the Atlantic provinces.

Basically, this would entail boarding an airplane in Ottawa and disembarking from it at Torbay Airport in St. John's. How this can be arranged is for Air Canada to decide. I can think of a half-dozen options. For example, the flight from Toronto to Charlottetown, which is to begin in the spring, instead of terminating at Charlottetown could terminate at Torbay, which is only one hour further. Another choice would be the Toronto-St. John's flight, which at the present time calls in at Halifax. During the summer months there are several direct flights from Toronto to St. John's, because most of the traffic between Newfoundland and the mainland consists precisely of traffic between those two cities. Perhaps that flight could call in to Ottawa, to pick up the Newfoundland passengers from Ottawa in one direction and drop them off in the other. This would involve no more of a delay than 30 or 40 minutes, but it would be of tremendous convenience to Newfoundlanders. The important point to note is that the present set-up must be changed, so that people travelling from the capital of Newfoundland to the capital of the nation will be subject to fewer vexations and fewer inconveniences. One should realize that relatively

large numbers of people are involved in this, because Torbay Airport serves a population of approximately 300,000 people.

Honourable senators may know that there are four or five airports serving Newfoundland. There is the great international airport at Gander, which serves the north-eastern part of Newfoundland; there is the great former American base at Stephenville, which serves the western part of Newfoundland, and there are some other smaller airports as well. But Torbay at St. John's serves not only the capital, which has a population of approximately 150,000, but the regional area which includes 300,000 people.

In making this request for an upgrading of this vital service, I feel confident that I have the support of all Newfoundland members of Parliament as well as of all those who have to make frequent trips between these two cities. Once more I would thank honourable senators for their tolerance in this matter.

**Senator Carter:** Honourable senators, may I just add one word in support of Senator Rowe's plea for a better and more convenient schedule of air services to St. John's from our national capital. Indeed, I should like to see an improvement in the entire service to Newfoundland and the establishment of better terminal facilities. Of the Maritime Provinces, Newfoundland is the farthest away from the national capital; it has the most inconvenient schedules, the poorest service, and the worst possible terminal facilities.

**Senator Langlois:** Moreover, you are an island.

**Senator Carter:** Yes, we are an island. But what makes the matter seem even worse is that Air Canada does have a service to Newfoundland which terminates at Gander, and if this flight were merely extended for a matter of 20 or 30 minutes it could take passengers on to St. John's without any particular inconvenience to others using the flight.

Senator Rowe would be wise to take the advice of Senator Flynn and initiate a regular inquiry on the broader subject of transportation. I think he had an inquiry on it during the previous session, but it died on the Order Paper. It would be wise for Senator Rowe to revive it at some convenient time.

● (1430)

## CUSTOMS TARIFF, (NO. 2)

BILL TO AMEND—THIRD READING—DEBATE ADJOURNED

**Senator Cook** moved the third reading of Bill C-39, to amend the Customs Tariff, (No. 2).

**Senator Grosart:** Honourable senators, unless there is some urgency in passing this bill, and I believe there is not, I would move that the debate on third reading be adjourned. The reason is that answers were given by an official to certain questions I raised in the Senate, and the sponsor of the bill, Senator Cook, was good enough to let me have a look at the "blues." However, certain other questions have arisen in my mind which I would like to think about a little more. I would like to get in touch with the official, perhaps, to discuss some qualifications I might have to the answers he has given. I do not want to raise these matters without, if possible, consulting him, so I move the adjournment of the debate.

On motion of Senator Grosart, debate adjourned.

The Senate adjourned until Tuesday, February 11, at 8 p.m.

# THE SENATE

Tuesday, February 11, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report relating to warrants issued under the Official Secrets Act for the period July 1, 1974 to December 31, 1974, pursuant to section 16(5) of the said Act, as amended by section 6 of the Protection of Privacy Act, Chapter 50, Statutes of Canada, 1973-74.

Report relating to authorizations and interceptions under the Criminal Code for the period July 1, 1974 to December 31, 1974, pursuant to section 178.22 of the said Code, as amended by section 2 of the Protection of Privacy Act, Chapter 50, Statutes of Canada, 1973-74.

Report of the Fitness and Amateur Sport Directorate for the fiscal year ended March 31, 1974, pursuant to section 13 of the Fitness and Amateur Sport Act, Chapter F-25, R.S.C., 1970.

Copies of (a) the Federal Government's In-House Energy Conservation Program, dated February 6, 1975 and (b) Energy Conservation Proposals, together with text of Statement thereon by the Minister of Energy, Mines and Resources.

Report of the Freshwater Fish Marketing Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended April 30, 1974, 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.

## LEGAL AND CONSTITUTIONAL AFFAIRS

### STATEMENT RE DECISION OF COMMITTEE TO TELEVISE CERTAIN OF ITS PUBLIC HEARINGS

**Senator Goldenberg:** Honourable senators, I wish to inform the Senate that the Standing Senate Committee on Legal and Constitutional Affairs, to which was referred Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code, has decided to permit the televising of certain of the public hearings on this bill, or parts of such hearings, on an experimental basis and on the understanding that this will not constitute a precedent.

The committee has directed me to draw this decision to the attention of the Senate.

### AUTHORITY OF COMMITTEE—QUESTION

**Senator McElman:** Honourable senators, I should like to direct a question to the Leader of the Government. Does a committee of the Senate have the authority to proceed in the manner that has just been indicated to us without the overall authority of the house?

**Senator Perrault:** I appreciate the question put by the honourable senator. This afternoon I undertook to obtain a legal opinion on this matter, and I am informed that the committee is within its rights, and acting within its powers, in taking the decision which it apparently has.

**Senator Flynn:** I would suggest, honourable senators, that this question should not be directed to the Leader of the Government in the Senate, but to the Senate itself.

**Senator Prowse:** Honourable senators, I am inclined to agree that it is something for which such authority cannot be given. Either the authority is there or it is not. I wonder whether the Leader of the Government or some other member of the Senate can suggest the procedure we should follow in order to give some legal basis for the acts that are proposed here.

Without arguing with the opinion, with which I am not familiar, I would be surprised if an agent has authority to do something which the principal has not given. Unless the Senate gives the committee, which is the agent of the Senate, authority to do certain things, to act in a certain way, I do not know where the committee gets the authority. I can think of no manner in which a Senate committee could agree to its hearings being televised without the express permission or authority of this house.

**Senator Molson:** Honourable senators, I feel that the point of view of the honourable senator has some validity. I knew of the proposal to have television coverage of the proceedings of this committee because the Leader of the Government mentioned it, just in passing, last week. In my opinion it is an excellent idea, but I do think that if the Senate is to depart from its previous practice and give permission for television in any form, it should be by way of permission from the chamber. This will not be the first time our proceedings have been televised. On a previous occasion, if my memory serves me correctly, the matter was cleared and received the approval and assent of the Senate.

In my opinion we are jousting rather unnecessarily here. Personally, I am of the opinion that the television idea is a good one, and I would be glad to move that the Senate approve the committee's having its proceedings televised. I do not question the legal opinion but from the point of view of precedent I am of the opinion that we are on rather dangerous ground unless we give that permission. As I have said, I would move that this proposal be approved.

**Senator Fournier (de Lanaudière):** Honourable senators, I am inclined to think along the same lines as the honourable senator who spoke before me. If my recollection is correct, it is a well established principle in the

Roman law and in our constitutional and civil law that *delagatus non potest delagare*—

[*Translation*]

—he who has been given a mandate cannot transmit it to anyone nor enlarge it.

[*English*]

**Senator Macnaughton:** Honourable senators, I should like to hear arguments for and against the proposal from the Chairman of the Legal and Constitutional Affairs Committee as to why the committee thinks its proceedings should be televised, the reasons for and against the televising, and why the committee came to its conclusion.

**Senator Perrault:** Honourable senators, I welcome the suggestion by the Leader of the Oppositon that the inquiry is not directed so much at the Leader of the Government in the Senate, but that this is a matter of interest to honourable senators generally.

It seems to me that there is no motion before the house. The chairman of the committee merely reported the decision taken by the committee. I presume the chairman of the committee is reporting to the house on an action taken by the committee, with the guidance of the legal counsel of that committee, buttressed by an opinion given this afternoon by Mr. Fortier, who occupies a position of some importance in counselling the actions of this body.

I suggest, honourable senators, that the action of the committee is legal, but there is no motion before the house. Indeed, I question whether it is appropriate, necessary or proper for a motion regarding the committee's decision to be moved, debated, and voted upon this evening.

**Senator Riley:** Honourable senators, I have listened with great interest to the different opinions which have been expressed. Although I agree with some that the television media can distort the proceedings of the Senate, I am sure the people of Canada would be much more interested in the proceedings of the Standing Senate Committee on Legal and Constitutional Affairs in its study of Bill S-19, because it will bring to the attention of the country the fact that the Senate is a useful instrument, and is prepared to discuss and debate intelligently the particular amendments before it regarding the use of cannabis or marihuana. If honourable senators were to vote on this matter as a body, they would be infringing on the rights of a committee to determine whether its deliberations should or should not be televised. This is a matter entirely up to the committee in question.

● (2010)

Senator Molson says he would be happy to initiate a resolution before the Senate. I do not agree with that. I think it is entirely up to the committee itself. If the committee wants to crucify itself, all well and good. A committee examining a piece of legislation has the right to determine whether or not its deliberations should or should not be televised, and if the media, in their good judgment, decide to pick highlights out which will be derogatory to the Senate itself, then let them do so.

**Senator Denis:** Honourable senators, may I direct a question to the chairman of the committee? Was a vote taken on this subject and, if so, what was the result?

[Senator Fournier (de Lanaudière).]

**Senator Goldenberg:** Honourable senators, it is a little more than that. When I reported what the committee decided to do today, I was not speaking for myself. This matter was referred to me after a request had been received to televise, and I referred it to the committee. The committee made its decision.

Senator Denis wants to know whether there was a vote. Yes, there was a vote on a motion, and the statement I made is substantially the motion which was approved by the committee. I expressed no personal view in the matter, but I did take counsel and was told that the committee had the authority to decide to televise some of its proceedings.

**Senator Denis:** That does not answer my question. If a vote was taken, I should like to know how many were in favour of the motion and how many were against.

**Senator Flynn:** It makes no difference.

**Senator Riley:** Honourable senators, I think that is wrong. The deliberations of this particular committee, to the preponderance of young people in this country, are very important. I have talked to many of these young people and they say, "Well, we have tried it; we don't like it."

**An Hon. Senator:** What are you talking about now?

**Senator Riley:** I am talking about the televising of some of the proceedings of the Committee on Legal and Constitutional Affairs, which is presently considering Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code as they relate to marihuana or cannabis. These proceedings are of great importance to the young people of this country, and they should be entitled to see them on television.

**Senator Flynn:** Honourable senators, may I offer a solution to this problem? It is obviously a matter of our rules. In looking at our rules I see nothing that would prohibit the committee from televising its meetings. However, if the Senate is not in agreement with such a decision, I suggest that any senator could be given permission to revert to Notices of Motions and under rule 45 give notice for an instruction to a committee not to televise its meetings, as provided for in rule 45(1)(e), which states:

> 45.(1) One day's notice shall be given of any of the following motions:
>
> (e) for an instruction to a committee;—

So, if there is an objection, any senator can move that an instruction be given to the committee not to televise its sittings. In that way, the question could be solved. I am quite sure the chairman of the committee in question would not arrange for a meeting before the Senate decided on the matter.

**Senator McElman:** Honourable senators, may I try to bring this to a head as a point of order? I believe the discussion as to whether it is good or bad that, on this bill, in this particular committee, there be coverage by television is totally irrelevant. It has nothing to do with the question I had in mind.

As a point of order, I would ask Madam Speaker to determine whether it is appropriate for a committee of this house to agree or arrange on its own for television coverage, which is precedent setting. It is the back door approach into this chamber. I would ask that there be a

decision on the appropriateness of such a move under the rules of this house. It seems to me that no committee can on its own decide such an important matter and establish a precedent that could in the longer term become binding upon this chamber. I think it is a very dangerous approach. If this is to be done, certainly it should be done with the majority agreement of this chamber and not in the committee.

I would ask, Madam Speaker, that you take this under advisement and give us your view at a later date.

**Senator Langlois:** Honourable senators, speaking to the point of order raised by Senator McElman, with due respect to you, Madam Speaker, I hesitate to accept the proposition that you can rule on a decision taken in committee. I think the suggestion made by Senator McElman is out of order and should not be accepted. The committees are masters of their own proceedings, and, with due respect, I do not think the Chair in this chamber can interfere with any decision taken by the committees. The Senate as a whole can, as has been suggested by the Leader of the Opposition on the motion made in this house, decide to instruct a committee to act otherwise, but beyond that I do not think the Honourable Speaker of the Senate has any power to overrule a decision taken by a committee.

**Senator Riley:** I should like to point out that the committee is the master of its own destiny.

**Senator Molson:** No, it is not.

**Senator Riley:** Then abolish all committees. I would point out that proceedings in the Australian Parliament are televised. Irrespective of Senator McElman's point of order, the Senate as a body has the power to restrict the possibility of the proceedings of the Senate being televised, but it has no power to restrict the televising of the proceedings of a committee.

**Senator Desruisseaux:** As far as I am concerned, the question that has arisen this evening stems from what I have read in the Ottawa *Journal*. I will quote from one paragraph:

● (2020)

> The proposal to get television cameras to cover Senate activities reportedly was first suggested by Senate Government Leader Ray Perrault late last week.

I agree fully with him as to the beneficial effects of having some of the committee meetings televised. I am fully in agreement with televising the proceedings of the committee. But it says here that, "It was subsequently approved by the Liberal Senate caucus." Well, that makes it a caucus situation, and regardless of political affiliation I do not think that is proper. The Senate should be able to establish the procedures which must be followed by all committees with respect to whether they wish to go outside any of the accepted procedures in use. I suppose they can, if they clear it. I would think that the clearance of it would be done through the Senate. We should not make too much of an issue of all this, but there is a lesson to be learned from it.

**Senator Denis:** Honourable senators, may I ask the chairman of the committee if he has been empowered by the Senate to make such an inquiry?

**Senator Goldenberg:** What inquiry?

**Senator Denis:** Have you been empowered to request that we should have the proceedings of the committee televised? I would refer honourable senators to rule 71, which reads:

> 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, and shall be authorized to send for persons, papers and records, whenever required, and to print from day to day such papers and evidence as may be ordered by it.

If the chairman of the committee has not been empowered by the Senate to inquire into this question, then I think it is out of order.

**Senator Forsey:** Honourable senators, with the greatest of respect to others who have spoken in a contrary sense, on the point of order I would like to suggest that a committee is surely master of its own proceedings unless it does something flagrantly contrary to the rules of the Senate. A committee, to the best of my belief, can always meet in camera and decide not to hold certain sittings in public. It can decide on the other hand, as it ordinarily does as a matter of course, that the press should be present. I should have thought that it was equally entitled to decide that the television cameras should be present. That seems to me to be the simple essence of the point of order, unless there is some rule in our rule book that forbids this, and I am not aware of the existence of such a rule.

**Senator Godfrey:** Honourable senators, may I draw the attention of the Senate to rule 73, which says:

> Members of the public may attend any meeting of a committee of the Senate, unless the committee otherwise orders.

I would think a television crew consists of members of the public.

**Senator Prowse:** It does not say anything about taking pictures.

**Senator Riley:** Madam Speaker, my attention has been drawn—

**Senator Grosart:** Order. Order.

**Senator Riley:** You can shout "Order!" all you want, but I have the right to speak. This is a point of order. It is not a debate.

**Senator Asselin:** Did you not speak once on this matter?

**Senator Riley:** Yes, but this is a point of order, and it is a very important one as far as I am concerned. It is very important to the people of this country, and if honourable senators want to sit back on their rumps—

**Senator Grosart:** Order! Order!

**Some Hon. Senators:** Oh, oh.

**Senator Riley:** There is nothing unparliamentary in what I have said.

Nothing in any of the rules has yet been pointed out to contradict what Senator Godfrey has just said, that the public are entitled to attend the meetings of the committee. I think committees have the right to determine wheth-

er or not the public can attend, as members of the press can determine whether to report the proceedings. Reporters can attend, members of the other place can attend, and the public can attend. In these circumstances, why not television, if the committee has decided that the proceedings should be televised? The people of the country are entitled to know—particularly on this subject, which is of great concern to the young people of the country—what the Senate thinks of the amendments to the Criminal Code and other statutes with respect to cannabis.

**Senator Grosart:** Honourable senators, I think we are getting away from the basic matter of discussion before the Senate. Rule 27 is as follows:

> A senator may speak to any question before the Senate—

There is no question before the Senate.

> —on a question of privilege—

And there is no question of privilege before the Senate.

> —or upon a point of order—

There was a point of order; indeed, there have been several.

> —or upon a motion or an inquiry, or in making a mere interrogation, but not otherwise except with the consent of a majority of the Senate which shall be given or withheld without debate.

I think we have had an infraction of the rules by one senator speaking four or five times. I would suggest that the way to resolve this, perhaps, is by resorting to rule 33.

I may say that I agree with Senator Molson. I am entirely in favour of the committee's televising its proceedings. However, I do not think this is the point at issue before the Senate. The point is whether it should be done without the consent of the Senate. This is the point that Senator Molson raised, and I think it is a legitimate point.

One senator said that the Senate has no power to restrict the powers of a committee. Of course the Senate has the power to deal with its own proceedings, its own actions, and the actions of its committees. I think that is incontrovertible. Most certainly the Senate has that power.

The question is whether, in this particular instance, the Senate should exercise that power. I suggest, therefore, that we refer to rule 33, and deal with this as a matter of privilege, which I think was the implication in Senator Prowse's question, and perhaps the implication in the question raised by Senator Molson. Rule 33 is:

> When a matter or question directly concerning the privileges of the Senate, of any committee thereof, or of any senator, has arisen, a motion calling upon the Senate to take action thereon may be moved without notice and, until decided, shall, unless the debate be adjourned, suspend the consideration of other motions and of the orders of the day.

I suggest that if Senator Molson wishes to proceed with his motion under rule 33 he may so proceed without notice, and if he wishes to move the motion I suggest that he would be perfectly in order in so doing.

**Senator Riley:** Then the Senate should be reformed.

**Senator McElman:** Honourable senators, I raised a point of order, with all respect to those who have spoken.

[Senator Riley.]

That point of order has not yet been disposed of. Before it is disposed of by Madam Speaker, I would simply suggest to the house that at one stage in the not too recent past this house made a decision that it would not permit the televising of its proceedings. It would seem to me that such a decision by this house would be binding upon its committees. It would be a precedent governing the procedures of committees until such time as a contrary decision is taken by this house. I would suggest, therefore, before any other means of getting through the back door is sought, that Madam Speaker consider very seriously the point of order raised. Before this debate wanders any further, it should be kept in mind that there is a point of order to be disposed of.

● (2030)

## MOTION TO APPROVE DECISION OF COMMITTEE—DEBATE ADJOURNED

**Senator Molson:** Honourable senators, I agree with the Leader of the Government that it is not really the normal practice to ask Madam Speaker to rule on a point of this sort, because it is the collective will and the collective judgment of the Senate which must decide. In saying that let me make it quite clear that I have no question about Madam Speaker's good judgment that she would bring to bear on this question. I support my friend in seeking to appeal to have this matter ruled upon, but I do not think the suggested way is fair or right, and I do not think it is the way the Senate has operated or the way that it has historically been constituted. I believe that when an issue of this sort comes up it has to be decided in accordance with the collective will of the members of the chamber presided over by the Honourable the Speaker.

In this case we have now got far away from this argument; we have got thoroughly out of order, as Senator Grosart has pointed out. This is not, perhaps, very important as long as it is useful. But, as he also points out, under rule 33 a situation such as this is specifically covered. I do not think we are debating the merits of television coverage of a committee of interest. Senator Riley has been making the point that the public is interested in the consideration of the bill. There is no doubt whatever about the public's interest in the matter before this committee, and I am sure that is the reason Senator Perrault suggested that television coverage was desirable. That is why I agree that it is an excellent thing to do. The only point I question is this: Over the years that I have been in the Senate, the subject of televising the proceedings here and, from hearsay, in the House of Commons, has been raised quite often. In committees we have at times had some television coverage, but I do not believe that we are wise to have one of our committees taking action to create such a precedent without the general blessing of the house. I am sure it would be freely and cheerfully given. That is why I suggested that if it were any help in resolving the argument as to whether it was right or wrong, I would be happy to move that the actions of the Chairman of the Committee on Legal and Constitutional Affairs in inviting television coverage of the proceedings of his committee be approved by this chamber. Senator Macdonald has suggested that he would like to second this motion, and if this

proposal meets the consensus of the chamber, then under rule 33 I would so move.

**Senator Perrault:** Honourable senators, first of all may I suggest that there is no resistance, so far as I can see, in any part of the house to the proposal which has just been advanced. However, I question the words "the actions of the chairman of the committee" in the proposed wording. I think the words, "the actions of the committee" would be more appropriate and accurate.

Earlier this evening reference was made to a newspaper item which said that the idea was mine. Let me give you briefly the chronology of events. Before I do so, however, I should like to remind honourable senators that precisely the same type of debate once surrounded the idea of allowing a *Hansard* report of the proceedings of parliamentary assemblies. At one particular time in the evolution of parliamentary democracy the public galleries were peopled, as senators may recall from history, by certain reporters with exceptional memories. They attempted to remember the speeches of honourable members and then they developed their newspaper accounts and other accounts from these memory "transcripts." Then parliamentary democracy accepted the idea of permitting members of the fourth estate to report on the activities of parliamentary chambers. The proposal to televise may be a natural evolution of that concept. I happen to believe that it is. However, be that as it may, the current idea to televise came originally from the press gallery here in Ottawa. I was contacted by a member of the press who said that from coast to coast throughout Canada there was unprecedented interest in this particular debate about cannabis, that this is one of the great emotional issues affecting Canadians in all provinces. And, because this is one of the most important committee activities in years on Parliament Hill, I was asked whether I thought, as Leader of the Government in the Senate, that it would be appropriate to have these proceedings televised.

My first action was to contact the chairman of the Standing Senate Committee on Legal and Constitutional Affairs and report the conversation to him. I said, "The idea has been advanced from the press gallery, and I leave it with you to decide what you may or may not wish to do with it."

I have discussed this proposal with Her Majesty's Leader of the Opposition in this chamber. I say this to assure honourable senators that in no way has there been any attempt by me to impose a unilateral opinion or personal decision on any committee or on this chamber which is, of course, the master of its own destiny.

**Senator Goldenberg:** Honourable senators, if I may add one word, I think Senator Molson unintentionally referred to the "actions taken by the chairman of the committee." I took no action, as chairman of the committee, nor has the committee taken any action apart from making the decision. No arrangements for television were made and the committee instructed me to inform the Senate of the decision, presumably because the committee wanted to hear the reaction of the Senate.

So, I assure the Senate that there has been no action taken and no arrangements made of any kind for televising, because we wanted to get the Senate's reaction to the statement I made.

**Senator Connolly (Ottawa West):** Honourable senators, I rise on a point of order. There is no motion before the Chair. The question has not been put. Therefore, I suggest that before honourable senators continue to speak, the Speaker should put the question on the motion that Senator Molson made.

**Senator Petten:** If there is a motion before the house and Senator Molson speaks, then that closes the debate on the motion.

**Senator McElman:** Honourable senators, I have a point of order before the house. In order that the house can proceed and deal with an appropriate motion, I shall now withdraw my point of order.

**Some Hon. Senators:** Hear, hear.

**Senator Grosart:** Perhaps it should be pointed out that there is a motion before the house, but not a question. There is a great difference in our rules between a motion and a question.

**Senator Molson:** Honourable senators, before the question is put, I want to point out that I have been corrected in my phrasing of the motion both by the Leader of the Government and by the chairman of the committee. I would be the last person in this chamber to bandy the choice of words with the chairman of the Committee on Legal and Constitutional Affairs or with the Leader of the Government. I am delighted to change the wording of my motion.

If it is acceptable, I now move, pursuant to rule 33, that the Senate do approve the decision of the Standing Senate Committee on Legal and Constitutional Affairs to permit the televising of certain of its proceedings on an experimental basis only.

● (2040)

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Senator Flynn:** Honourable senators, I regret to say that I will oppose this motion, and I hope that the Senate will not adopt it. After all, we are asked to approve something that may create a precedent. I am in favour in this particular case of having occasional meetings of this committee televised. I understand all the reasons that have been advanced in favour of this. However, I say again to the Senate that if this proves to be a bad precedent the decision which we are called upon to make tonight will be with us for several years. If we do not say anything with respect to the report made by the chairman of the committee, that it has decided to allow some of its meetings to be televised, the Senate then remains free in the future to decide otherwise. That is why I suggested—

**Senator Molson:** No—

**Senator Flynn:** I do not care if you are in agreement with me or not, Senator Molson. However, I say to you that instructions to the committee not to proceed would have been the proper method of doing it. If we are all in agreement, why should we, as a Senate, say yes, when we do not wish to do so? We should not take a position that will bind us in the future. What we are discussing here now was done previously by the Standing Senate Committee on Banking, Trade and Commerce. I do not wish to approve or disapprove the decision of the committee and I do not think we will be doing anything of that kind by

rejecting this motion. We could simply have allowed the committee to proceed, if it so desires. But, by approving this motion, we are indicating to every other committee that whenever they wish their meetings to be televised we must approve unless we have special reasons to disapprove. In my opinion, it would be a bad precedent for the Senate to approve this motion and indicate to the committee that if it wishes to do what it has in mind that will be acceptable to us. In my opinion, we are wrong in setting this precedent; we are wrong in giving permission.

**Senator Benidickson:** Honourable senators, I have no strong personal feelings at the moment, but I do feel, as does Senator McElman, that this is setting a precedent. I do not believe it is a matter which should be decided tonight without notice, immediately after introduction of the subject. For that reason alone I am simply rising to adjourn the debate.

**The Hon. the Speaker:** It is moved by the Honourable Senator Benidickson, seconded by the Honourable Senator Croll, that the debate on the motion be adjourned.

Is it your pleasure, honourable senators, to adopt the motion?

**Some Hon. Senators:** Agreed.

**Senator Grosart:** On division.

**The Hon. the Speaker:** Those who are in favour, say yea.

**Some Hon. Senators:** Yea.

**The Hon. the Speaker:** Those who are opposed, say nay.

**Some Hon. Senators:** Nay.

**The Hon. the Speaker:** In my opinion, the yeas have it.

Motion agreed to, on division, and debate adjourned.

## ELECTORAL BOUNDARIES READJUSTMENT 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-370, to amend the Electoral Boundaries Readjustment Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Senator Petten** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## CUSTOMS TARIFF (NO. 2)

BILL TO AMEND—THIRD READING

The Senate resumed from Thursday, February 6, the debate on third reading of Bill C-39, to amend the Customs Tariff, (No. 2).

**Hon. Allister Grosart:** Honourable senators, in what I hope may be a somewhat calmer atmosphere of the Senate, I beg your indulgence to make a few comments on the motion for the third reading of this bill.

[Senator Flynn.]

The bill was given second reading by the Senate, and immediately referred to the Standing Senate Committee on Banking, Trade and Commerce, which met the next morning. Mr. J. Loomer, Director, Tariffs, Tariffs Trade and Aid Branch of the Department of Finance, was good enough to appear before the committee and make some comments with respect to one or two questions I had raised in connection with this bill. Mr. Loomer was in the gallery at that time and took notes of the comments I made, and I am most grateful to him for going to that trouble. It was a courtesy to the Senate that this important official came here, listened to the comments that were made on second reading, and the next morning, before our *Hansard* was available, answered the questions I had raised. In my opinion, his answers were excellent. I might qualify that by saying they were excellent departmental answers. He gave the answers that one would have expected from the department.

I would, however, like to make a few comments. First of all, I did raise the question as to whether this bill should be properly described as a major thrust in the anti-inflation program of the government. Senator Cook, the sponsor of the bill, told us that it refers to approximately $1 billion-worth of imports. I have since been able to ascertain that the average decrease in tariffs is approximately 5 per cent, which might total approximately $50 million of decreases in tariffs. The only figure against which we might put this amount, if we are to assess its impact, is that of our gross national expenditure which in 1972, which is the last year for which I have seen complete figures, was well over $100 billion. We might, therefore, be dealing with something like one-twentieth of one per cent of the gross national expenditure which might be affected by these tariff reductions. Therefore, I repeat my doubt as to whether this is a major thrust against the inflation problem. If it is any kind of brake on inflation, then of course we must welcome it. On the other hand, it is fair to point out that it is becoming the fashion to describe almost any bill as part of the anti-inflation program, whether it is or not. I merely say that I have serious doubts whether these particular decreases in customs tariffs will have any effect whatsoever on the inflation problem.

● (2050)

I have asked the question—I asked it when I spoke on second reading, and I have asked it since—whether there is any follow-up, whether the government says, "We are reducing these tariffs to bring down prices." Is there any follow-up? Does anyone say they really will bring down prices?

I am told that after the tariff and tax reductions in 1973, the Department of Consumer and Corporate Affairs made some studies and satisfied itself that there was some relation between the intention of the government in reducing taxes and tariffs and the impact on the consumer price index. I would suggest now that it would be very important to follow up these kinds of tariff reductions. Surely it would make a lot of sense if the Department of Consumer and Corporate Affairs, or someone, followed up these tariff reductions.

**Senator Benidickson:** Or excise tax reductions.

**Senator Grosart:** I am dealing now only with the Customs Tariff reductions. There is another bill before us on

excise tax. I would have to make a distinction between excise tax and excise duties on the one hand and Customs Tariff reductions on the other. They are not quite the same thing.

However, it seems to me that we should follow this up. Here is a $50 million reduction in the cost mainly of commodities coming into Canada. Someone should follow this up and ask, "Are these reductions passed on?" I have not been able to find out if there is any definite program for doing this in this particular instance. It is very important that something like that should be done.

The second question that I raised was in connection with the generalized preferences tariff, where we found that Canada had undertaken to grant very special preferences to the developing countries. Over the years we have had a rather bad record in this connection. As far back as ten years ago we managed somehow to make the developing countries very annoyed with us because we took a very strong stand against generalized preferences for developing countries.

We had our reasons for doing that. It immediately followed the first United Nations trade and development conference—UNCTAD. When the developing nations urged the developed nations to introduce the generalized preferences, we resisted this very strongly. I am not saying that we did not have good reasons for doing so, but we did resist.

Over the years we have lagged behind. Even the European Community moved in to grant these preferences to developing countries before we did, despite the fact that we think of the common economic tariff (CET), and the common agricultural program (CAP), as tending to be more protectionist than we would like to see them. It is true that we are a little ahead of the Americans. The Americans have not quite got off the ground with these generalized preferences to developing countries, but this seems to be merely a matter of their getting the intentions of government through Congress.

My third point was in connection with the UNESCO Convention, sometimes called the Beirut Convention. I raised the question whether the UNESCO Convention was being fully honoured in Canada. We had taken a position in this connection, and I said we had reneged on it. I am still inclined to feel that we did.

The parliamentary secretary, in introducing that bill in the other place, said, as reported at page 2523 of House of Commons *Hansard*, that we had absolutely no authority whatsoever to prohibit the importation into Canada of certain goods so long as they were covered by the Beirut Convention of 1948. The parliamentary secretary at that time told the other place:

> The convention provides that they come in free of duty, and there is no discretion allowed the host country. Once you sign the convention, the products must come in free.

I raised some doubts about that. Mr. Loomer, I think quite rightly, clarified the situation by saying almost the opposite. He said:

> The convention provides that the final authority to decide whether an imported product should be accorded the duty-free entry privilege contemplated by the convention rests with the appropriate governmental agency of the importing country.

I suggest that the information on which I based my remarks, as given by the parliamentary secretary, was unwittingly misleading. It is easy to understand the confusion that arose here, because actually, as it has been explained to me since, the convention permits the importing country to have the final decision, but we in Canada, in our Customs Tariff, had not implemented this and had not therefore taken the authority to give us the full sanction to which we were entitled under the convention. That disposes of that point. I would say on my part, and on the part of others, that it was a mere semantic misunderstanding. I am very grateful to Mr. Loomer for clearing this up.

I then raised doubts on the question of the extension of the regulatory authority in the general matter of handicrafts. I am not quite satisfied with the explanation given here. Mr. Loomer did point out, as I had pointed out, that there were precedents for this rather large extension of the ministerial discrimination, one of which provided for a ministerial discretion where the goods coming into Canada are to be used in processing by Canadian manufacturers, and another where the ministerial discretion was extended to situations where it might be needed to negotiate concessional advantages with another country. But I suggest that this extension is still what I called, when I spoke on second reading, a case of "creeping precedents."

● (2100)

As Mr. Loomer pointed out, there are limitations in the two precedents. He did not say there were limitations in this one. He said there was a clear definition, which is not quite the same thing. This, of course, raises the question of the function of the Standing Joint Committee on Regulations and other Statutory Instruments. The committee is authorized to affirm or to refuse to affirm to Parliament the *intra vires*, if I may use that phrase, of government actions under a regulation, but is not authorized to go beyond that and to say whether Parliament should have passed the regulation or not.

I am going to suggest to that committee it is important that in the future it look very carefully at the powers given by regulations. There is already an obvious tendency—perhaps just by draftsmen—to expand discretionary regulatory powers given to a minister for the purpose of fending off the joint committee, if I may use that phrase. In other words, they say, "We will make these discretionary regulatory powers as wide as possible so that the Standing Joint Committee on Regulations and other Statutory Instruments will not be able to move in and say, 'You have gone beyond the regulatory powers.'" That, I think, is a very real danger which confronts us in the whole matter of delegated legislation.

Finally, I did ask some questions about items dropped from the budget. In that respect, I am quite satisfied with the explanation given that those were of a protectionist nature. As Senator Cook pointed out, because of a slowdown in the building and housing industry, it was necessary to retain a certain protection for Canadian producers

in those areas, even though the tariff reductions had been suggested in the budget of May 6. The explanation I was given, I find entirely satisfactory.

Again, I say I am grateful to the committee for the careful examination given to the points I raised, and particularly to Mr. Loomer for coming before the committee, as he did, to give the necessary explanations. Even though I cannot fully agree with him, it was a gesture on which I think the Senate is entitled to compliment him, as well as the department.

Motion agreed to and bill read third time and passed.

## AGING

### THE ANATOMY OF A SPECIAL SENATE COMMITTEE REPORT—DEBATE CONCLUDED

The Senate resumed from Thursday, November 28, 1974, the debate on the inquiry of Senator Croll, calling the attention of the Senate to the anatomy of a special Senate committee report, and in particular to (a) its evaluation, (b) its beneficial results, and (c) as a follow-up, to a suggested future course of action for the Senate.

**Hon. Muriel McQueen Fergusson:** Honourable senators, I agree with Senator Carter, who preceded me in this debate, that the public generally, as well as all members of Parliament, should be grateful to Senator Croll for making available to us the excellent analysis and report on the various actions which have been taken to put into effect the recommendations of the Special Senate Committee on Aging. This report refutes completely claims so often heard that Senate committees and their reports are useless, that no attention is paid to them, and that after they have been submitted they are simply put on a shelf to gather dust.

Senator Croll's novel idea of having an analysis made of the results which followed the publication of the report of the Special Senate Committee on Aging was an excellent one. As he told us in his speech in this chamber on October 22 last, which appears at page 146 of *Hansard*, he encountered considerable difficulty in getting support for this unusual project. That must have been very discouraging for him. However, his persistent search for help was rewarded when the Parliamentary Librarian, Mr. Erik Spicer, and Mr. Philip Laundy, Director of the Research Branch of the Parliamentary Library, appreciating the value of such a report to Parliament and to the public, assigned Miss M.A. Carroll and later Mrs. Barbara Reynolds, researchers on the library staff, to this project.

As honourable senators are aware, those two individuals produced an excellent document which was printed as an appendix to Senate *Hansard* of October 22, 1974. The information in the report is of great interest to many people throughout Canada who, largely through the publicity given the hearings of the special committee, became aware that in this country, as well as in many other countries of the world, the increasing number of senior citizens in the population is presenting certain problems.

I mailed a number of copies of Senate *Hansard* of October 22, 1974 containing that report to many friends, as was suggested by Senator Croll, all of whom expressed appreciation and asked for more copies. However, I should like to see that report made available to the public in a separate booklet, which could be done through Information Canada. The very fact that the report proves results do come from the work and recommendations of Senate committees would amply justify such an expenditure.

[Senator Grosart.]

For years I have been aware of the increasing need for research staff in the Library of Parliament, and as a member of the Joint Committee on the Library of Parliament for the past 20 years, I have always supported the hiring of such staff. The work done on this analysis of the report of the Special Senate Committee on Aging by researchers from the library staff strengthens my belief that such research staff members are invaluable to our work in Parliament. Like Senator Carter, I see the need for highly trained, highly qualified research personnel on the staff of the Senate, as well as more researchers on the library staff, for the library staff must, of course, serve the members of both Houses of Parliament and have many calls on their time.

I support Senator Croll's suggestion that the Senate make a similar study and analysis of other valuable reports of its special committees. This would bring to the attention of Parliament and the public the excellent recommendations that have been made by other Senate committees. Those recommendations were arrived at through the expenditure of much thought by highly qualified and competent people. Surely, it would be worth the time and effort of honourable senators to bring those recommendations once again before Parliament and the public for re-assessment.

Honourable senators, the number of elderly people in Canada's population is increasing. In October 1974, at a symposium in Winnipeg on the "Dilemmas of Modern Man," Dr. Nathan Shock, chief of the Gerontology Research Centre at Baltimore City Hospital, pointed out that in 1900 the average age at death for males was 46 and for females 48. He said the average male now lives 69 years, and the average female 76 years. At the same symposium, Sir Ferguson Anderson, Professor of Geriatric Medicine at the University of Glasgow, said that the world population of elderly persons has been increasing rapidly, and based on 1970 figures it is estimated that the world population of those of 60 years of age and over will more than double by the end of the century. Very little research has been done in Canada on how to deal with this drastic change, which has produced new health and social problems.

● (2110)

In discussing research in this field at the symposium Dr. Shock said:

> Research will not produce a fountain of youth, but it will help to make old age, those added years, more productive and more fun.

Dr. Shock is also reported to have said that there must be changes in attitudes "which downgrade elderly people and deny them access to full participation in society." He also said that a "meaningful social role" for the elderly could do as much to improve the quality of their lives as research into the diseases of old age.

Sir Ferguson Anderson stressed the need for specialized geriatric training for doctors, nurses and paramedics.

At the same symposium, Dr. Helena Lapoto, Chairman of the Department of Sociology in Chicago's Loyola University, discussed the sociological aspects of aging. She stressed that the strength of the "Protestant work ethic," which is that work is virtuous and leisure is wasteful, has made retirement from work a traumatic experience. Dr. Lapoto suggested that society's classification of "over 60 or 65" and idealization of physical beauty and muscular strength have resulted in an automatic cut-off date, which usually occurs prior to physical and mental deterioration.

As I said when speaking in this chamber on October 24, 1974, reported at page 186 of *Hansard*, during the sixties the interest in aging aroused by the special committee of the Senate, and the Committee on Aging of the Canadian Welfare Council, now the Council on Social Development, resulted in a national conference on aging in Toronto, and also a number of provincial conferences. It is now felt that further national discussions on this matter should take place. At a meeting of the provincial ministers of social welfare in Winnipeg a few months ago, the Honourable Catherine Callbeck, Minister of Social Welfare for Prince Edward Island, and her deputy, Mr. J. Eldon Green, proposed that a national consultation on aging should be held. Later this month a preliminary meeting of officials and observers will take place in Toronto to give further consideration to plans for such a consultation. The consultation is being held under the direction of Mr. Lawrence Crawford, Executive Director of the Ontario Office on Aging, who was consultant to the Ontario Select Committee on Aging, and who is very highly regarded in the fields of social service and gerontology throughout Canada and internationally.

The Legislature of Ontario in 1964 appointed a select committee on Aging, which made its third and final report in 1967. This committee heard many submissions and made 180 visits to major facilities. In 1966 an Office on Aging was set up in Ontario under the Department of Public Welfare, largely through the efforts of that select committee.

On page 45 of the analysis of the Report of the Special Senate Committee on Aging 1966, reference is made to that select committee of the Ontario Legislature in the following words:

> Its final report in 1967 reiterated the views of the Special Senate Committee on Aging and 60 per cent of the recommendations of that committee—

That is, this select committee.

> —have been fully or partially implemented. Those not implemented are considered "not practical for Ontario alone without cooperative changes at the federal level or are no longer applicable".

This, I believe, is the number of recommendations of the Ontario select committee implemented up to December 1974, but it seems to me that 60 per cent is a very good record.

A special branch or division in the Department of National Health and Welfare concerned with health care of the aged was the subject of recommendation 34 of the special Senate committee. Press and other reports have mentioned the need for such a department of geriatrics.

No such branch or department has been established as yet, and there is nothing on the "health" side of the Department of National Health and Welfare to correspond with the "consultant on aging" within the Welfare Research Division of the department. However, as you will have seen on page 58 of the analysis of the Senate committee report, Dr. Kozakiewicz, Senior Consultant, Rehabilitation of Health Standards and Consultants of the Health Programs Branch, is heading a committee on aging. Two main sections of this committee are studying community services and education. The community services committee will report on the nature and extent of services available to the aged in the community. The education committee will investigate what educational facilities are available to doctors, nurses and psychiatrists so they can work effectively with the aged.

Because of the increase in the proportion of elderly persons in our population, because there is rapid growth in knowledge about the special requirements of health care for the elderly, because the attitudes and knowledge of technical skills of medical doctors affects the quality of health care, and, more important, because there is minimal representation of geriatric content in the organized teaching in the curriculum of most Canadian faculties of medicine, one of the projects of the education committee is to formulate recommendations regarding the detail of curriculum content of geriatrics for faculties of medicine of Canadian universities. If the recommendations of the committee are approved by the Minister of National Health and Welfare, they will be presented to a meeting of the Association of Deans of Faculties of Medicine to be held in conjunction with the meeting of the Royal College of Physicians and Surgeons of Canada.

This is a great step forward and, if approved and adopted, should ensure that graduates and post-graduates of Canadian medical schools have up-to-date knowledge of the latest developments in the field of geriatrics. More education on this subject should also be included in the curriculum of schools of nursing and in the training of nurses aides.

For some years now the Victorian Order of Nurses has given special attention to nursing in the field of aging, but so far as I know this is a subject not stressed very much in nursing education. I hope that the committee investigating this will make recommendations in this area, too.

● (2120)

Among matters that are to be considered at the preliminary meeting to plan for a national consultation on aging is the subject of a national institute on gerantology, a subject which is receiving considerable attention and support in Canada. There is a precedent in that at present there are in existence several crown corporations. Aging is certainly a matter of universal concern, and improvements in geriatric medicine and in the social well-being of the aged will benefit not only those who are elderly today, but everyone else tomorrow. We should all be interested in this.

Since 1963, in the United States the presidents have designated the month of May as "Senior Citizens' Month." Even before 1963 the governors of many of the states had proclaimed May as "Senior Citizens' Month," during which time special attention is paid to senior citizens.

About a year ago the United States changed the term "senior citizens" to "older Americans," which I think sounds a little better.

One recommendation of the Ontario Select Committee on Aging was to set aside one week as Senior Citizens' Week. Ontario has adopted this recommendation, and now observes the third week in June as Senior Citizens' Week.

I certainly would like to see such a week, or at least some period of time, set aside for observance throughout Canada. This year the theme in Ontario for Senior Citizens' Week will be "time of our lives." The main purpose is to point out that retirement may be one of two things: It can be a time of fun and enjoyment because of increased leisure, or it can be a time of increasing boredom and frustration.

Honourable senators, I know I have wandered a bit from Senator Croll's motion, but I hoped that you might be interested to hear of some of the things that are currently taking place in Canada in this field of aging.

Again, before closing, I would like to say that I support Senator Croll's suggestion that we should take a sober second look at committee recommendations that have not yet been acted upon.

**The Hon. the Speaker:** Honourable senators, as no other senator wishes to participate in this debate, this inquiry is considered as having been debated.

## THE WORK ETHIC IN CANADA

PROPOSED SPECIAL COMMITTEE—DEBATE CONCLUDED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Croll calling the attention of the Senate to the status of the "work ethic" in Canada today, and the need for the establishment of a Senate Committee to examine and report thereon.—(*Honourable Senator Petten*).

**Hon. David A. Croll:** Honourable senators, as this is my inquiry may I say a word on it?

**The Hon. the Speaker:** Honourable senators, has Honourable Senator Croll leave to speak?

**Senator Flynn:** Are you closing the debate?

**Senator Croll:** I am not closing it. I am just going to say a word or two on it.

**Hon. Senators:** Agreed.

**Senator Croll:** The inquiry stands in my name and the usual practice is to place an inquiry, have it debated and then move a motion. Since there are no further speakers, the inquiry dies on the Order Paper.

I wanted to thank Senator Asselin and Senator Carter for their contributions, for their understanding and for their indication that there was need for examination. But it is quite evident to me that there is not sufficient interest or concern or dedication to the study in the Senate, and there is lack of public interest. So I rise to say that I will not now move the motion to establish the committee. However, anyone who wishes to do so is at liberty to do so.

**Senator Flynn:** The time will come.

**Senator Grosart:** Honourable senators, I do not know if any comment from me is in order, because I presume Senator Croll, having given notice of the inquiry and having just spoken on it, has closed the debate. However, if that is not the case, I should like to make one comment. I do not think the fact that the inquiry may die on the Order Paper is any indication of a lack of interest in the Senate in this very important subject. The fact of the matter is, of course, that the Committee on National Finance is engaged most actively in an inquiry into this very matter. It is now studying the whole manpower policy of the Government of Canada.

On behalf of the chairman of that committee I think I should say that there is no suggestion whatsoever that that committee is not interested in this most broad and important question of the work ethic. It is. This, of course, will be the subject of questioning and the taking of evidence in that committee. So I think Senator Croll should not be in any way discouraged. There is perhaps just a slight conflict here. If I can speak for myself, I should say that I know many other senators are actively interested in this most important question of the relation of the work ethic to certain problems we have in connection with what we all hope in due course—perhaps under another government—will be full employment.

**The Hon. the Speaker:** The debate may still be adjourned but, honourable senators, if there is no other senator who wishes to participate in this debate, this inquiry is considered as having been debated.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, February 12, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of proposed amendments to Bill C-49, An Act to amend the statute law relating to income tax, issued by the Department of Finance.

## EXCISE TAX ACT AND EXCISE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Wednesday, February 5, the debate on the motion of Senator Macnaughton for second reading of Bill C-40, to amend the Excise Tax Act and the Excise Act.

**Hon. Jacques Flynn:** Honourable senators, Senator Macnaughton did his customary masterful job in speaking to the second reading of Bill C-40. However, I would say his task was made a little easier on this occasion because the bill provides for a reduction in federal sales taxes of an amount estimated at $940 million for a full year. The manner in which he introduced it soft-pedalled the fact that the bill provides for new taxes or increased taxes. The reduction is estimated at $940 million, which is an impressive amount, but there is also an addition of revenues for the government by way of new taxes or increased taxes estimated at $160 million. So, on the whole, the amount of the reduction ends up below $780 million.

I can find no fault, of course, with the idea of reducing taxes in order to combat inflation. These measures spring from the November budget which had as its objective to reduce the rate of inflation. But already the Minister of Finance has indicated that the November budget is a bit outdated. Of course, we on this side of the house have called repeatedly in recent years and months for a reduction in taxes. We are gratified to see that the government is at long last acting upon our suggestions for ameliorating a very sorry economic situation.

It was inspiring to hear the government's spokesman, Senator Macnaughton, say that these tax reductions "encourage the private sector to maintain a healthy level of activity in the present, and to build new capacity to increase the supply of goods and services for the future." Would that this government had never had a crisis of faith with regard to the private sector! One hopes that the government, having realized the economic benefit to be gleaned from reducing taxes, will not limit itself to a mere $780 million. We have been given to understand that the Minister of Finance is considering a new budget for the near future which will be more in accord with the present state of our economy.

While I am pleased with these reductions in taxes, I am left somewhat puzzled and uneasy. Reductions in taxes do not always mean less revenue for the government. In fact, it has been proven in recent years that reductions in taxes have not meant less revenue for the government. Also, since 1968, the increase in federal government spending has been close to 150 per cent. In 1973-74 the federal government spent approximately $20 billion; in 1974-75, $24.4 billion; and in 1975-76 it is expected that federal government expenditures will reach $28 billion or thereabouts.

I think I am right in saying that none of the reductions in taxes which have been granted in recent years—and those reductions were not very substantial—affected the overall revenue of the government, nor have such reductions induced the government to reduce its expenditures. Since the government has obviously decided not to reduce its expenditures, I can see nothing but trouble ahead. The government cannot be sincere about combating inflation by cutting taxes if it is not simultaneously going to do something about reducing its own fantastic expenditures. One can almost hear the minister saying, "Let's give them a few tax cuts to keep them from getting too restless."

The worst tax presently, of course, is inflation which, while reducing the value of our money, allows the government to increase its expenditures because it continues to collect more from the taxpayers of Canada.

This bill reduces from 12 per cent to 5 per cent the federal tax on building materials. Of course, the industry is in trouble. The housing shortage is acute, and prices are skyrocketing. For those reasons, these reductions will help somewhat. However, a complete removal of the federal sales tax on building materials would have helped even more. One of the major costs to the building materials merchant is the cost of administration involved in collecting the federal sales tax. To relieve business of that burden would surely serve to benefit the consumer, because no matter how you look at it, it is the consumer who, in the end, has to pay for all these things.

I hope that the reason the government did not abolish completely the federal sales tax on building materials was not the fact that the Conservative Party has been suggesting just such a move for years. The Liberal Party has never been shy about stealing ideas from us, and from others. As a matter of fact, some of the best ideas they ever got were those stolen from others.

The other federal sales tax reductions in this bill on adult clothing, footwear and transportation equipment will also serve to benefit the consumers of Canada.

With regard to the measures to deter wasteful energy consumption by imposing a special excise tax on high energy-consuming vehicles, I have my doubts. The Minister of Energy, Mines and Resources, the Honourable Donald Macdonald, tried to influence people to conserve

energy a couple of years ago. It did not work. It did not work because they found out that the minister was exaggerating somewhat, that there really was not an energy crisis. Now he is back at it again. This time, however, he admits not being too worried about an immediate fuel crisis. What he hopes to achieve is a change in the Canadian life style. We are going to force Canadians to be prudent rather than lavish users of fuels that might become scarce.

● (1410)

There is one particular problem about this piece of legislation that I especially want to draw to the attention of the Senate. I will go into it in greater depth in committee, but I want to draw attention to it now because I think it is important. Senator Macnaughton, in his presentation of the bill, noted the fact, as had the Minister of Finance, that on December 2, 1974, the government announced relief from federal sales tax paid for tax-paid inventories of trucks and other transportation equipment affected by the sales tax exemption proposed in the November 18 budget speech. According to Senator Macnaughton:

> This action was necessary because of a combination of critical factors affecting the trucking industry and related transportation industries.

He explained further:

> Dealers were unable to sell tax-paid inventories because the sales tax already paid on larger trucks and other equipment often amounted to several thousands of dollars per unit. In addition, customers were refusing to accept shipment of many highly specialized, custom-built items which had been ordered but not delivered as of budget day. Many customers were prepared to wait for tax-free goods to become available or to transfer orders to dealers who already had tax-free inventories on hand.

I mention this because, while the government acted swiftly to solve that problem, it has not acted at all to clear up a similar problem affecting some distributors of construction equipment. Many construction equipment dealers across Canada have been placed at an even more serious disadvantage that was the case with truck dealers. The reason is that some of their competitors were able to operate under a sales tax licence allowing them to import machines into Canada or purchase from domestic suppliers without paying federal sales tax until the machines were sold.

To qualify for such a tax licence, over 50 per cent of total sales for the preceding three months had to have been to sales tax-exempt customers. Needless to say, not every distributor could meet that criterion. As a result, unlicensed dealers have had in stock since November machinery on which they paid the full sales tax, while their licensed competitors have the same or similar machinery which they could and can offer to customers at 12 per cent less because they did not have to pay federal sales tax on it.

Prior to the November budget the unlicensed dealer could recoup the federal sales tax he had had to pay upon importing the vehicle or upon purchasing it from the Canadian supplier. If the end user was, for some reason, exempt from federal sales tax, then the dealer claimed for a refund of the 12 per cent federal sales tax he had had to pay. If the end user was not exempt from federal sales tax, then the dealer passed on to him the 12 per cent he had paid when he imported or purchased the vehicle from the supplier. But now that unlicensed dealer in construction equipment has a problem. There is no question of certain end users being exempt and of others not being exempt, because there is no more tax.

So, the unlicensed dealer cannot claim a refund of the 12 per cent sales tax he paid on vehicles he purchased before November 18 and has not yet sold; nor can he pass on the 12 per cent tax to the non-exempt end user, because the tax no longer exists. And that sales tax, it appears, is not to be refunded to these unlicensed dealers as it was to people who dealt in transportation equipment.

So, these unlicensed dealers have tax-paid inventories which cost them 12 per cent more than those of the licensed dealer down the road. How can they compete? They have to sell everything for 12 per cent more than their licensed competitors in order to maintain a similar profit margin, and who is going to buy from dealer A when B down the street is selling at 12 per cent less? I think all honourable senators will agree that 12 per cent can be a most sizeable sum when you are dealing with equipment costing tens of thousands of dollars.

There is, of course, an obvious inequity here. If a tax break could be given to the suppliers of trucks and related transportation equipment to cover tax paid inventories, as has been indicated by Senator Macnaughton, I do not see why the same cannot be done for unlicensed dealers in construction equipment. Their problem is the same, as I see it. Why could the solution not have been the same?

When the Standing Senate Committee on Banking, Trade and Commerce meets to study this bill, as I understand it is going to do if it receives second reading, it is my intention to request that representatives of the Canadian Association of Equipment Distributors be called upon to appear and explain the plight of unlicensed dealers, and to state their argument as to why they should be granted the same tax concessions as the suppliers of transportation equipment.

**Senator McDonald:** Honourable senators, if I am permitted I should like to ask the Leader of the Opposition a question. What is the difference between a licensed and a non-licensed dealer? What is the distinction?

**Senator Flynn:** It is a question of regulations. My understanding is that the licensed supplier can buy without having to pay the tax immediately. He needs to pay the tax only when he is selling to the ultimate user. On the other hand, the unlicensed dealer has to pay the tax when he buys; that is, before he sells to the end user.

**Senator McDonald:** By whom is he licensed? Who is the licensing authority?

**Senator Flynn:** I understand that it is under the regulations of the Revenue Department.

**Senator Croll:** One fellow has a credit card, in other words.

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?

**Senator Macnaughton:** Honourable senators, I move that the bill be referred to the Standing Committee on Banking, Trade and Commerce.

● (1420)

**Senator Flynn:** I would like to ask the chairman when he expects the committee to deal with this bill, in view of the indication that I have given that some people would like to appear before the committee.

**Senator Hayden:** If we can be ready, tomorrow.

**Senator Flynn:** Tomorrow? What if it is not possible for them to appear tomorrow, in view of the short notice?

**Senator Hayden:** Next Tuesday or Wednesday.

Motion agreed to.

## LEGAL AND CONSTITUTIONAL AFFAIRS

MOTION TO APPROVE DECISION OF COMMITTEE TO TELEVISE CERTAIN OF ITS PUBLIC HEARINGS—DEBATE CONTINUED

The Senate resumed from yesterday the debate on the motion of Senator Molson, pursuant to rule 33, that the Senate do approve the decision of the Standing Senate Committee on Legal and Constitutional Affairs to permit the televising of certain of its proceedings on an experimental basis only.

**Senator Benedickson:** Honourable senators, you will recall that last night I moved the adjournment of this debate. I felt that after rule 33 had been referred to there was a possibility that we might move rapidly to a decision, and that as it was rather a precedent in connection with our committee work and general proceedings in the Senate, and even in the other place, a little reflection would be beneficial. I think that period of reflection has helped me, and I hope it has helped other members of the Senate.

I judge, from what some members said yesterday, on a point of order, that it might have been possible, particularly as legal counsel has been taken, for the chairman of the committee to proceed and make available the television cameras to his committee, without reference to this body. However, I think it is typical of the chairman, and his sensitivity to the opinions of others, and of his good judgment, that he did not proceed in that manner but gave us notice of the decision of the committee that it proposed to have some television coverage of this particular drug-use law study, in view of the wide interest throughout the country concerning it.

In addition I am glad that we adjourned the debate because I think that some questions were not answered last night. Senator Macnaughton raised the question of the manner and the form the television coverage might take. When I read *Hansard* I see that the chairman of the committee himself stipulated that the use of television might be limited. He refers to the televising of "certain" of the public hearings on this bill. He also refers to the televising of "parts of such hearings," et cetera, so I think it would be of interest if he or some other members of the committee could give us an idea of the consensus of the committee as to how they might proceed in this particular instance.

I personally do not have a bias one way or the other with respect to the televising of Senate proceedings. In this particular instance I think there is some merit for it. On the other hand, I cannot eliminate from my mind some conception of certain abuses that have taken place in congressional televising in the great nation to the south of us. I was in Washington before Christmas for several days. I saw several members of the Congress and this subject among others was discussed. Several of those members admitted that the rather widespread televising of their committee proceedings, in particular, had had questionable and adverse results. TV cameras frequently reduced the objectivity of the members of the committees. They encouraged certain unseemly self-seeking on the part of those committee members who were examining the witnesses, and so on. There were some rivalries between the chairman and less prominent members of the committee for the opportunity to get their faces on the screen.

I know there are certain disadvantages. But in addition I question whether going too far forward in the use of this particular medium might not also reduce the usefulness of our committee work which at times can be conducted in a quieter way to greater advantage. There is the question of the sensitivity of certain witnesses, their shyness and even resulting intimidation and nervousness in the type of presentation that they would otherwise give in a more conservative type of committee inquiry.

However, with this explanation I think it is possible this afternoon, in consequence of the adjournment last evening, to have some answers from members of the committee as to what their proposals might be in this instance, and particularly the limitations, if any, that they would propose to exert on the portions of the committee meetings that might be accessible to television and the portions that would not be so accessible, and how they propose to regulate that question.

**Senator O'Leary:** I wonder if I might ask Senator Benidickson a question. Why has he concluded, as he seems to have concluded, that there is a widespread public interest in the proceedings of this committee, an interest that goes beyond the usual interest in Parliament?

**Senator Benidickson:** Perhaps I am overly sensitive to the feelings of the younger people of this country at the moment because of what I hear from my own children. I think that they have developed something of a cynical distrust or lack of faith in our political system. I think there is in particular among youth an undue lack of respect for this body. I think that even in the populace as a whole this drug use issue has an interest which is wider than the interest in many other matters of study that we undertake, and that the objectivity, the good sense, and the impartiality and the non-political aspect of inquiries made in the Senate would be seen and would enhance its image.

**Senator Riley:** Honourable senators, having in mind the fact that there are thousands of young people in this country now carrying criminal records as a result of being found in possession of a marihuana joint, does my friend not consider that those people are entitled to the benefit of

the discussions in this particular committee? Does he not consider that they are entitled to be aware—and many of them are not aware—of the fact that these amendments to the Criminal Code are designed to soften the effect of mere possession of marihuana, and there has been nothing proven to date, so far as I can find, that marihuana is addictive or injurious to health?

**Senator Flynn:** You are out of order.

**Senator Riley:** I am always out of order with Senator Grosart.

● (1430)

**Senator Benidickson:** Honourable senators, I would not feel competent, at this stage of our investigation, to answer that question. It gives me an opportunity simply to say that an idea respecting that particular matter has already come before the committee. It came from one of the most respected organizations in the country and the most competent in this field—namely, the Canadian Medical Association.

Part of the reason why I was loath to see us reach a decision last night was because I saw on the agenda that the first testimony subsequent to the proposal to initiate TV as advanced to us yesterday might have been a presentation today by the RCMP.

I have looked around the proposed meeting place and I would not have anticipated, knowing the chairman, that he would have already made preparations, had we made a decision this afternoon to go ahead today with such televising. I saw no sign of such apparatus today, and I say it is in keeping with my estimation of the good judgment of the chairman. I would not have wanted specially to start with the televising of an RCMP presentation.

**Senator Walker:** Honourable senators, I am opposed to this motion—and not because of Senator Riley. Had there been any doubt in my mind, I would have been opposed to it after hearing Senator Riley so many times during the past 24 hours.

The reason I am opposed to this motion—and let us get away from this marihuana business—is because in my opinion it is a question of whether we should have our committee meetings televised. Why should we? What benefit would there be for the Senate?

As soon as we get into that sort of thing, we become just puppets for the TV camera. The producers put in what looks ridiculous or funny, or what appeals to their sense of humour, or something else. In saying that, I am not reflecting on the TV cameramen, but the producers have to get something that will be of interest to the public.

Secondly, we are supposed to be, and I think we have proved ourselves to be, a house of sober—I emphasize the word "sober"—second thought. We have tried to be that, and I think we have succeeded in being that.

We are not seeking election. We are trying to do our job. I can understand the temptation for the House of Commons or the United States Congress to put in this sort of thing, and the mad and unseemly scramble of U.S. senators and congressmen to get on camera has been appalling. Why should we get into that sort of thing? Why should we lower the dignity of the Senate by interesting ourselves in that sort of thing?

[Senator Riley.]

It seems to me that we cannot be sincere and be on television. It is impossible. The human ego, or whatever it is, gets in the way, and when one is on television one tends to act up to that experience.

Where has it worked successfully? No one can point to where it can be said to have worked successfully. Surely we can get along objectively, the way we have been doing in the past. Certainly we may not be popular with the media, because we do not have the wonderful rows that used to occur in the House of Commons, nor the back talk, the fights and the feuds that used to go on there. But that is not our function. We are here to do a job.

In my opinion, this is not a party matter. I have the greatest respect for Senator Molson and I do not like to oppose him on this, but I would ask each honourable senator to give this matter his or her honest consideration. What benefit will follow from our doing this, and shall we not be keeping our independence and doing our job as a chamber of sober second thought by refusing to get mixed up in this TV maelstrom?

**Hon. Senators:** Hear, hear.

**Senator Molson:** Honourable senators—

**Senator Flynn:** I wonder if Senator Molson is trying to close the debate?

**Senator Molson:** I am not trying anything.

**Senator Flynn:** You have already tried to do something. You moved a motion.

**Senator Molson:** I waited for some time.

**Senator Flynn:** You should have waited a little longer.

**Senator Carter:** Honourable senators, I have no special bias either for or against the use of television in this particular instance, but I am going to vote against this motion mainly for the reasons outlined last night by Senator Flynn, because as I see it this motion accomplishes nothing positive. All it does is tie our hands unnecessarily as a chamber.

I should like also to draw attention to another point that was made last night by Senator McElman, which seemed to get lost in the shuffle when we became absorbed with the rights of the committee. Granted that this Senate committee may have the right to do this without reference to the Senate—and, of course, there is no gainsaying the fact that this chamber has the right to take any action it wishes in any matter which affects it—Senator McElman raised the question of the propriety of the committee proceeding with this televising operation, even though it had the authority to do so.

To my mind, that was a valid point. I would carry the question of propriety a little further, and raise the question as to whether it is proper for this house, in a matter of this kind, to take an action which may in some way be used as a lever to get the other place to do the same thing.

Whatever rights our committee may have to act on its own, certainly we must concede that the committees in the other place have exactly the same rights, and, of course, the House of Commons has the same rights as the Senate. On this particular question, the Commons committees have refrained from taking action, and the House of Commons, as a chamber, has refrained from taking any action.

In my opinion, we shall not be giving proper consideration to the other house if we, as a body, or any committee of this body, take any action which could later be used to put pressure on the other place to take similar action.

This is a matter which should be resolved on a joint basis, where a committee of this house should meet with a committee of the other house to work out a common understanding and course of action on this matter, which has been troubling us for some time and will trouble us even more in the future. It is something we shall have to come to grips with. It should not be done on a unilateral basis but on a joint basis.

Before concluding, honourable senators, there are one or two questions that I should like answered. Last night, in the course of the arguments put forward, it was implied that some precedents existed for televising Senate committees. If there are precedents, I should like to know what they are. I have made inquiries and, so far as I have been able to ascertain, there are no precedents which exist for this. That is why we are in this particular bind.

● (1440)

**Senator Croll:** Honourable senators, it so happens that the Standing Senate Committee on Legal and Constitutional Affairs is short a member, who is here rather than over there. The committee meeting was to start at 2.30, and the chairman and other members are there now. In the circumstances, I move the adjournment of this debate until Tuesday next.

Motion agreed to, on division.

The Senate adjourned until tomorrow at 2 o'clock.

# THE SENATE

Thursday, February 13, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report on operations under the Clean Air Act for the fiscal year ended March 31, 1974, pursuant to section 41 of the said Act, Chapter 47, Statutes of Canada, 1970-71-72.

## BUSINESS OF THE SENATE

**Senator 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, February 18, at 8 o'clock in the evening.

Before the question is put, I should like, as usual, to give a brief outline of the work schedule for the next week. Dealing first with committees, the Standing Senate Committee on Legal and Constitutional Affairs will meet on Tuesday at 10 a.m. and 2 p.m. to hear witnesses on Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code. The Standing Senate Committee on Foreign Affairs will meet at 2:30 p.m. to continue its study on Canada-U.S. relations. The Special Joint Committee on Employer-Employee Relations in the Public Service will meet on Tuesday at 8 p.m.

The Standing Senate Committee on Banking, Trade and Commerce will meet at 9:30 a.m. on Wednesday to consider and hear witnesses on Bill C-40, to amend the Excise Tax Act and the Excise Act, as well as Bill C-29, respecting Canadian business corporations.

It is also expected that the Special Joint Committee on Employer-Employee Relations in the Public Service will hold a meeting on Thursday at 9:30 a.m. Also at 9:30 a.m. on Thursday, the Standing Senate Committee on National Finance will continue with its examination of the Manpower Division of the Department of Manpower and Immigration, and our Foreign Affairs Committee will hold another meeting on Canada-U.S. relations.

I am also informed that a meeting of the Standing Senate Committee on Agriculture is being arranged for Thursday next to allow that committee to complete its examination of Bill S-10, to amend the Feeds Act. In addition, I am informed that the Standing Senate Committee on Transport and Communications will meet on Wednesday at 9:30 a.m.

In addition to the committee work, the House will continue with the items now on the Order Paper. Furthermore, it is hoped that Bill C-49, to amend the statute law relating to income tax, will come to us from the other place by the middle of next week.

**Senator Forsey:** Honourable senators, perhaps I might be permitted to add to what the Deputy Leader of the Government has just said. I think perhaps the house should be informed that the Joint Standing Committee on Regulations and Other Statutory Instruments has a meeting scheduled for 9:30 on Tuesday morning, when we shall be starting consideration of the guidelines on production of papers and that part of the reference to us from the House of Commons. I expect we shall be having also our regular meeting at 9:30 next Thursday morning. The 9:30 Thursday morning meeting is pretty well a fixture now. I should have warned the leader of this beforehand and I am sorry I neglected to do so.

**Senator Flynn:** I can see from the statement made by the Deputy Leader of the Government that some of us, on this side at least, will be in a difficult position, because we will be invited to attend at least three committee meetings at the same time.

**Senator Langlois:** That is the situation we have to deal with. This morning I had three committee meetings to attend and could attend only two of them. It is a situation we must live with.

**Senator Flynn:** Two in succession is not bad, but three at the same time is difficult.

**Senator Langlois:** This morning I had to leave one meeting to attend the other. I have just been informed by the Chairman of the Standing Senate Committee on Banking, Trade and Commerce that his committee will be sitting Thursday morning at 9.30 a.m. to consider Bill C-29, respecting Canadian business corporations.

**Senator Walker:** As well as on Wednesday?

**Senator Langlois:** Yes.

**Senator Flynn:** We have a slave driver as chairman of that committee.

**Senator Langlois:** He is a good driver, though.

Motion agreed to.

## INTERNAL ECONOMY

### COMMITTEE ON BANKING, TRADE AND COMMERCE—BUDGET TABLED

Leave having been given to revert to Reports of Committees:

**Senator Laird,** Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, tabled 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 pro-

posed expenditures of the said committee with respect to its study of the budget resolutions relating to income tax, in advance of any such bill coming before the Senate, or any matter relating thereto, authorized by the Senate on November 21, 1974.

COMMITTEE ON NATIONAL FINANCE—BUDGET TABLED

**Senator Laird,** Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, tabled the committee's report approving the budget presented to it by the Chairman of the Standing Senate Committee on National Finance for the proposed expenditures of the said committee with respect to its examination and consideration of such legislation and other matters as may be referred to it, authorized by the Senate on December 5, 1974.

COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS—BUDGET TABLED

**Senator Laird,** Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, tabled the committee's report approving the budget presented to it by the Joint Chairman of the Standing Joint Committee of the Senate and House of Commons on Regulations and Other Statutory Instruments for the proposed expenditures of the said committee with respect to its review and scrutiny of statutory instruments, pursuant to the report adopted by the Senate on October 29, 1974.

COMMITTEE ON EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE—BUDGET TABLED

**Senator Laird,** Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, tabled the committee's report approving the budget presented to it by the Joint Chairman of the Special Joint Committee of the Senate and House of Commons on Employer-Employee Relations in the Public Service for the proposed expenditures of the said special joint committee with respect to its consideration and recommendations upon Parts I, II and III of the paper entitled "Employer-Employee Relations in the Public Service of Canada", prepared by the Chairman of the Public Service Staff Relations Board, authorized by the Senate on November 14, 1974.

## LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO INCUR SPECIAL EXPENSES

**Senator Langlois:** Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(h), I move that the Standing Senate Committee on Legal and Constitutional Affairs be authorized, subject to rule 83A, to incur special expenses for the payment of fees and travelling expenses in respect of witnesses in connection with its examination of Bill S-19, an act to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code.

This request was generated through the Chairman of the Standing Committee on Internal Economy, Budgets and Administration, and I would ask Senator Laird to explain the purpose of this motion.

**Senator Laird:** Honourable senators, the reason for having this motion moved at this time is that we are faced with one problem only up to this point in the Standing Senate Committee on Legal and Constitutional Affairs. It arises out of the request by us to have the Chief Prosecutor of the State of Oregon appear as a witness before the committee. Oregon has tried a different law with regard to marihuana, and their experience, which is a year old, would be very useful to us. Unfortunately, being the Chief Prosecutor he felt, for political reasons, that during his absence on such a mission he would have to forego his normal pay as Chief Prosecutor, and all he asks for is to be reimbursed in exactly that amount.

**Senator Flynn:** There is no objection, but I suppose this is a problem that should be dealt with by means of a general rule. It seems to me that we should have some guidelines to follow in such cases. We should not have to make a motion every time a problem like this occurs. It could probably be referred to our Standing Committee on Standing Rules and Orders.

**Senator Laird:** I quite agree. The only reason for moving the motion now is the urgency of getting this man while we have the chance, and covering any other similar situation, which I doubt will arise.

● (1410)

**Senator Langlois:** Under our rules it is not necessary for the Rules Committee to have any matter referred to it in order to convene. The committee will no doubt take note that it should consider the matter at its next sitting.

**Senator Grosart:** Perhaps I could ask: What Rules Committee?

**Senator Langlois:** The Rules Committee of this house.

**Senator Grosart:** We do not have one.

**Senator Langlois:** Yes, there is one.

**Senator Flynn:** No.

**Senator Langlois:** Yes. The Senate Rules Committee was formed at the opening of this session and its members were selected by the Committee of Selection. The only thing that was not done was to appoint a chairman. As stated in this house two weeks ago, as soon as there is some work for the Rules Committee, a meeting will be convened and a chairman appointed, at which point the committee will immediately be able to carry on with its business.

**Senator Grosart:** I wonder if I might ask the Deputy Leader of the Government why a meeting of that committee is not being held. It is all very well to say that the Committee of Selection, which automatically selects members for all committees, has done its work. But surely there is a responsibility in the leadership of the house to have this committee called so that it can carry on with its work.

The Deputy Leader of the Government suggests in one breath that there is no work for it; in another breath he suggests that it does not need to have work referred to it. Under our rules this committee has the responsibility from

the day it is appointed of considering our rules. It has exceptional authority and power for the very reason that the Senate has decided that the Committee on Standing Rules and Orders should be in operation all the time. I suggest to him that it is time the committee was called.

**Senator Langlois:** Honourable senators, addressing myself to the point just made by Senator Grosart, I must say that we have received numerous complaints from senators saying that there are too many meetings of committees and that they cannot possibly attend them all. I do not see any purpose in convening a meeting of a committee just for the purpose of appointing its chairman when there is actually no work to give to that committee. The whole thing could be done in one shot. As soon as there is need for the committee to sit, it could take one minute of its time to appoint a chairman and then it would be ready to work right away. That is the obvious solution.

**Senator Flynn:** If it takes only one minute to appoint a chairman, why not meet for that one minute and do so? As Senator Langlois said, all problems related to rules are deemed to be referred to the Rules Committee.

**Senator Langlois:** Under our rules, yes.

**Senator Flynn:** And we have had a few examples recently of problems that should be dealt with by the Rules Committee. The point I am making is that it is normal practice for committees to be convened by their chairmen. Without a chairman, it is difficult for a committee meeting to be called, because that is the normal responsibility of the chairman.

**Senator Prowse:** It could be done by the committee clerk.

**Senator Flynn:** I hope Senator Prowse is not insisting that we give to the clerk the responsibility and authority for calling meetings of committees. Surely he is not seriously suggesting that?

**Senator Prowse:** No.

**Senator Flynn:** No? Very well. I was just saying that the chairman can consult with members, but it is most difficult for members—including Senator Denis—to decide by themselves that a committee should be called.

**Senator Denis:** What you are saying is a waste of time, anyway.

**Senator Flynn:** If someone has time to waste, it is surely Senator Denis.

**Senator Denis:** The honourable senator does not understand the situation when he says that we can call several meetings at the same time.

**Senator Flynn:** Understanding what you have to say is the only problem I have.

**Senator Denis:** It is no use talking to you.

**Senator Flynn:** The fact that I can't understand you will never affect my reputation.

**Senator Denis:** You are talking through your hat.

**Senator Flynn:** Even when I have none? I am surprised that Senator Denis does not wear a hat like members of Parliament used to wear 50 years ago. It would suit him very well.

[Senator Grosart.]

**Senator Bourget:** He is not that old.

**Senator Flynn:** I am not too sure. He is an institution in Parliament. He is the dean of our Parliament.

**Senator Walker:** And he is a fine fellow.

**Senator Flynn:** There's no argument there. It is only very infrequently that he refuses to cooperate with me, but I am always very surprised and deeply chagrined when he does refuse.

Now, what I was trying to say, and I trust it will not hurt Senator Denis' feelings, is that the chairman of the committee has the responsibility, generally, to call the committee together. If there is no chairman, that becomes most difficult. We had a problem yesterday and the day before with regard to the report, or the information supplied us by the Committee on Legal and Constitutional Affairs pertaining to its intended activities. That was one problem. Now we have this one today. If we had a chairman and a deputy chairman, or a steering committee, we could deal with these problems. That is the only point I want to make.

**Senator Perrault:** May I say, honourable senators, that in view of the questions relating to rules in the house which have been posed in recent days, I think a sufficient case has been made for convening an early meeting of this committee. There will be an initiative in that regard.

**Senator Grosart:** Perhaps it might be as well to read into the record what our rules say.

**Senator Langlois:** Will you give the number of the rule, please?

**Senator Grosart:** It is rule 67. (1) (e):

It reads:

> 67. (1) The standing committees shall be as follows:
>
> (e) The Committee on Standing Rules and Orders, composed of twenty members, five of whom shall constitute a quorum, which is empowered on its own initiative to propose to the Senate amendments to the rules from time to time.

**Senator Langlois:** That is exactly what I said.

**Senator Flynn:** You win.

**Senator Grosart:** We can hardly do what the rule suggests if the committee has not met.

Motion agreed to.

## ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Gildas L. Molgat** moved the second reading of Bill C-370, to amend the Electoral Boundaries Readjustment Act.

He said: Honourable senators, the Electoral Boundaries Readjustment Act, which established the commissions to set up electoral boundaries, provides in section 13 rules to be applied by those commissions. Basically, those rules are that the constituencies should have roughly the same size with regard to population, and that the commissions should take the number of seats in each province, divide it into the population, establish a quota, and attempt to have

the various constituencies come as close as possible to that quota.

There was an exception made to this, however, in recognition of the geographical problems and the small populations in certain parts of Canada. Under section 13 (c), therefore, the commissions were empowered to depart from the strict application of this rule under certain specific circumstances. These circumstances are listed in paragraph (i), as follows:

> (i) special geographic considerations, including in particular the sparsity, density or relative rate of growth of population of various regions of the province, the accessibility of such regions or the size or shape thereof, appear to the commission to render such a departure necessary or desirable—

Under those specific conditions the commissions were empowered to depart from the quota to the extent of 25 per cent in either direction, so they can go 25 per cent above the quota or 25 per cent below. The maximum deviation, therefore, between the constituency with the highest population, and that with the lowest, would be 50 per cent. That was the rule under which they were to operate.

When the commissions proceeded with their redistribution they looked at this section, but when they balanced the two items of sparsity and density on the one side, and relative rate of growth on the other, they decided that they could not really deviate from the norm.

Therefore, in their recommendations, the rural constituencies, by and large, were not considered as qualifying for the smaller population, and the rule simply did not take effect. The result was what we saw in the maps that were produced. General dissatisfaction was expressed across the country to the effect that the rural constituencies, particularly the northern constituencies, had not been looked at properly in the light of this rule, and that they contained far too great an area to be covered. Members of the House of Commons objected, and there were objections as well from the public.

● (1420)

The purpose of Bill C-370 is to correct this situation, and to permit the rule to take effect. All that happens under the proposed bill is that paragraph (i) will be replaced by a new paragraph, the only difference being that the words "or relative rate of growth" are removed. This means that under the new section the considerations that the commissions will have will be the geographical considerations including, in particular, the sparsity or density of population. This will then permit the commissions to apply properly the 25 per cent rule, and give an opportunity for constituencies of very large size to be reduced in population and thereby reducing the geographic size.

This seems to have had the general approval of members in the other place, and I commend it to all honourable members of the Senate. Under normal conditions, I prefer to have bills referred to committee where questions can be asked, and there can be much more detailed discussion, but in this particular case because the bill is actually very simple—

**Senator Grosart:** Don't say that.

**Senator Flynn:** What a mistake.

**Senator Molgat:** —I do not believe that is necessary. However, if it is the wish of honourable senators, it is within our right to refer it to committee. I would also point out that there appears to be, if not some urgency, at least some advantage in dealing fairly quickly with this measure. I understand that if it is passed by the end of February the commissions can begin their work soon after that.

I commend this bill to all honourable senators.

**Senator Flynn:** May I ask a question of Senator Molgat? The evaluation or the assessment provided for in this bill will be made by provincial commissions, I understand.

**Senator Molgat:** Yes, each commission in each province is empowered under the act to make the decisions within the particular province, which are applicable to that province only.

**Senator Flynn:** Has it been foreseen that there could be a different basis of application of this bill by one commission as compared to another in view of the fact that there are ten commissions? And from that it would follow that the results of the application of this bill might produce different effects as between one province and another.

**Senator Lafond:** I point out that these are federal commissions at the provincial level. They are not provincial commissions.

**Senator Flynn:** I know that, but if each commission is free to interpret the provisions as it sees fit, do you not think there is the danger of a different evaluation as between one province and another?

**Senator Molgat:** From my reading of the act I believe this can happen. The act specifically says in section 13:

> 13. In preparing its report each commission for a province shall be governed by the following rules—

So I would assume that it is up to each commission, and I take the point made by Senator Lafond that these are federal commissions working in each province. They are appointed independently, as you know, with the chairman being appointed by the chief justice of the province.

**Senator Flynn:** There is no rule for uniformity of interpretation of the act by these provincial commissions.

**Senator Lafond:** I do not believe there is any rule, but it seems to me that there is a very convenient and adequate safeguard in that the Representation Commissioner himself is automatically a member of each commission in each province. Here I am speaking of Mr. Castonguay. I think that was one of the initial purports of the new formula, to have the Representation Commissioner as a member of the commission in each province in order to assure a good minimum of uniformity in interpretations and procedures.

**Senator Bélisle:** May I ask the sponsor of the bill a question? Now that we have been informed that these commissions are federal-provincial commissions and—

**Senator Molgat:** No, they are federal commissions.

**Senator Flynn:** They are federal commissions appointed for each province.

**Senator Molgat:** Yes. Each province has its own commission, but each one is set up in the same manner. Each province has four commissioners—the chairman, two

other members who are appointed by the Speaker of the House of Commons, and the Representation Commissioner. However, there is one of these commissions for each province.

**Senator Bélisle:** Knowing that there is a possibility that some of these boundaries are parts of the Canada-United States boundary, is there a possibility that a member of the International Joint Commission will be consulted, or does it have representation on the commissions?

**Senator Molgat:** No. Each commission is empowered, in fact instructed, to prepare the maps, but then it must hold hearings, which anyone is free to attend and make representations.

**Senator Desruisseaux:** May I ask Senator Molgat whether the members of these commissions have been nominated, and is there a list of such nominations for each province?

**Senator Molgat:** Yes, I believe that they are actually nominated each time there is a redistribution. The method of nomination is set out very clearly in the act. The chairman of the commission in each province is appointed by the chief justice of that province, or his appointee. Two other members for each province are appointed by the Speaker of the House of Commons. The fourth member is the Representation Commissioner. It is my understanding that they are re-appointed at the time of each redistribution.

**Senator Desruisseaux:** Have they been re-appointed?

**Senator Molgat:** I shall have to verify that. A redistribution was proceeded with, but it was found to be unacceptable. The result of that redistribution was that a number of provinces lost some seats. It was decided, therefore, to make a change in the whole structure to increase the number of seats in the House of Commons and proceed, therefore, with a new redistribution.

I will have to verify whether the commissioners who did the first one are automatically those who will do the new one. There could be new commissioners appointed. My assumption is, in view of the fact that it is a new act, that there will be a re-appointment. They could very well be the same people, of course.

**Senator Desruisseaux:** Can we expect to receive the list of these nominations?

**Senator Molgat:** Yes. I shall inquire to see whether they have in fact been re-appointed; if they have, I shall be happy to obtain the list. In any case, I can get the list of the commissioners who did the previous redistribution, if that is your desire.

**Senator Walker:** Senator Molgat, with your background and rich experience as leader of the Liberal Party of Manitoba, and also as the present President of the Liberal Association of Canada, can you assure us that these commissions cannot get involved in gerrymandering?

**Senator Molgat:** Under the provisions of this bill, Senator Walker, they would find it extremely difficult to do so, in view of the safeguards which have been introduced in addition to the method of appointment of the commissioners.

[Senator Molgat.]

You will recall, from your experience in the other place, that in past years—

**Senator Walker:** Indeed I do.

**Senator Molgat:** —the government in power sometimes had a great deal to say as to the actual geographical boundaries, but that is no longer the case. Under this act, as I mentioned, the commissions are clearly established, as is the method of appointing the members. Furthermore, in order to provide an additional guarantee, the rules which they must follow are laid down and, in my opinion, are quite clear. They must follow the basic rule of having every constituency as close as possible to the quota established, with the exception of this 25 per cent rule for large ridings.

**Senator Walker:** And this one.

**Senator Molgat:** Yes.

**Senator Walker:** Thank you.

**Senator Molgat:** It is apparent, therefore, that this bill is in fact an outstanding piece of legislation, and one of which the Liberals who introduced it have good reason to be proud. When we look at certain countries or, in some cases, certain provinces, where after an election the majority ends up by not being represented, or a party with a minority of votes ends up with more seats in the house, I think we can appreciate the value of this legislation.

● (1430)

**Senator Flynn:** Honourable senators, Senator Molgat having convinced us that this bill is so simple, I think I should move the adjournment of the debate.

**Senator Molgat:** Honourable senators, I suggest that while the legislation itself may not be very simple, the amendment proposed in this bill is simple. It merely changes four words.

**Senator Flynn:** That is what you say.

On motion of Senator Flynn, debate adjourned.

## CRIMINAL CODE (COMMUTATION OF DEATH SENTENCE)

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Louis-J. Robichaud** moved the second reading of Bill S-21, to amend the Criminal Code (commutation of death sentence).

He said: Honourable senators, I hope that the debate that will ensue from this moment on will be as friendly as that which we have just heard. To my mind, we proved a moment ago that we are indeed a house of sober second thought. That is what makes this institution as important as it is, that we can discuss matters without becoming emotional or passionate, and we can fulfill that real role which members of the Senate should fulfill.

I am on my feet today to express my personal feelings on this bill without in any way wishing to influence others. Every person should follow his or her own conscience and vote accordingly.

Bill S-21, to amend the Criminal Code (commutation of death sentence), is simple in concept. There is nothing complicated about it.

In 1973 Parliament enacted a law to the effect that the only persons subject to the death penalty, upon conviction for murder, are those who cause or assist in causing the death of police officers or prison guards. Parliament, including this body, passed similar legislation in 1968. So, our laws provide for capital punishment in certain cases. Personally I find it unfortunate that we have another law which gives the federal cabinet the royal prerogative. The cabinet is perfectly within its rights in exercising this prerogative, but I find it distressing that since 1962 we have not been adequately protecting society. Not one sentence of capital punishment has been carried out since 1962, despite the fact that it is the law of the land.

If we do not want such laws, then we should change them. I believe in the royal prerogative, but only in cases where the peers of the accused recommend clemency or commutation of sentence. Such a recommendation may come from any member of the jury, and also from the judge. A case may come before the Appeals Division of a provincial supreme court, and perhaps before the Supreme Court of Canada, and if no one during the whole judicial process has seen fit to recommend clemency, the Cabinet may do so.

It is my feeling that we are not doing the right thing, when I see what is happening today in our country. I do not have to report to the Senate the number of major crimes, involving the murder of police officers, which have been committed in Canada during the past few years. However, perhaps I should. I obtained the following figures from the Library of Parliament.

In 1967, three policemen were murdered in Canada. Three suspects were arrested, one of whom was killed in a gun fight with the police. The second committed suicide, and the third was tried and convicted, but the death sentence was commuted. I shall not put any interpretation on this. One committed suicide and one was killed in a gun fight with the police, so honourable senators can draw their own conclusions.

In 1968, five policemen were murdered. Nine suspects were arrested, one of whom committed suicide. Eight were charged and tried. One was acquitted by reason of insanity, one was acquitted, one was convicted of non-capital murder, four were convicted of manslaughter, and one was convicted of a lesser offence.

In 1969, five policemen were murdered. One case still remains unsolved. Seven suspects were arrested and charged. Two were convicted of capital murder and given the death sentence, which was commuted. Four were convicted of non-capital murder, and one was convicted of manslaughter.

I am speaking only about the murder of policemen, not of prison guards or of people who are being slaughtered right and left in our country.

In 1970, three policemen were murdered. Two suspects were arrested, one of whom committed suicide. One was charged and convicted of capital murder, but the death sentence was commuted. Honourable senators will have noticed the number of suicides. When society refused to play its role, some of the accused committed suicide because they had accepted the consequences of their act at the time they committed the murder.

I repeat that these are my personal feelings, which I do not wish to impose on anyone else.

In 1971, three policemen were murdered. One case remains unsolved. Two suspects were arrested and charged. One was acquitted by reason of insanity, and one was convicted of capital murder. One case is still pending. I am sure we all know to which case I refer.

In 1972, three policemen were murdered. Two suspects were arrested. One man was killed in a gun fight with the police, and another committed suicide. These are not my statistics. They were provided by the Library of Parliament.

In 1973, five policemen were murdered. Seven suspects were arrested, two committed suicide, five were charged and two were convicted of capital murder—their cases are pending; we do not know what will happen—two were convicted of non-capital murder, and one was convicted of a lesser offence.

● (1440)

I could go on with statistics of this type. I think the trend has gone too far, not only in this country, but particularly in the United States. If we go to such American cities as Cleveland, Buffalo, Los Angeles and New York, we are told not to walk the streets after sunset—and that is done in the name of freedom! In the name of freedom, we cannot be free to walk the streets in those cities. It can reach such proportions in this country too, unless we do something about it, and I think it is up to the Parliament of Canada to do something.

Nobody, but nobody, will make me believe that capital punishment does not act as a deterrent. It does. Everyone is afraid of it, except those who want to commit suicide anyway. A good many of these individuals do commit suicide, as evidenced by the statistics I gave earlier. I think it is our duty to protect society.

As I said on December 19 last, when I introduced this bill—which happened to be three or four days after the horrible murders that took place in the city of Moncton—it is up to this body to do something about it. However, it was not that particular incident that prompted me to introduce it. My bill was already printed. Rather, it was the number of such incidents which are happening from east to west, north to south, in this country.

I could quote biblical texts, and other such texts, in support of this bill, but how would that help? It would not. It is up to our individual consciences. We must do whatever we feel necessary to provide society with the best measure of protection.

I am not going to open the debate on capital punishment in general. I do not think that should be discussed until the five-year moratorium has lapsed, because that is the law of the land. I do not think this body was wrong in 1973 when it passed that legislation, nor do I think it was wrong in 1968 when it retained capital punishment for the murderers of policemen and prison guards. A discussion on capital punishment in general will come later, but as long as we have laws to protect our families, our neighbours, our friends, those laws, I believe, should be respected.

There is a body that can recommend the commutation of sentence, or make a plea for mercy or clemency, and that

is the peers of the accused, the equals of the accused, after hearing all of the evidence and being in possession of all of the facts. If they do not see fit to recommend clemency, another superior body does it for them. That is where I think we are wrong. I want it to be crystal clear that I believe in the royal prerogative, provided it is exercised on a recommendation from the trial judge or the jury for clemency, or when a jury cannot agree on a recommendation for clemency. That is my personal stand on the matter.

I hope we can discuss this bill without passion. Perhaps I cannot do so myself; I do not know. I believe we owe our society this protection. Our policemen are paid to protect us, and I believe we should give them the same degree of protection.

**Senator Bélisle:** Honourable senators, I move the adjournment of the debate.

**Senator McElman:** Honourable senators, I should like to ask a question of the sponsor of this bill.

When you asked for the adjournment of this motion until today you gave as your reason that you would be attending a meeting of the Atlantic Provinces Policemen's Association in Moncton, which might provide you with further information. Would you care to elaborate on that meeting and tell us the association's reaction to this bill?

**Senator Robichaud:** I thought I might do that when closing the debate on second reading. My personal impression of the meeting, held last Saturday in Moncton, of policemen and prison guards in the whole Atlantic region was that they were unanimously in support of this. I might say that in my estimation they are going too far in wanting capital punishment, period. Perhaps they, themselves, are a little too violent in their emotional reaction, and I told them so. On the other hand, perhaps we are not going far enough.

In answer to your question, Senator McElman, it was a united meeting. They were unanimous in their support of capital punishment. Does that answer your question, or did you want me to go beyond that?

**Senator McElman:** Not entirely. You said at the outset that there should be sober consideration given to this bill. Could you give us your personal judgment as to whether the deliberations at the meeting you attended in Moncton were cool and calculated, or whether there was emotion involved?

**Senator Robichaud:** Well, when you get 200 people at a meeting, you can expect that some of them will become emotional and some will react in a responsible manner. Some were extremely responsible, some were a little too emotional. There were 200 or more people at the meeting.

**Hon. Ernest C. Manning:** Honourable senators, I should like to make a few brief comments on this bill. I have looked at it with more than usual interest because it was introduced by a man whom I have known for many years, who was a fellow provincial premier, and for whose viewpoint and judgment I have great respect.

I have said in this house on several occasions that I personally believe in capital punishment. I believe in it because I believe in the sanctity of life. I am convinced that respect for the sanctity of life cannot be preserved by a society that permits people to take the lives of others with impunity. For that reason, I support the restoration of the death penalty in all cases of willful and premeditated murder.

As has been pointed out by Senator Robichaud, the Criminal Code makes a distinction between the murder of a police officer or prison guard and the murder of any other individual. In my judgment, that distinction is invalid. The willful murder of an individual who is neither a police officer nor a prison guard surely is no less a crime by reason of that fact.

● (1450)

If murder is a crime that under any circumstances warrants the death penalty then, frankly, I fail to see the logic in a distinction between the murder of a man in one occupation and the murder of someone in a different occupation. Certainly the sorrow and anguish of the survivors is equal in all cases. As I say, the mere fact that one man happens to be engaged in one occupation seems to me to be an invalid reason for saying that his murder is significantly different from that of a man in another occupation.

Senator Robichaud has said that the reason he introduced this bill is because in recent years it appears to be a quite firm policy on the part of the present government to commute all death sentences to life imprisonment. There certainly has been no exception to that policy for quite a number of years.

**Senator Flynn:** Twelve.

**Senator Manning:** This bill purports to, and would, override the prerogative of clemency or mercy, whatever you like to call it, in the case where there has been no recommendation for clemency by either the presiding judge or a jury, or in the case where a jury has been unable to agree on whether a recommendation for clemency should be made or not.

I can fully appreciate Senator Robichaud's thinking, and I can fully appreciate why the law enforcement people of this country would be almost unanimously in favour of this kind of legislation. But having said that, I must also say that I personally could not support this particular bill. I say that for two reasons.

In the first place, this would be, in effect, asking a jury or a judge to assume the prerogative, that is the discretionary power, of clemency or mercy, which I believe should remain with the Governor General in Council. Under this legislation, any jury would, by refusing to attach a recommendation for mercy, be taking away from the Governor in Council the prerogative of exercising clemency in a particular case.

In any case where there were any qualms on the part of even one juror, he could set the whole thing aside by merely refusing to agree with his colleagues, thereby creating a situation where there would not be a unanimous recommendation by the jury one way or the other. In that case the provisions of this bill would return to the Governor General in Council the prerogative of mercy.

Frankly, honourable senators, I do not think this is a prerogative or a responsibility that we should pass to juries, or even to presiding judges. I know the argument is that they have at their disposal all the evidence that bears

on all the pros and cons of the case. But that evidence and information is available to the Minister of Justice, and it seems to me to be inappropriate to ask the jury to assume the role of deciding whether there shall or shall not be clemency.

However, there is a second and, I believe, more fundamental reason why I could not support this type of legislation, and that is in fact that it would restrict the prerogative of clemency or mercy by the Governor General in Council. I do not believe that is a right that should be restricted or circumscribed in any case. There might well be some case in which a jury, swayed by sympathy or whatever other factors there might be, would recommend mercy. It might well be that it is a case in which mercy should not be shown. The opposite is equally true. In my judgment, at least, this prerogative of clemency is such that it is just as much an abuse to restrict its exercise by the Governor General in Council as what is being done by the government of the day in commuting all death sentences to life imprisonment is an abuse.

For those two reasons, while I fully appreciate the purpose of the bill, which I know would have the almost unanimous support of law enforcement people and, I think, many other Canadians—in fact, it is my view that if the people of Canada had the opportunity to express themselves on this whole question of the death penalty they would undoubtedly ask for its restoration in the case of willful murder of any kind—I do not feel it right that the Senate, as a part of Parliament, should do anything to circumscribe the prerogative of mercy, which rightly belongs in all cases to the Governor General in Council. I think the solution to the problem this bill seeks to deal with is for the Cabinet, or the government of this country, to stop abusing its responsibility, and not to impair or restrict the exercise of the prerogative in any case where the circumstances warrant it.

**Senator Bélisle:** Honourable senators, I had moved the adjournment of the debate, but I am glad that we have heard Senator Manning.

**Senator Manning:** I am sorry, honourable senators. I did not hear the motion to adjourn.

**Senator Bélisle:** I am pleased to have heard your views.

Senator Hicks has told me that he will be ready to speak on Tuesday or Wednesday. I shall not be ready by then, but I should like to move the adjournment of the debate. If any other honourable senator would like to speak then, he will be free to do so.

**Senator Robichaud:** Honourable senators, may I express a personal wish? Because I am so vitally concerned with this piece of legislation I would not wish to miss any part of the debate. In September last I accepted an invitation to attend a meeting in Quebec City of the Canadian Association of Teachers on Monday, Tuesday and Wednesday of next week, and I would like to be there. However, I would like to listen to the debate on this bill too.

On motion of Senator Bélisle, debate adjourned.

The Senate adjourned until Tuesday, February 18 at 8 p.m.

# THE SENATE

Tuesday, February 18, 1975

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

Prayers.

## THE LATE HONOURABLE ARTHUR LAING, P.C.

TRIBUTES

**Hon. Raymond J. Perrault:** Honourable senators, together with some of you I have just returned from the West Coast and a very sad event, the funeral of our late colleague, the Honourable Senator Arthur Laing. For months many of us were aware of Senator Laing's gallant, tenacious but impossible struggle against cancer. We saw his physical strength waste away while his mind and his keen intellect remained undiminished in their powers. Indeed, I visited him in hospital three days before he passed away. That meeting did not involve a list of personal complaints about his very obvious suffering, but rather his view that there were some major economic decisions to be made in Ottawa in the next while. In that connection he asked me to obtain some data and research material from the Parliamentary Library. He said, "Before I'm finished I want to get some of my ideas down to the government." I think that is a remarkable spirit.

That long, cruel struggle for survival came to an end last Thursday after the Senate adjourned. Now Arthur Laing has found his peace.

Senator Laing was born in British Columbia, but his love for Canada encompassed all of our land. He spoke just as eloquently, affectionately and knowledgeably about our great Atlantic provinces, the East and the Prairies, as he did about his native British Columbia. He developed, as honourable senators are aware, a great and passionate interest in the North. He evolved a remarkable expertise about the area. His reputation for a knowledge concerning the North came to be known, indeed, in other countries in the world, as those who have travelled abroad with delegations can attest. He knew a great deal about the people of the North—the geography, the resources and the problems. For Arthur Laing was no narrow person; his zeal for Canada and its future was as large as our great country itself.

Now he is gone. What has he left behind? Certainly the gratitude of those who knew him and were his associates. As a young politician I worked as an assistant to Arthur Laing, and I learned a great deal about public life from him. I remember working on his first federal campaign. I came to know him as a person of absolute integrity, and candor. These qualities may not always have served him for immediate political gain, but in the short term and in the long term they were the right qualities.

Arthur Laing had an uncompromising dedication to the common good and he has left behind good memories for all of us. Perhaps, above all, in an age of increasing cynicism about politics and politicians—and these are difficult times for politicians—Arthur Laing's career is a model to young men and women who aspire to positions in public life, for he gave far more to this country than he ever took out of it. He rejected the notion that any one political party in this country has any exclusive preserve on virtue or its dedication to Canada, or to positive and useful ideas.

He was no short-sighted partisan. He saw good in all men and women, regardless of race, politics and religion. His pall bearers, both active and honorary, and those who attended yesterday's services, included those from every one of Canada's political parties and they came from all walks of life.

During his career, Arthur Laing dared to advance new ideas and new concepts. He dared to challenge pomposity in all of its forms. Appropriately, he asked that the hymn "Dare to be a Daniel" be sung at his funeral. The words of that hymn are not to be found in most modern hymnals, but perhaps they should be restored:

Dare to be a Daniel,
Dare to stand alone,
Dare to have a purpose firm,
And dare to make it known!

All of us here are grateful that we were given the opportunity to serve with him. Those in the other place, where he served with distinction as a member of Parliament and as a cabinet minister with responsibility in Indian Affairs and Northern Development, Public Works, and Veterans Affairs, share a sense of gratitude for having had him in their midst.

We extend our most profound sympathy and condolences to his wife, Gerry, his daughter, Linda, and to all his relatives, who grieve his passing.

**Hon. Jacques Flynn:** Honourable senators, the words just spoken by the Leader of the Government about the way in which our departed colleague, Senator Laing, faced his inevitable fate during the last few months of his life serve better to describe him than anything that could be added about his career.

It can be said of him without exaggeration that he was an excellent parliamentarian. He understood thoroughly what this place is all about, and the quality of the work he did here reflected that insight.

As minister, he defended three different portfolios, each with enviable success. The reasons for his success are easy enough to understand: He was a most clever man with an immense capacity and respect for hard work. He did his homework well, and that meant he was always on top of problems.

Another reason for his success was that wonderful personality of his. He was a pleasant, even-tempered man. His courtesy and dignity; his solicitude for others; his willingness to help; his willingness to provide everyone with as

much information as possible—these traits won him the respect and admiration of everyone.

Senator Laing will best be remembered as the Minister of Indian Affairs and Northern Development who started development of the North and altered government policy to make the North a place of self-sufficiency for our native people.

He was a liberal in the classical sense. He believed firmly in self-reliance and personal responsibility.

Regardless of what political stripe they may be, men of such quality and vision, men with such a love of liberty and respect for individual rights, will always be an asset to Canadian public life.

Our colleague, Senator Yuzyk, represented the Progressive Conservative caucus at the funeral in Vancouver yesterday. He reports to me that the people of Senator Laing's old riding were there in great numbers to pay tribute to the man. And well they should have been, for he served them, as he did all Canadians, with admirable distinction.

Arthur Laing leaves behind him none but friends—friends who realize that men of his kind are not easily replaced. To his fellow Liberals and to his wife and family I extend, on behalf of our caucus, my most heartfelt condolences.

● (2010)

**Hon. John J. Connolly:** Honourable senators, when my deskmate and former cabinet colleague, Senator Arthur Laing, came here last October, I and all of his friends were apprehensive that he would not be here long, and that when he left he would probably not be back. He himself was apprehensive at that time but also realistic, as the Leader of the Government has pointed out, and he was very brave.

His death last week came with tragic swiftness, but it was also merciful. For his devoted wife this is a heavy blow indeed, because she had dedicated her life to Arthur's life of public service in British Columbia and in Ottawa, where he was a member of the House of Commons and of the government. Our sympathy for her and her daughter is deep indeed.

Senator Flynn has mentioned that Senator Laing had three portfolios in the course of his career as a member of the government—Veterans Affairs, Public Works, and Northern Affairs and National Resources, as it then was. It is not too much to say that he consecrated himself to his ministerial responsibilities when he was in the government. He was never flashy, he was never over-political, but he did display a hard-nosed realism. He was an experienced, practical administrator. These were his great qualities in all his portfolios, and particularly so when he was Minister of Public Works.

It was in Northern Affairs and National Resources that he shone. He had great faith in the ingenuity and judgment of the business community of his native province, British Columbia. He knew fully the tremendous economic opportunities of British Columbia. He grasped, early in life, the unique position that British Columbia occupied with regard to commercial activity on the Pacific rim, and the superport at Roberts Bank is a monument to that conviction.

One of Arthur Laing's abiding interests was the people of, and the opportunities in, the frontier regions of the North, as the Honourable Leader of the Opposition has said. In what was perhaps his first speech as Minister of Northern Affairs and National Resources in the House of Commons he paid tribute to the then Leader of the Opposition, Mr. Diefenbaker, for his views about the North and the opportunities that lay there. There had always been a friendship between those two, but it was refreshing for parliamentarians to see that kind of statesmanship displayed by a man who came new to the ministry of Canada.

A few years ago, when a group of senators visited the Arctic-Antarctic Institute at Leningrad, we were told of his earlier visit there, of his visits to Siberia, and how impressed the Russians were with his knowledge of northern conditions, his desire to learn all that he could of the Russian experience and expertise in those regions, and his hopes for development on the Canada-Russia frontier and south of it.

Arthur Laing shared the Russians' enthusiasm for the northern regions. He worked at it and he improved it. The investment of the Canadian government in Panarctic Oils was his doing, and it was hard doing at that time. It was his policy that the government should take this practical step to lead, to stimulate interest on the part of the private sector, and to prove the immense new resources that he and many experts knew were there. These resources are now vital to Canada's future, particularly in the field of energy. Such was his interest in the West and in the North of this great country, the extent of its wealth, that the magnitude of the territory did not overawe him. These things stimulated him.

His interests were not solely economic. Senator Paterson reminded me this morning, when talking about Senator Laing, of the notable speech he made in this chamber shortly after he first came here on the value of our national parks. He knew and loved the beauty of the remote regions of Canada, and he understood something of their majesty. He had great admiration for Canada's aboriginal people, the Indian and the Eskimo. He knew them and he cultivated them, and he was a dedicated collector of their artifacts and handicrafts.

Arthur Laing was a robust, sincere, practical Canadian, an ornament to family life and to public life. It was a privilege for each one of us to have been his colleague.

**Hon. David A. Croll:** Honourable senators, I first met Arthur Laing when he came into the House of Commons in 1949. We became good and warm friends, and that friendship continued. I remember as though it were yesterday when I spoke to him at his home just before he went into the hospital.

He was a hard and devoted worker, and his view was a national one. Despite the difficult departments he headed from time to time, he had a sense of courtesy and decency that made him many friendships that he retained.

He had a special affection for the native people. He thought they had been wronged, and that something should be done about righting that wrong. He made a particular contribution to the veterans, not so much in what he did but in the way he did it, and they knew and accepted this. His love for the North was legend. I was

privileged to accompany him on one of the trips he made to the North country. He was anxious that the natural resources which were ours should be used for the benefit of all Canadians. He was a great public servant, a great Canadian and a fine man. In his political life he walked the street called Straight.

To me, honourable senators, his passing has brought a deep sense of loss and sadness, and I join with all in this house in extending sympathy to his widow and daughter.

● (2020)

**Hon. George van Roggen:** Honourable senators, there is little I can add to what has already been said so eloquently by my leader, by the Leader of the Opposition and by other senators who are old friends of Arthur Laing and old political compatriots, by the way, just as I. I will take only a moment of your time, as another member of the Senate from British Columbia, to join in paying a modest tribute to him.

Arthur Laing was of all things a professional politician. There are many in other walks of life who would not appreciate fully what I mean. However, I think all of us in this chamber understand the type of professionalism there is in this field, which was Arthur's chosen field and which brought to him the admiration of friend and foe alike. Upon the tragedy of his illness coming to the attention of Liberals in British Columbia, a testimonial dinner was arranged for Arthur Laing last September. It was almost unique in Canadian political history. A thousand or more attended, including the Prime Minister, Mr. Trudeau, and a former Prime Minister, Mr. Diefenbaker; the Premier of British Columbia, Mr. Barrett, and a former Premier, Mr. Bennett. The Commissioners of both the Yukon Territory and the Northwest Territories insisted on attending. The National President of the Veterans' Associations of Canada insisted on coming and, I might say, paid Senator Laing the most glowing tributes at that dinner for his work as Minister of Veterans Affairs.

It was an astonishing event and a great tribute to Arthur. The Prime Minister took the opportunity to announce that the new bridge connecting Vancouver to the international airport—which, incidentally, has one end in Arthur Laing's riding of Vancouver South and the other end in his birthplace of Richmond—would be named after him upon its completion in a few months. His funeral was a further manifestation of the esteem in which he was held by people in British Columbia, who came in large numbers from his riding, from all sections of Vancouver society, from all walks of life. The leaders of this nation came together again at that funeral. There were many from Ottawa who attended, one of whom said to me on the plane coming back that he would have attended Arthur Laing's funeral even if he had had to walk from Ottawa.

I should like to join with others in paying tribute to a man I have worked with politically for 25 or 30 years. We had our differences, but I always admired him greatly as being a true professional.

**Hon. Guy Williams:** Honourable senators, I should like to extend a few words of sympathy to the family of our late colleague, the Honourable Arthur Laing.

I first met Arthur Laing approximately 38 years ago. At that time I was already well established in the work of the Indian organizations of British Columbia. I learned a great deal from him when he became Minister of Indian Affairs. The way of life of the Indian was a matter of concern to him.

It was his viewpoint that the Indians of this country—250,000 of them—were losing their identity and were unable to get themselves out of the vacuum, as he put it to me at one time. At one time, when he was Minister of Indian Affairs, he said to me, "I had to shock you and your people into coming back to life." He said that the Indian people of Canada could not fight their way out of a wet paper bag.

He encouraged them back to life, and for that the Indian people are grateful to the great Arthur Laing. His name had become a household word among the Indian people, even before he left us. They are grateful to him for enabling them to regain their courage and identity.

I appreciate having known Arthur Laing, and having worked with him on many occasions. For that I am most grateful.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

STANDING JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Baker (Gander-Twillingate) has been substituted for that of Mr. Fox on the list of members appointed to serve on the Standing Joint Committee on Regulations and other Statutory Instruments.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Francis has been substituted for that of Mr. Olivier on the list of members appointed to serve on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## RESTAURANT OF PARLIAMENT

STANDING JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Leggatt has been substituted for that of Mr. Gilbert on the list of members appointed to serve on the Standing Joint Committee on the Restaurant of Parliament.

● (2030)

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of a contract between the Government of Canada and the Municipality of Oxford, Nova Scotia, 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).

Copies of International Convention to Facilitate the Importation of Commercial Samples and Advertising Material. Done at Geneva, November 7, 1952. In force November 20, 1955. In force for Canada July 12, 1974.

Copies of Vienna Convention on Consular Relations. Done at Vienna, April 24, 1963. In force for Canada August 16, 1974.

Copies of Customs Convention on the Temporary Importation of Scientific Equipment. Done at Brussels, June 11, 1968. In force for Canada October 24, 1974.

Copies of Notes exchanged between the Governments of Canada and the United States of America for the use of certain Communication Facilities at the Pinetree Radar Site at Hopedale, Labrador, by the Department of Transport. Ottawa, June 11, September 19, 1969 and February 24, 1970. In force February 24, 1970.

Copies of Agreement between the Government of Canada and the Government of the Republic of Kenya for the Training in Canada of Personnel of the Armed Forces of the Republic of Kenya. Done at Nairobi, April 29, 1971. In force April 29, 1971.

Copies of Agreement between the Government of Canada and the Government of the Socialist Republic of Romania concerning the settlement of Outstanding Financial Problems. Done at Ottawa, July 13, 1971. In force December 14, 1971.

Copies of Trade Agreement between the Governments of Canada and the Republic of Tunisia. Tunis, August 8, 1972. In force August 8, 1972.

Copies of International Sugar Agreement, 1973. Done at Geneva, October 13, 1973. In force for Canada October 15, 1974.

Copies of Notes exchanged between the Governments of Canada and the United States of Mexico constituting an Agreement for the avoidance of double taxation of income derived from the operation of ships or aircraft in International Traffic. Mexico, D.F. and Tlatelolco, D.F., January 29, 1974. In force January 29, 1974.

Copies of Technical Cooperation Agreement between the Government of Canada and the Revolutionary Government of the Republic of Cuba. Havana, February 8, 1974. In force February 8, 1974.

Copies of Notes exchanged between the Governments of Canada and Morocco constituting an Agreement relating to Canadian Investments in Morocco insured by the Government of Canada through its Agent the Export Development Corporation. Ottawa and Rabat, Morocco, November 30, 1973 and March 12, 1974. In force March 12, 1974.

Copies of Notes exchanged between the Governments of Canada and Australia modifying the Air Services Agreement of June 11, 1946. Canberra, March 15, 1974. In force March 15, 1974.

Copies of Agreement between the Government of Canada and the Inter-America Development Bank for the provision of funds for a Special Program for financing the Preparation of Development Projects. Washington, March 22, 1974. In force March 22, 1974.

Copies of Loan Agreement between the Government of Canada and the Andean Development Corporation for Pre-Investment Studies of Industrial Development Projects. Caracas, March 29, 1974. In force March 29, 1974.

Copies of Air Transport Agreement between the Government of Canada and the Government of Fiji. Suva, Fiji, April 30, 1974. In force April 30, 1974.

Copies of Nonscheduled Air Services Agreement between the Government of Canada and the Government of the United States of America (with Exchange of Notes). Ottawa, May 8, 1974. In force May 8, 1974.

Copies of Agreement between the Government of Canada and the Government of the United States of America on Air Transport Preclearance. Ottawa, May 8, 1974. In force May 8, 1974.

Copies of Notes exchanged between the Government of Canada and the Government of the United States of America amending the Air Transport Agreement between the two countries of January 17, 1966 (with Supplementary Exchange). Ottawa, May 8, 1974. In force May 8, 1974.

Copies of Notes exchanged between the Government of Canada and the Government of the United States of America concerning a Joint Marine Pollution Contingency Plan. Ottawa, June 19, 1974. In force June 19, 1974.

Copies of Notes exchanged between the Government of Canada and the Republic of Korea constituting an Agreement for the avoidance of double taxation of income derived from the operation of ships or aircraft in International Traffic. Ottawa, November 15, 1974. In force November 15, 1974.

Copies of letters, dated December 5, 1973 and January 24, 1975, addressed by the Minister of Finance to various oil companies, relating to the Syncrude Project (English text).

## BANKING, TRADE AND COMMERCE

### COMMITTEE AUTHORIZED TO MEET DURING SITTING OF SENATE

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Standing Senate Committee on Banking, Trade and Commerce have power to sit while the Senate is sitting tomorrow, Wednesday, February 19, 1975, and that rule 76(4) be suspended in relation thereto.

He said: Honourable senators, before the question is put I should like to add a word of explanation. I understand that tomorrow morning the Banking, Trade and Commerce Committee will consider Bill C-40, to amend the

Excise Tax Act and the Excise Act, and that the Minister of Finance will be in attendance. There is a possibility that consideration of that bill might be completed before the noon adjournment of the committee, but it may extend into the afternoon. As soon as the committee completes its consideration of Bill C-40, it will then begin its consideration of Bill C-29, respecting Canadian business corporations.

**The Hon. the Speaker:** Honourable senators have heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

Motion agreed to.

## ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, February 13, the debate on the motion of Senator Molgat for second reading of Bill C-370, to amend the Electoral Boundaries Readjustment Act.

**Hon. Jacques Flynn:** Honourable senators, I assure you that I shall not detain you very long. I am not entirely in agreement with the sponsor of the bill, Senator Molgat, that this is a simple bill merely because it deletes four words from the present legislation. I have read Senator Molgat's speech. It was a good speech which tried valiantly to simplify the problem. I am not entirely convinced, however, that the practical results of the amendment proposed to the existing legislation will be exactly those expected or that they will be as practical as has been suggested.

As honourable senators know, the general rule as to the determination of the boundaries of an electoral district is that the population has to be in accordance with the electoral quota for that province, give or take 25 per cent, the commissions being entitled under certain circumstances to depart from this rule. Subparagraph 13(c)(i) of the present act reads:

> (i) special geographic considerations, including in particular the sparsity, density or relative rate of growth of population of various regions of the province, the accessibility of such regions or the size or shape thereof, appear to the commission to render such a departure necessary or desirable, or—

This bill would delete the words, "or relative rate of growth" because, as Senator Molgat said, the commissions find it difficult to consider that factor at the same time as other factors. I may be entirely wrong, but as I read the present legislation I do not take it as meaning that all factors have to be taken into consideration at the same time. As I read it, the commissions can take one and forget the others. In other words, the commissions may take only one factor into consideration, and the deletion of the factor in relation to the relative rate of growth of population does not simplify the job of the commissions.

It may be that some commissioners have interpreted this subparagraph in such a way that makes their task awkward. In order to find out what exactly they have in mind and to get specific cases, I think it would be a good thing to have this bill referred to a committee. Honourable senators could then find out from the commissioners themselves exactly what they feel the problem is and whether this solution would really help them in their work, really achieve the purpose intended.

**The Hon. the Speaker:** Honourable senators, I wish to inform the Senate that if Senator Molgat speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Flynn:** He has not asked to speak.

**Hon. Gildas L. Molgat:** Honourable senators, if no one else wishes to speak, I am prepared to close the debate on second reading.

First of all, I thank Senator Flynn for his comments. I agree with him when he says that there are a number of factors listed and, presumably, a commission could take one and ignore the others. Apparently what has happened is that the commissions have felt that because of this list they should look at each of the factors. Therefore, they ended up by balancing those factors such as sparsity of population against the rate of growth. The result was that in respect of the urban constituency, where the rate of growth is high, vis-à-vis the rural constituency, where the rate of growth is not high but where the density is low, they decided they should make little differentiation, if any. Hence the original intent of the act, which is to allow a smaller population in the larger geographic areas, in the rural areas in particular, was not effected.

The purpose of the proposed amendment is to remove the words "relative rate of growth," so that the commissions will not find themselves in that bind, and can actually follow the original intent of the act, which was to give them the discretion where they felt that because of the distances involved, or the sparsity of population, they should reduce the total number of electors in certain ridings.

From a legal standpoint, I think Senator Flynn is correct. The commissions could probably have taken one factor to the exclusion of the others. I think they looked at it and assumed that they had to balance the whole thing. I do not criticize them for that. In presenting the bill, I recognized what had happened. This bill merely intends to correct that. I believe that the proposed amendment will correct the act so as to make it effective in the light of its original intent.

● (2040)

During the second reading debate certain questions were asked. In particular, Senator Desruisseaux asked me questions regarding the appointment of the commissions and the names of the members. I obtained a list of those members, and supplied it directly to Senator Desruisseaux. I have that list available. If other honourable senators wish to have it, obviously I can make it available to them also. I suppose it could be printed in *Hansard*, but I do not think that is necessary, although if there is a desire that that be done I am quite prepared to do so.

There was a further question about the appointment of the next commissioners. The list with which I have supplied Senator Desruisseaux is that for 1972, which is now no longer in effect. A new list of commissioners will have to be established, and I believe that will be done, under the law, within the next ten days. By the first week of March the commissioners must be reappointed, and it is

my understanding that that will be done. As I said, the list that Senator Desruisseaux has is the list of the last group of commissioners, and does not necessarily contain the names of the next group.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read a third time?

**Senator Molgat:** Next sitting.

**Senator Flynn:** Are you moving third reading at the next sitting?

**Senator Molgat:** Yes.

**Senator Flynn:** I thought the bill would be referred to committee and that we would be given some explanation of precisely why it is needed.

**Senator Molgat:** As I indicated during the debate on second reading, I certainly have no objection to its being referred to a committee.

**Senator Flynn:** That is what I suggested.

**Senator Molgat:** There is a problem related to the reply I gave about the appointment of commissioners. It is my understanding that under the law they must be appointed within 60 days of a report made on January 3, and this should therefore be done no later than March 3. It would, I think, be helpful to the whole process if this bill could be passed so that they can be appointed soon and start their work. However, if there is a desire that the bill should go to committee, I have no objection. I believe it has been the practice of this house, on a matter pertaining specifically to the operations and rules of the House of Commons, to leave the decision mainly to that house. Certainly, if there is a desire on the part of honourable senators that the bill should go to committee, I am quite prepared to so move.

**Senator Flynn:** There is a question of balance between the provinces here. I think it is important to have the bill referred to committee. That will in no way preclude the immediate appointment of members of the commissions, if that is the desire of the government.

**Senator Molgat:** If there is a desire that this bill should go to committee, I am prepared to move that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs, with the hope that it will be considered soon so that the matter may be disposed of with dispatch.

**Senator Goldenberg:** Honourable senators, on that point, I would say it is absolutely impossible for the Standing Senate Committee on Legal and Constitutional Affairs to consider this bill in the near future. As you know, we have hearings scheduled on the cannabis bill, which will continue for some weeks, and I cannot see how we can change the plans we have made.

**Senator Flynn:** Surely the honourable senator can find an hour for the committee to examine this bill. It is not difficult to postpone a scheduled hearing from 9.30 to 10.30. I have seen that done before by Senator Hayden, for instance. Tomorrow morning the Banking, Trade and Commerce Committee will deal with Bill C-40, before going on to consider the Canadian Business Corporations bill, which was scheduled to be before his committee at 9.30. I am willing to help the honourable senator with his administrative problems if he wants any help.

**Senator Goldenberg:** I will ask the honourable Leader of the Opposition to convince some members of my committee that we should start at 9.30.

**Senator Flynn:** Senator Hayden convinces the members of his committee.

On motion of Senator Molgat, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## QUEBEC PROVINCIAL POLICE

FINANCIAL COMPENSATION FOR MAINTENANCE—DEBATE CONTINUED

The Senate resumed from Wednesday, February 5, the debate on the inquiry of Senator Deschatelets calling the attention of the Senate to the claim made by the Minister of Justice of the Province of Quebec for financial compensation from the federal government with respect to the Quebec Provincial Police Force and to the ever-increasing costs of maintaining the various police forces in Canada.

• (2050)

[*Translation*]

**Hon. Martial Asselin:** Honourable senators, first of all, I should like to congratulate Senator Deschatelets for having drawn the attention of the Senate to a matter which, to my mind, now proves to be a real credibility test for our federal regime.

As we know, since its foundation, our country has lived through difficult periods from a constitutional point of view. It will always be thus, where various governments are called upon to administer exclusive and concurrent jurisdictions under a federal system.

Throughout the years our federal system has been qualified variously, depending on whether the relations were harmonious or discordant, between the federal authority and the provinces. We have often heard Canadian prime ministers claim that their administration was representative of decentralizing cooperative and just federalism. At the present time, it seems that we are living under a just federal system. However, to date, that just federalism has not performed any miracles, if we look at existing constitutional conflicts between the federal government and the provinces. No solutions have been found to those conflicts in many a year.

I remember the Victoria Charter which was studied in the hope of reaching an agreement with the provinces. That formula has been set aside.

We know the difficulties there are in interpreting the offshore mining rights policy, when some Maritime provinces challenge the federal government over the ownership of those natural resources.

We are now aware of the problem between Alberta and Ottawa about oil. We are also aware of the conflict between British Columbia and the federal government about natural gas.

A few years ago we established a joint committee of the Senate and the House of Commons to examine and review

our constitutional system. The committee spent a great deal of the taxpayers' money. It travelled throughout Canada, held sittings in almost all the capital cities in the country. A report was tabled in the Senate and the House of Commons, but it has been shelved.

Therefore, as I said earlier, I feel that if we live in a fair federal system, so far federalism has not worked miracles. We are tackling the matter now before the Senate from that point of view.

Of course, I shall not detail once again the agreements the federal government negotiated with eight of the provinces for the services of the Royal Canadian Mounted Police. We know Section 20 of the Royal Canadian Mounted Police Act. We know that Senator Deschatelets made a brilliant presentation of it. But, to sum it up, the federal government, through agreements passed with eight provinces, pays 52 per cent of their police costs while Ontario and Quebec pay their police costs in full.

The Quebec Minister of Justice, the Honourable Mr. Choquette, calls that discrimination because Quebec and Ontario taxpayers have been helping by their taxes to pay 52 per cent of the police costs supported by the federal government in provinces much richer than Quebec since the fiscal year 1966-67 up to and including 1973-74.

The tax compensation demanded by Quebec would be equivalent to the cost the Government of Canada would have incurred to maintain RCMP services in the province of Quebec. I think all honourable senators received from the Quebec Department of Justice a booklet entitled *Le coût de la police—Où sont-ils donc tous ces millions?* (Police Cost—Where Are All Those Millions?). If one looks at page 7 of that booklet one can see what would have been the costs to the RCMP of supporting police costs in Quebec. One can read the following:

> Part of the average operating and maintenance cost from 1966-67 to 1972-73 inclusive—$199,139,769
>
> Part of "HQ" division expenditures included in the average operating and maintenance cost from 1966-67 to 1972-73 inclusive—$8,609,312
>
> Space used by QPP from 1966-67 to 1972-73 inclusive—$21,893,818
>
> Law enforcement and maintenance of peace and order in a number of Quebec municipalities from 1966-67 to 1972-73 inclusive, in a proportion equivalent to the number of municipalities policed by the RCMP in other provinces—$63,598,918
>
> Claim for year 1973-74—$68,868,930

That would represent an outlay of $362,110,747 which the federal government would have spent had the RCMP been exclusively entrusted with policing that province.

Those figures, honourable senators, are not opposed by the Solicitor General.

Due to this disparity, Quebec and Ontario get no compensation. What are the consequences of this dispute between Quebec and the federal government?

● (2100)

First of all, Quebec and Ontario are penalized because they are not part to the agreement—I shall speak in a moment of this agreement between the federal government and the eight other provinces in respect of services provided by the Royal Canadian Mounted Police. Quebec and Ontario taxpayers have to pay twice for their police services in their respective province, as well as for the services provided to the eight other provinces that are party to the agreement, since the taxes of Quebec and Ontario taxpayers are also used to defray the costs of the RCMP in the eight other provinces where the latter has jurisdiction in lieu of the provincial police concerned.

What are also the other consequences? Well, our police services are less efficient in Quebec because they lack equipment and staff, and because they have to operate within restricted financial limits. What are the other consequences? Municipalities in Quebec are losing this year $15 million—for this year only—comparatively to municipalities in the other provinces which benefit from the services of the federal police. And all this under agreements concluded with the other eight provinces allowing those municipalities to get compensation from the federal government when they ask for the services of the Royal Canadian Mounted Police in the municipalities. What are also the other consequences? I am still referring to Quebec. Our police forces and our municipalities have to sustain an acute financial crisis. One may recall, particularly when reading newspapers, the financial difficulties experienced by the M.U.C. in Montreal. The metropolitan government has to lay off police officers; but municipalities, as well as the metropolitan government, cannot indulge in this luxury because they lack equipment, mostly in Montreal where the municipalities must be better equipped than elsewhere to fight against organized crime. Now you know to what degree the Montreal area is affected at the present time by the underworld, also that crimes are being committed everyday as one can read in the newspapers. What happens? What are the consequences for the province of Quebec? As I said, society's security in that province is endangered because we have at our disposal inadequate means for fighting organized crime. That debate between the federal government, Quebec and Ontario, and especially Quebec, has been going on for a long time.

The minister, Mr. Choquette, raised that question on January 16, 1973. One can read on page 20 of the booklet I mentioned a while ago that on January 16, 1973, the Minister of Justice, Mr. Jérôme Choquette, raised for the first time in public the question of financial compensation from the federal government for the maintenance and administration of the Quebec Police Force, at a conference or on a one-day symposium held by the Quebec Police Commission.

That question was raised almost every month during 1973. There were conversations, discussions between the Solicitor General and the Quebec Minister of Justice, which did not come to much. I will say a few words about that later on. I am sure that all senators received those papers from the Quebec Minister of Justice. When one reads the explanatory letter as well as the answer given by the Minister of Justice to the Solicitor General on October 24, 1973, one can realize that the case as presented by the Quebec Minister of Justice was not refuted by the Solicitor General. In his letter, the minister states, and I quote:

> Quebec is only calling for a just treatment within a just federalism. Whatever may be the reasons given

> by the federal government to justify the advantages it grants other provinces, that does not explain why Quebec should tolerate any longer the financial discrimination exercised against us.

Further on, he had this to say, and I quote again:

> You tell us that it is not your fault if Quebec was not represented at the conferences where the cost sharing formula was discussed in 1960 and 1964.

But a few lines further down he mentions his written communications with the Solicitor General:

> You deprive us of the right to take part in the discussions and negotiations for the renewal of the contracts in 1976, probably to be able to say afterwards that it is not your fault if we are not part to the agreements which will be renewed in 1976.

And the letter goes on in the same vein. Of course, the minister says that it is beyond question that under the Constitution the provinces and the municipalities have responsibilities in police matters. In this, I believe that the federal government and the Solicitor General are not questioning the exclusive rights of the provinces in police matters under the Constitution.

In his letter, also, the minister speaks of arbitrary action since the reasons mentioned by the Solicitor General do not hold water. When he says that the case cannot be reopened since Quebec and Ontario are not party to the agreements signed with the eight other provinces in 1966, and when he also denies Quebec and Ontario the right to attend the conferences in 1976 when the agreements will be renewed with the other eight provinces, I suggest that the Solicitor General has failed to grasp the problem. I do not understand how he can turn down so categorically the claims of Quebec and Ontario concerning financial compensation for police costs.

Yet, in Quebec, everyone supports the arguments of Mr. Choquette. Police forces and the National Assembly support unanimously the position of the Quebec Minister of Justice, as well as certain Quebec members of Parliament in Ottawa. The position of the official Opposition in the Senate is well known: our party leader already asked the former government leader, the Honourable Paul Martin, whether the Solicitor General had taken a decision about the request addressed to him concerning compensation for Quebec, and the Leader of the Government answered as reported in the Senate *Hansard* for April 4, 1974:

> The Solicitor General told me that his reply was not yet ready, he was preparing it.

● (2110)

> Now I am asked is it because the Solicitor General is finding some difficulty. Well, that could be one of the reasons.

It was obviously difficult, and it still is difficult for the Solicitor General to support his refusal with a tight and strong argumentation on constitutional grounds. I can imagine no way of doing so. I shall just have to state in what way the financial compensation could be carried out.

The representatives of the ten Canadian provinces who met in Toronto, during the interprovincial conference of ministers of justice and attorneys general, unanimously acknowledged the validity of the claim made by Quebec and Ontario. Moreover, the attorneys general and ministers of justice who had all met together had come up with two resolutions in that respect. The first one reasserts the constitutional jurisdiction of provinces over police matters. The second one calls for a new distribution of tax resources on an equal basis throughout Canada with other provinces that are able to assume their constitutional responsibilities.

The attorneys general and the ministers of justice from all provinces together in Toronto approved on May 14, 1974 the claim put forward by Quebec and Ontario with regard to police expenses.

The only person now arguing his case in—shall I say—confused fashion is the Solicitor General. He does not deny the provinces, on constitutional grounds, the right to administer their police forces because clearly, under section 92 of the BNA Act, provinces have that right. What he implies, however, is that since Quebec and Ontario were not party to the agreements with the eight other provinces, we cannot go over that, that Ontario and Quebec must go on paying for their own police forces. Also, that the taxpayers in those two provinces have to subsidize through taxes the upkeep of police forces in other provinces of Canada. The Solicitor General feels that is absolutely normal. That is federalism in 1975.

I believe, however, that problem could be solved very easily, through the opting out formula. In 1965, agreements were signed between the federal and provincial governments on ten joint programs that could be implemented either by the federal government or the provinces. Provinces were told if they did not wish to exercise their jurisdiction, the federal government would step in but provide financial compensation. So it was with ten federal-provincial programs.

So the Solicitor General can very easily use the opting out formula in order that Quebec and Ontario receive compensation. There is no constitutional precedent, in my view, in granting such fiscal compensation.

In his letter dated October 24, 1974, the Quebec Justice Minister does not mince his words. He says the federal government's attitude is high-handed. He says Quebec and Ontario taxpayers, mainly those in Quebec, are discriminated against when financial compensation is denied. On page 6 of that letter, he says, speaking to the Solicitor General:

> You will appreciate that I regret to note the fact that, according to the logic of your last letter and from your past position statements, you are satisfied to see the Quebec taxpayers receiving no financial assistance for the maintenance of their police force and on the other hand, contributing through their taxes to the maintenance of police forces in other provinces.

And you will recall that in the same letter, the Quebec Minister of Justice had made the people of the province aware of that problem, and that he invited the Solicitor General to take part with him, on channel 10 in Montreal, in a TV debate in order to explain to the Quebec people why he rejected those claims from Quebec and Ontario. You will recall that on June 13, 1974, the province of Ontario, through its Solicitor General the Honourable George Kerr, had taken the same position as Quebec

regarding the management of police costs and he had submitted the same request to the federal government.

I think it is an important issue as I said earlier and I think it is a credibility test of today's federalism. Are we going to keep on living with our present constitutional system merely granting to provinces rights and privileges a few at a time? I think it would be important to consider the feasibility of a complete constitutional review.

I know that certain rights belonging exclusively to provinces could be exercised better by the federal government and that federal rights would be exercised better by provinces. As I said earlier, since 1963 there was no constitutional change. We still have a hundred-year-old formula but we are in 1975.

Honourable senators, I will tell you quite frankly, when the taxpayers of the other provinces are concerned with the rise of separatism in Quebec and, at the same time, refuse the Quebec government such a financial compensation—which I feel is absolutely justified—we are knowingly sowing the seeds of separatism in Quebec. When one witnesses this public debate between Quebec and the federal government, when the Quebec Minister of Justice is unanimously supported by the National Assembly in Quebec, which means that the representatives of the 108 Quebec ridings, regardless of their political party, vote and tell the minister "You are indeed right, you are entitled to a financial compensation"; when the Solicitors General and the Ministers of Justice of all the other provinces of Canada, meeting in Toronto, also state that Quebec is right in claiming such a compensation; when the police bodies, the people and the municipalities in Quebec agree with the minister, Mr. Choquette, there is only one man to say no, the Solicitor General. He says, "No, because you are not party to the agreements signed by the other eight provinces in 1966."

If the Solicitor General has other reasons than the ones already given in his correspondence with the Quebec Minister of Justice, then let him make them public, since this debate has now become public. In view of the stubbornness of the Solicitor General, this debate must not be allowed to become acrimonious, because such a risk cannot be incurred.

Of course, if such trivial requests are continually turned down, how are we going to agree on vital constitutional matters? I really believe—and so do the people in Quebec—that it is such petty things which give Quebecers serious doubts on the soundness of the present federalist system.

It is a prize issue for the Quebec separatists. And God knows that the Parti québécois makes the most of it.

I have a feeling that Senator Deschatelets has raised a major issue. It concerns the Senate, which was actually created to safeguard the rights of the various minorities in the provinces, and here we have rights that two provinces are upholding before the federal government. I think that the Senate must take a clear stand on such an important matter. I hope that after this debate, Senator Deschatelets will see the possibility of moving a motion asking the government to reconsider its decision and above all to ask the Solicitor General to try and better understand, yes, better understand, Quebec's needs in the area of police administration.

Honourable senators, it is our responsibility to express an opinion on this matter, to whatever party we may belong. There are in this chamber senators from Ontario, and also from Quebec as well as from all the other provinces. I think we must express our views clearly in this matter. I shall listen to this debate with pleasure and, if Senator Deschatelets does move a motion, I shall be very glad to second that motion asking the Senate to take a collective stand on this important matter.



• (2120)

[*English*]

**Senator Hicks:** Honourable senators, before the debate is adjourned would Senator Asselin permit a question? Would he not agree that he has oversimplified this case somewhat in that precisely the same agreement that was offered to eight provinces of Canada is and has been available to Quebec and Ontario if they wished to enter into it?

**Senator Asselin:** I think the question is also oversimplified, Senator Hicks. But the entire idea is quite clear and quite simple in my mind.

**Senator Hicks:** But is it not correct that the same agreements were made available to Ontario and Quebec as were available to the rest of Canada?

**Senator Asselin:** They were available in 1966 and 1967 but the time has changed since then and we are now in 1975. But are Quebec and Ontario entitled to attend at this conference of all the provinces dealing with this question in 1976? Why should the Solicitor General refuse to allow Quebec and Ontario to attend this conference?

**Senator Hicks:** That is a good question.

**Senator Flynn:** I hope Senator Hicks is going to speak on it.

On motion of Senator Desruisseaux, debate adjourned.

## BUSINESS OF THE SENATE

**Senator Langlois:** Honourable senators, I would like to correct a slight error in the report sent to honourable senators on Thursday, following my statement in the house with respect to the work schedule for this week. I mentioned in that statement that the Standing Senate Committee on Transport and Communications will sit tomorrow. Unfortunately, and for reasons unknown, that

part of the message was left out of the circular letter sent out.

Therefore, I wish to remind you that the Standing Senate Committee on Transport and Communications will meet at 9.30 tomorrow morning in room 356-S.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, February 19, 1975

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

Prayers.

## CANADIAN COUNCIL OF CHRISTIANS AND JEWS

BROTHERHOOD WEEK

**Hon. Richard J. Stanbury:** Honourable senators, I should like to draw your attention to an event that is well known to many of you, and that is the celebration of Brotherhood Week this week, from February 16 to February 23. I know that many of you know about it because of your being deeply involved with the Canadian Council of Christians and Jews and having participated in many of its programs.

Brotherhood Week is sponsored by the Canadian Council of Christians and Jews. The chairman this year—and this is perhaps of particular significance since this is International Women's Year—is Betty Kennedy, the well-known radio broadcaster of CFRB in Toronto. The motto for this year is "Do Good." We appreciate the fact that there is a pejorative sense, a nasty sense, in which people call a lot of others do-gooders. The council is pointing out that without the work of the service groups—the churches, fraternal organizations and others—who may be called the do-gooders, society would be in great difficulty indeed.

The motto for this week is, "Do Good." There are functions going on all across the country. Many of you already know, I am sure, of the functions that are going on in your particular part of the country. For example, in Toronto, tomorrow, there is a no-lunch luncheon for women, at which they expect approximately five hundred women to pay $5 for a lunch they will not have; that $5 will then be used for various aid projects of the organization.

The observation in Ottawa will be in the Railway Committee Room tomorrow between 6 o'clock and 10 o'clock in the evening. It will take the form of a wine and cheese party, which everyone is invited to attend.

You are probably aware of the programs of the organization, but perhaps the one best known is the exchange which is carried out each year. Last year some 3,800 youngsters, half French speaking, half English speaking, crossed the country to visit with people of the other language group. During the summer that is a large program, and the council hopes to repeat that again this year. They have been doing it for many years.

They also carry on a labour-management conference every year. In addition, there are police-community consultations which take place all over the country. They are going on constantly. I had the opportunity to participate in one last week.

The religious dialogue is another important aspect of this program, because prejudice is always with us; and, because, particularly at times such as now, when fear seems to be mounting in people's minds, the tendency is to forget about our equality and our brotherhood under God.

A simple little program, which I think is indicative of the usefulness of the organization, is a program they have set up in Calgary in which 20 Indian children and 20 non-Indian children are given horses and are sent off into the wilderness together for a couple of weeks of camping. They just live together and learn about each other during this time. So, the programs of the Council are such that there is one in operation almost every day of the 365 days of the year.

[*Translation*]

I would like to point out that on Thursday, February 20, at 6 p.m., there will be a wine and cheese party in the Railway Committee Room.

I also invite honourable senators to attend the event which will be held on Parliament Hill Thursday evening as well as the various celebrations which will take place throughout the country during Brotherhood Week and also to take part in the programs of the Canadian Council of Christians and Jews throughout the year.

[*English*]

## LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF SENATE

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

> That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit while the Senate is sitting on Wednesday next, February 26, 1975, and that rule 76(4) be suspended in relation thereto.

**The Hon. the Speaker:** Honourable senators, is there unanimous consent?

**Senator Flynn:** The Deputy Leader of the Government will put on record the reason for the motion?

**Senator Langlois:** Honourable senators, the reason for this motion is that on next Wednesday the committee will be considering Bill S-20, the Territorial Lands Act, and the minister will be in attendance. I understand that is the only time that the minister could make the necessary arrangements to attend the committee meeting. It is not anticipated that the meeting will be long.

**Senator Flynn:** The minister is not just trying to be away from the House of Commons during the question period, is he?

**Senator Goldenberg:** The hour for the meeting will be 3.30 p.m. It will give him time to attend the question period.

**Senator Flynn:** That is better.

**Senator Grosart:** Honourable senators, I hope we are not into a proliferation of this kind of motion. We had a motion for another committee to sit while the Senate was sitting this week. I understand that may not be necessary now.

**Senator Langlois:** It is not necessary.

**Senator Grosart:** However, we had the motion, and now we have a motion for another committee to sit while the Senate is sitting. I would suggest that the business of the Senate in this chamber should take precedence over any request of any committee to sit while the Senate is sitting. We are told over and over again that the important thing for us to do, to show that we are in business, is to have attendance in this chamber. The experience in the past has been that once a committee is given this power we have committee after committee asking permission to sit while the Senate is sitting. I hope we have an understanding that this will be only in exceptional cases.

In this particular case I am not convinced that the minister could not appear before this committee at any other time than 3.30 next Wednesday afternoon. Surely the business in this chamber should take precedence over the convenience of any committee chairman or any committee.

I know there can be exceptional circumstances. The reason I rise at this time, however, is that we have had two such motions in two successive weeks, and if our experience in the past is any indication of what may happen in the future we will have two committees wanting to sit while the Senate is sitting next week.

**Senator Goldenberg:** Honourable senators, may I explain to Senator Grosart that the minister might be able to appear on Tuesday the 25th, but the committee has scheduled a whole series of witnesses for that day, and we just could not fit the minister in without having witnesses from out of town change their arrangements. That is the only reason.

**Senator Perrault:** Honourable senators, it should be pointed out that there is a possibility, of course, that the house could adjourn by the hour of 3.30. Therefore, the idea of having as many senators as possible in this chamber, and the idea of full representation on committees, as well, are concepts that are not too incompatible.

● (1410)

I want to report to the Senate that the question, indeed the problem, of scheduling meetings of Senate committees, and the setting of appropriate hours for those committees, is now under active consideration. We hope in a short time to establish a system of committee co-ordination in order to avoid scheduling clashes insofar as it is possible to do so. Some of the points that the Deputy Leader of the Opposition has just made certainly have validity.

**Senator Asselin:** I hope you will take into account the small number of senators sitting on this side of the house when you are working on this problem of co-ordination.

**Senator Perrault:** We are concerned about that problem.

**Senator Walker:** And you are going to correct it?

Motion agreed to.

## LEGAL AND CONSTITUTIONAL AFFAIRS

### COMMITTEE AUTHORIZED TO TELEVISE CERTAIN OF ITS PUBLIC HEARINGS

On the Order:

Resuming the debate on the motion of the Honourable Senator Molson, seconded by the Honourable Senator Macdonald:

That the Senate do approve the decision of the Standing Senate Committee on Legal and Constitutional Affairs to permit the televising of certain of its proceedings on an experimental basis only.—(*Honourable Senator Croll*).

**Senator McElman:** Honourable senators, with the permission of the Senate I should like to speak now.

**The Hon. the Speaker:** Is it agreed, honourable senators, that Senator McElman shall speak now instead of Senator Croll?

**Hon. Senators:** Agreed.

**Senator McElman:** Honourable senators, I wish first of all to thank Senator Croll for his generosity in permitting me to take his place at this stage of the debate on this motion.

**Senator Flynn:** Don't mention it.

**Senator McElman:** Let me say immediately that I support the purpose of the motion that electronic broadcasting of certain proceedings of the Standing Senate Committee on Legal and Constitutional Affairs be permitted on a purely experimental basis. Since the initial question concerning the propriety of the manner in which this matter was first brought before the Senate was raised by me, several honourable senators have expressed to me their mistaken conclusion that I opposed the proposition itself. I did not oppose it and I do not now oppose it. I do in fact support it. I am convinced that such an experiment will assist the Senate in any future consideration it may give to the electronic broadcasting of its proceedings either in the house or in any of its committees.

Having expressed that agreement, I should be less than candid if I did not also say that I disagree with the manner in which this important subject was referred to the standing committee. I disagree with the expressed view that that committee had power and authority to decide upon the matter without having first been so empowered or authorized by the Senate itself, and I disagree with the committee in so acting. I disagree with the way in which that committee, through its chairman, delivered a statement—not a written report—to the Senate, simply advising the Senate of its decision, after it had become a *fait accompli*, on a very important matter that had not even been referred to it by the Senate.

Finally, I disagree with some of the wording of the motion now before us, because in its present form the motion could be interpreted as giving approval to the course followed by the committee in this instance. That, in my view, would be a bad precedent.

In all fairness it must be said that Senator Molson's motion was drawn in haste, in an effort to bring some order out of the exceptional discussion which was then taking place in the Senate.

I will move an amendment to the motion in an effort to meet the concerns that have been expressed by several honourable senators in this matter, concerns that I share. One is that we must avoid the creation of a precedent that could hang around our collective necks like a millstone at some future point in time. It is significant that among those senators who have expressed their concern are Senator Molson, long-time member and Chairman of the Standing Committee on Standing Rules and Orders; Senator Grosart, a long-time active and productive member of the same committee; Senator Fournier (de Lanaudière) and Senator Denis, who together have accumulated a total of over 80 years of experience in Parliament.

**Senator Flynn:** It shows.

**Senator Argue:** Perhaps that accounts for it.

**Senator Asselin:** Is that a good reference?

**Senator McElman:** I assure Senator Fournier (de Lanaudière) that it was meant as a compliment.

**Senator Fournier (de Lanaudière):** Thank you.

**Senator McElman:** These senators have knowledge of the rules, practices, procedures and privileges of Parliament. I would also mention Senator Prowse, who served as an Opposition Leader in a provincial legislature before coming here some nine years ago; Senator Benidickson, with some 30 years' experience in Parliament, Senator Carter, another veteran of both Houses of Parliament, and Senator Flynn, the respected Leader of the Opposition, with some 16 years of parliamentary experience.

The point is obvious. When such a battery of experienced parliamentarians express concern and counsel caution over something that is being done, the Senate should take pause and consider cautiously the course to be followed. Hasty decisions are very often not the best decisions. We have now had such a pause and I am sure that many senators have used that time to study the rules, practices, precedents and privileges as they may be brought to bear in this instance.

Honourable senators, with your indulgence and before moving an amendment, I would draw your attention to some of our rules as they may be brought to apply to the sequence of events under discussion.

An old New Brunswick friend of mine, now departed, who was a tremendous woodsman and professional guide, used to advise: "If you want to know where you're goin', you have got to know where you've been at." We should look at where we've been at. The Leader of the Government in the Senate received a request from a member of the press gallery asking permission to televise certain proceedings of the Standing Senate Committee on Legal and Constitutional Affairs.

**Senator Walker:** May I ask a question? Is my friend referring to his friend K. C. Irving?

**Senator Langlois:** He is not a member of the press gallery.

**Senator Perrault:** He is not a New Brunswick woodsman.

**Senator McElman:** Honourable senators, I do not recognize either the relevance or the purpose of the question. I do recognize that Senator Walker is a great friend of Mr. Irving and I hope he will recognize that, although I have been one of Mr. Irving's critics in certain respects, I am still one of his great admirers.

**Senator Walker:** And one of his friends, I suppose.

**Senator Fournier (de Lanaudière):** Don't be jealous.

**Senator McElman:** As I said, the leader received a request from a member of the press gallery asking permission to televise certain proceedings of the Standing Senate Committee on Legal and Constitutional Affairs. Senator Perrault referred the request to the committee. The committee considered the matter—in camera, I understand—and decided to permit such televising. In some manner the press was advised of those events, and some senators learned of this for the first time by reading about it in their local newspapers. The Senate was later informed, on Tuesday evening last, of the decision reached by the committee, but Senate approval of that decision was not sought.

• (1420)

What do our rules provide in such circumstances? Rule 5(s), on page 4, defines the term "standing committee," as follows:

> (s) "standing committee" means a select committee appointed to consider and to report thereon to the Senate matters falling within the duties specifically assigned to it by these rules, and on other matters that may from time to time be referred to it by the Senate.

Rule 67(1)(j), on page 34, provides for the establishment of a Senate Standing Committee on Legal and Constitutional Affairs, and sets forth those matters that shall be referred to it. It reads:

> (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.

Rule 67(2), at page 36, provides for reference of residual matters to Senate committees. It reads:

> (2) Any bill, message, petition, inquiry, paper, or other matter which does not fall within the subject matters assigned to a standing committee under subsection (1)—

The one to which I have just referred.

> —shall be referred, as the Senate may decide, to any committee.

One should emphasize the words "as the Senate may decide."

Rule 71, also at page 36, sets forth the powers that shall be conferred upon a standing committee. It reads:

> 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, and shall be authorized to send for persons, papers and records, whenever required, and to print from day to day such papers and evidence as may be ordered by it.

Under our rules, only one committee is empowered to act "on its own initiative," namely, the Committee on Standing Rules and Orders. This is provided for under rule 67(1)(e), at page 30, which says:

> The Committee on Standing Rules and Orders, composed of twenty members, five of whom shall constitute a quorum, which is empowered on its own initiative to propose to the Senate amendments to the rules from time to time.

Honourable senators, I suggest it is very clear that the Senate is jealous of its powers and that it exercises great care in delegating its powers even to its committees.

The rules quoted are precise, explicit and clear. In the matter under discussion, the Senate did not empower, instruct or authorize the committee in question to consider or decide upon the question of televising proceedings of any committee. It was, I submit, entirely beyond the powers of that committee to either consider or decide upon such a question. Such a question can be decided only by the Senate, and if it should decide the question in the affirmative, it could then empower a committee to permit such televising of its proceedings by motion, as provided for in appendix II of our rules, at pages 114 and 116.

Should there be any doubt concerning the relevance of the rules referred to, let us look at rule 1 on page 2, which is marginally noted, "Procedure in unprovided cases." It reads:

> 1. In all cases not provided for hereinafter, or by sessional or other orders, the standing orders, the rules, usages, forms and proceedings of the Parliament of Canada, in force up to the day on which the present rules go into operation, shall be followed so far as they can be applied to the proceedings of the Senate or any committee thereof.

I need not stress that neither the Senate nor the other place currently permit electronic broadcasting of proceedings, except on very special ceremonial occasions. That fact, in itself, I suggest, constitutes precedent. It follows as day follows night that no committee of the Senate can or, indeed, should attempt to arrogate to itself powers that have not been delegated to it by the Senate expressly.

All of what I have said to this point would apply if the subject under discussion concerned only a matter that could be referred or not referred by the Senate for consideration by a committee. I submit that it goes even deeper. I submit that it is a matter that involves the privileges of the Senate as a whole and the privileges of each senator. It falls directly within the privileges of the Senate, and it is an imperative of our privileges that the proceedings of the Senate and its committees be free from any and all outside or extraneous disturbances which would impede or inhibit the debate or the participation by honourable senators in the debates and proceedings.

Let me refer to some of the recognized authorities on parliamentary procedure: Erskine May's *Parliamentary Practice*, Eighteenth Edition, and Beauchesne's *Parliamentary Rules and Forms*, Fourth Edition, 1958. At page 76 in *May*, under the head, "Right to control Publication of Debates and Proceedings," subhead "Lords," is the following:

> Under the Lords' Standing Order No. 15 the printing or publishing of anything relating to the proceedings of the Lords is subject to the privilege of the House.

At page 75 the following:

> The determination of the Commons to secure freedom of debate is connected historically with measures designed for the avoidance of publicity, once steadily enforced on grounds of privilege and now maintained in reserve for use in emergency—the exclusion of strangers and the prohibition of the publication of debates.

And at page 132, under "Acts of Conduct Constituting Breach of Privilege or Contempt," it reads:

> It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

In Beauchesne's *Parliamentary Rules and Forms*, Fourth Edition, citation 105(2), reads in part as follows:

> It seems that the first duty of Parliament is to keep its privileges and no rule or standing order should restrain its conduct when it must vindicate its authority.

There is also a reference on page 97 of *Beauchesne*, citation 106(2), which I think is relevant in that there is such a breadth of privilege and yet so little in writing on privileges. It reads:

> (2) The dignity and independence of the two Houses are in great measure preserved by keeping their privileges indefinite. If all the privileges of Parliament were set down and ascertained, and no privilege to be allowed but what was so defined and determined, it were easy for the executive power to devise some new case, not within the line of privilege, and under pretence thereof, to harass any refractory member and violate the freedom of Parliament.

● (1430)

There is one further quotation from Erskine May's *Parliamentary Practice* that I will give without comment. It is from chapter 10, "Breaches of Privilege and Contempts," at page 143:

> The publication or disclosure of proceedings of committees conducted with closed doors or of draft reports of committees before they have been reported to the House will, however, constitute a breach of privilege or a contempt.

Honourable senators, there are numerous other references that could be brought to bear in this instance, but so many of them have to be read together in order to produce the intent.

**Senator Walker:** Could the honourable senator give us some references that are relevant?

**Senator McElman:** I thought these were relevant. If they were not, that is unfortunate. If the honourable senator wishes to take part in the debate he is quite at liberty to do so.

**Senator Walker:** I have already taken part.

**Senator McElman:** I am sorry. I had forgotten what you said.

**Senator Argue:** Let Senator Walker speak to the amendment.

**Senator McElman:** The public is permitted, under privilege extended by the Senate, to attend sittings of the Senate and its committees. The same applies to the press. Both are required to interfere in no way with the orderly proceedings of the house or its committees. Neither the public nor the press is permitted to bring with them anything that may inhibit or interfere with the orderly proceedings of the Senate, such as typewriters, cameras and flashguns. It is a privilege that can be, and on occasion is, withdrawn.

Television and radio broadcasting is another kettle of fish. The microphones, TV cameras, the glaring hot lights, the camera crews, producers and all the paraphernalia of the trade constitute a physical intrusion into the chamber or the committee room itself. They can inhibit, intimidate, disturb, distract, disconcert and discomfort. Their effect can be felt equally by honourable senators and by witnesses before the committee.

Honourable senators, most debates do have their lighter moments, but I guess this is not one of them. I suggest that the element of humour was provided when Senator Godfrey, so gregariously and vehemently supported by Senator Riley, invoked rule 73 which reads:

> Members of the public may attend any meeting of a committee of the Senate, unless the committee otherwise orders.

Senator Godfrey went on to say:

> I would think a television crew consists of members of the public.

Perhaps he did not mean to be humourous, but as he spoke I found it hilarious to carry his thesis to the extreme. In my mind's eye I could envisage the Toronto philharmonic orchestra as members of the public attending en masse a meeting of a committee, complete with strings, woodwind and brass in glorious action.

**Senator Flynn:** Why Toronto?

**Senator McElman:** Honourable senators, I submit that the admission of the physical accoutrements of the broadcast media to our proceedings, either in the Senate or in any of its committees, does come within the scope of privilege, and only the Senate itself can decide matters of privilege. I remind honourable senators that when matters of privilege arise in a committee, the committee cannot decide. It is required under our rules to report progress, and to put the matter of privilege before the Senate for its consideration and decision. I repeat, only the Senate can bestow the benefit of privilege, because only the Senate as a whole is in possession of privilege. A committee, being only a part of the whole Senate, cannot tamper with, expand, diminish or deal with the privileges of the whole Senate.



If the Senate were to approve this motion as it now stands it would approve "the decision" of the committee. I suggest that such approval would give credence to, or recognize improperly as a precedent, a right of consideration or decision that the committee does not possess. The amendment that I will propose purposely avoids any reference to any previous consideration or decision by the committee.

There is one further item in the motion that requires clarification. The motion as it now stands refers to the "televising" of proceedings. It is my view that such terminology could unintentionally leave the Senate open to a charge of discrimination against radio broadcasters, and I will propose that the term "electronic broadcasting," which includes both TV and radio, be used. It would also obviate the need for a further motion if a request is received from radio broadcasters.

Honourable senators, I have discussed my views—and, Senator Walker, only my views—

**Senator Walker:** With a lawyer I hope.

**Senator Grosart:** I hope not.

**Senator McElman:** Oh, a good one. I have discussed my views in this matter with the Leader of the Opposition, Senator Flynn, the Deputy Leader of the Government, Senator Langlois, and with Senator Molson, the mover of the motion, as well as others.

I cannot, of course, speak for any other senator, yet I can say that, although there may be differences of opinion as to how we may achieve a desired result, the common purpose is to resolve this question in a way that will respond to the concerns expressed by many members of this house, and that will avoid the creation of unintended precedents that could be embarrassing or detrimental to the proceedings of the Senate or its committees on some future occasion.

MOTION IN AMENDMENT

Honourable senators, it is with those purposes in mind that I now submit this amendment to the motion. I move, seconded by Senator Thompson:

> That the motion be not now adopted but that it be amended by striking out all the words after "That the Senate do" and substituting therefor the following:
>
> "empower the Standing Senate Committee on Legal and Constitutional Affairs to permit electronic broadcasting of certain of its proceedings, at the discretion of the committee, on an experimental basis only, while the committee has under consideration Bill S-19, intituled: 'An Act to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code', it being clearly understood that precedent will not be thereby established for such electronic broadcasting of future proceedings of this or any other committee of the Senate.

**Senator Rowe:** Honourable senators, I wish to speak to this amendment, but before I do so I believe Senator Neiman wishes to make some point on its legality.

● (1440)

**Senator Neiman:** Honourable senators, I am not too concerned about the legality of the motion. In that respect I am in your hands. I am not quite sure if this is in order, but I wonder if there are not two questions to be decided here, the first of which is whether in fact the rules are as Senator McElman has stated them to be. There are a number of most knowledgeable and experienced lawyers in this chamber, and I certainly intend to refer to them so far as advice on the rules is concerned. I do not pretend to be an expert on the rules.

It seems to me, however, that the part of our rules which Senator McElman quoted referred to the substantive powers of inquiry of Senate committees; it had nothing to do with what I consider this to be namely, a peripheral matter. This may not be a procedural matter, but it certainly does not go to the topics that are actually to be discussed and considered by any committee. For that reason I cannot see how it could extend to this matter now under consideration.

As I have indicated, I would defer to the more experienced senators with respect to this matter, but I do feel that we should settle, hopefully to the satisfaction of everyone, whether in fact the rules do state what Senator McElman says they do, namely, that this matter comes under the list of subjects with which a committee may deal. I do not consider that to be the case at all.

**Senator Godfrey:** Honourable senators, I suppose I should make some comment upon the verbal spanking I received from Senator McElman a few moments ago.

**Senator Flynn:** If I may intervene, I am not sure whether Senator Neiman raised a point of order. It seemed to me that she did not, but I think it should be decided before we proceed.

**Senator Croll:** I do not think she raised a point of order.

**Senator Flynn:** I think the point Senator Neiman raised is a matter for argument, and not a point of order.

**Senator Godfrey:** I would think so, and I was also going to comment on Senator Neiman's remarks.

I should explain that the committee met on Tuesday morning, and later, in camera, we discussed this question of televising our proceedings. When Dr. Bette Stephenson, President of the Canadian Medical Association, started to give her evidence in the morning, there was a crew of movie cameramen present, about eight or nine in number, who proceeded to record in a very noisy manner. I rose immediately to object, explaining that I could not hear what the witness was saying for the noise they were making. I asked whether the televising of proceedings was permitted, because, if it was, I was certainly against it—as much as I would be against the Toronto Symphony playing during the committee hearings while a witness was testifying. I was assured by the chairman that they were going to be allowed only 30 seconds which, so far as I was concerned, was 30 seconds too long.

At any rate, when the committee was in camera the first questions I asked were: "Do television cameras make any noise? Will they disturb the witnesses? Can we carry on in an orderly fashion?" I was assured that they made no noise and would not disturb the witnesses, and on that basis, and that basis alone, I then supported the idea of televising as an experiment.

I believe, in spite of what Senator McElman says, that rule 73 is relevant, because otherwise the committee, so far as I was concerned, would certainly have ordered those members of the public, consisting of about 9 cameramen, who were making all the noise, to cease and desist and get out if they had remained for more than the 30 seconds allowed.

I am slightly concerned that we are spending more time here wrangling about procedures than we should. I agree with Senator Neiman that this is a procedural question which does not go to the root of the references. But, so far as I am concerned, it is rather irrelevant at this time, and in my opinion Senator McElman's amendment is acceptable. I say let us get down to it and decide the question on its merits, and not keep wrangling about what the procedure should be.

The committee itself, having been advised that it had the legal power—and it was so advised by our own parliamentary counsel—realized that there could be some dispute about this matter, so right at the beginning it decided to officially notify the Senate so that if the Senate did not agree, or did not want the committee's proceedings to be televised, it could, under the rules, instruct the committee not to permit such televising. The Senate has that power, so I say let us get on with it. As far as I am concerned, the one thing we should consider here is whether it is in the public interest to have these proceedings televised so that the public can see and hear what is going on in that committee.

After hearing the evidence so far before the committee, I am most strongly of the opinion that the more widespread the publicity we give to the proceedings of the Standing Senate Committee on Legal and Constitutional Affairs, the better. But I am concerned that the truly interesting evidence we shall be hearing from now on will have been given without adequate coverage if there is any kind of filibuster or delay here. If that happens, then at least half of the purpose of televising these meetings would be defeated.

I see no point in televising the proceedings of committees which are considering ordinary bills, but the bill in question here is an extraordinary one that is attracting a great deal of public interest, and I think the proceedings should be televised.

**Senator Rowe:** Honourable senators, I shall not debate at length the merits of whether or not television should be allowed in our committees. An important principle to emphasize here, however, is that any decision to televise the proceedings of any of our committees would create an important precedent. I have the utmost respect for the work of committees and for the tireless efforts of their chairmen, but no committee should have the right to make a decision of such significance on such an important matter without reference to the Senate as a whole. And if, as Senator Godfrey suggests, the parliamentary legal advisers have indicated that that right is deemed to be there already or is inherent in the terms of reference of committees, then I say that right should not be there.

The principal reason for my concern is that we are not dealing simply with one committee; we are dealing with several vitally important committees—committees which are important because of the importance of the matters with which they are concerned. To cite one example, the Standing Senate Committee on Foreign Affairs is meeting at least once a week, and sometimes more often, to consider relations between Canada and the United States. Obviously, this is a most important topic, the discussion of which would be followed with a great deal of public interest.

In my opinion, one committee, such as the Standing Senate Committee on Legal and Constitutional Affairs, should not be allowed to take a decision which would, in creating a precedent, have the effect of compromising or embarrassing the activities and proceedings of any other committee of the Senate—indeed, of all other committees of the Senate. In other words, in matters as important as whether or not a committee's proceedings should be televised, the decision should not be in the power of any committee, but should be made for the committee by the Senate as a whole.

**Senator Manning:** Honourable senators, when this matter was first brought to the attention of the house many of us regarded it as a rather minor question: Should the committee, on its own initiative, make the decision involved or should it be a decision of the house? I certainly regard it as a rather trivial matter. Frankly, I am still puzzled as to why so many honourable senators feel it necessary to take so much time to debate a question which, in my view, is insignificant when compared with the many problems this country faces and which could more profitably be discussed in this chamber.

● (1450)

As far as the amendment is concerned, I think it clarifies, in a way that I assume most honourable senators would welcome, any ambiguity that may exist as to whether a committee, on its own initiative, can permit its hearings to be televised, or whether that should be a decision of the Senate at the request of the committee.

Personally, I am quite in favour of the amendment, but I rise at this time to draw attention to another factor that is inherent in this subject, and certainly in the amendment, that I regard as more serious, or more important, than the technical, jurisdictional matter that has been debated.

If any committee of this house decided that from the standpoint of public information it was desirable that its hearings on any subject be broadcast or televised, I think there would be very little objection from this house if such a request were made. What bothers me in this matter of precedent is that, as has been explained to the house, the televising of this particular hearing is not something initiated by the committee. It came about, we have been told, as a result of a request from a member of the press gallery—in other words, a decision on the part of the electronic media that in their judgment it is desirable that this particular hearing should be televised. It is to that that I personally take the strongest objection.

It seems to me that any decision to broadcast or televise the proceedings of this house or any of its committees should originate with the house or the committee itself. It should not be left to the media to decide that in one case they are interested in televising that particular hearing, and in another case they are not interested in televising it. I suggest that if we are going to consider televising committee hearings on the basis of requests from the media, then we are accepting a precedent that is far more serious and far more important than the one we are discussing.

I call the attention of the house to the fact that a number of Senate committees are considering legislation that is far more important to the Canadian people than these rather minor amendments to the Criminal Code and other statutes.

Reference was made by my honourable colleague, Senator Rowe, a moment ago to the Foreign Affairs Committee, which is discussing, or will be discussing, serious matters concerning the continuing relationships between our country and the United States. There is no request to televise those hearings. That is not a colourful thing that lends itself to emotionalism and sensationalism, and the media are not interested.

The Banking, Trade and Commerce Committee has had under consideration legislation of great importance to the Canadian people. Certainly, amendments to the Income Tax Act, for example, legislation dealing with the control of corporations, and matters of this kind, affect almost every citizen of this country, but there are no requests from the CBC to televise those hearings. Why is it that this one particular bill becomes the subject of such a request?

I think every honourable senator present knows that the concern of the media is to televise or broadcast that which lends itself to emotionalism and sensationalism. It helps their ratings, or increases the number of papers they sell, and so forth. That is the thing to which I take exception. I do not believe that this house should start on a course in which we are only going to consider television or broadcasting as a result of a request from the media.

While I am quite in favour of the amendment, and while I am in favour of any committee having its hearings televised, if it decides and this house decides that that is important to the public of Canada, I am of the view that it should be a matter of the committee's or the Senate's, requesting the media to televise those particular hearings. It should not be the reverse process, where we merely become those who acquiesce in the televising of something which they select because it lends itself to their particular brand of emotionalism or sensationalism.

**Senator Perrault:** Honourable senators, we have listened with great attention to the remarks of Senator Manning. He has made some interesting points.

For clarification, however, let me tell you the sequence of events, because I do not want to be unfair to those whose responsibility it is to report the proceedings in this chamber and in the other place.

I had a luncheon meeting with a prominent writer in the press gallery—one not associated with the electronic media—and he expressed the view on that occasion that some of the best work in Canada is being done by the Senate. He said, "It may be one of the most misunderstood bodies, at any level of government in this nation," and went on to say, "I am one of those reporters who happen to read some of the reports of Senate committees." In effect,

he said, "I am aware of the work going on in the Senate and, frankly, some of my associates have been less than fair in their treatment of the Senate and the senators. The trouble is that the Canadian people do not know enough about you, or about the important work you are doing."

He also said, "Take, for example, the current study of the subject of cannabis. That is a major bill before the Senate. You have done outstanding work in many areas. Look at the report on the mass media by the committee chaired by Senator Davey." He talked about the reports produced by Senator Croll's committees on poverty and aging, and suggested that it was incredible that so often the media are critical of the Senate and of senators. Some say how out of touch with everything the Senate is but, in fact, this body just happens to produce some of the best reports in this country today. "As someone who has served at the provincial level, and in the other place," I said, "I am consistently and continually impressed by the high standard of ability which exists in the Senate chamber."

He asked, "Mr. Leader, why do you not do something about it? Why doesn't the Senate communicate more effectively?" I answered, "Well, what do you suggest? It is your job to help explain the Senate better to the people of Canada."

In reply to this he said, "Let me be very frank with you. There are people who have been agonizing on Parliament Hill for years about whether or not the electronic media should be allowed in. They went through the same process years ago with respect to whether or not reporters could be trusted to report accurately, fairly and dispassionately the events in the house. But what do you do? Parliamentarians in both houses allow us to go to the galleries every day, and there we make arbitrary decisions with respect to those matters we believe to be matters of great public concern. Arbitrarily we choose not to write about other events. Take the discussions about the electronic media going on today. Why don't you invite the television cameras in, even on an experimental basis, and let the Canadian people see the endeavour that goes into the work of your assembly? I refer, for example, to the current work regarding the cannabis bill."

It was after this meeting that I contacted Senator Goldenberg, and said, "Here is a suggestion from the parliamentary press gallery. What do you think of it?" It was not—and I want to be fair with the media here—a suggestion by anyone connected with the CBC, or any other television network. It was not a remark made along the lines of, "Look, it seems as though you are going to have some very interesting and controversial testimony on drugs. Let's televise it!"

It may be that the Foreign Affairs Committee, for example, will decide in the future that there is a matter involving Canada's relations with the United States, or the European Economic Community, which should be brought to the attention of the Canadian people, and will seek the support of this house for a proposal to televise certain of its hearings. This could apply equally to other questions involving other committees.

I happen to think—and I know that most honourable senators believe this too—that the Canadian people do not properly understand the work done in this chamber, and so, perhaps, on this proposed experimental basis there should be an opportunity to show the citizens of this country some of the excellent and effective work being done here.

That is the chronology of events.

**Senator Argue:** Honourable senators, I was not in the chamber when this matter was first raised, but while listening to the debate today I wrote down one or two points—and I have them listed—before I heard the leader.

● (1500)

As far as I am concerned, I congratulate the Leader of the Government in the Senate on taking the initiative in the way he did, to bring before this committee the television cameras. We complain all the time that the Senate is misunderstood and we complain that we are ignored, but so often when the press wishes to focus on us we become timid, frightened and worried about the press we are getting. Then a good deal of the time we also complain that we are not getting any press.

Some of the discussions in this high-powered, high-level chamber do not impress me at all. I remember a discussion, one in which I took no part, as to whether we were invited to a reception arranged by the National Press Gallery. Apparently we found it difficult to decide whether we should go or not go because we did not know whether we were included in the invitation. We spent a great deal of time in trying to decide that.

I do not think the present question falls into that category at all. I think this is an important question. The House of Commons has been going from one side to the other on this very question and, apparently, they have not been able to make up their minds. I have no idea what they are going to do but, personally, I am very proud that the Senate is taking the initiative in being the first to have the television cameras in to publicize the proceedings of a Senate committee.

What are honourable senators afraid of in having television cameras at Senate committee meetings? Are they afraid? If they are, then I don't know what they are afraid of. I am not a member of the committee in question but I certainly would not be afraid, if I were a member, to have them come in.

When I sit in the gallery of the other place, or when I attend some of their committee meetings, and listen to the kind of shenanigans going on there and the mediocrity of their debates—

**Senator Walker:** You should know.

**Senator Argue:** I agree I took part in some of them, but they have got worse since Senator Walker and I left. I agree it was bad enough then.

Honourable senators, we have nothing to fear and we should be pleased that the media has shown some interest—and I take it they have shown a great deal of interest—in this committee.

Senator Manning, as is always the case, sounded very impressive to me, but I really could not see the logic of the point he was making. As I understand it, he was objecting to the method by which this was being brought about, namely, that the media had made a request. Well, I am glad that it has come about that way because it shows that the media is interested in something that is important.

As chairman of another committee I have quite a time in trying to get the media to think that some of the things the Standing Senate Committee on Agriculture is doing are important. Personally, I think its work is very important. When we bring a recommendation here on an important matter the chances very often are that the press will not give it any attention at all, although it may later get government action. On the other hand, if somebody somewhere else raises the question, suddenly it becomes very important to the media. Certainly, in the past whenever such a thing was done in the Senate, it was not considered important by the media.

Honourable senators, we should quit being so timid and so afraid. In this case the committee said, "We will let the television cameras in, and we will present a report to the Senate." I think that was exceedingly responsible. I also think that the committee is master of its own destiny. Despite all the quotations from the books that have been put on the record today, I feel they have no bearing on the point unless the Senate itself decides it wants to lay down rules that the committees must follow.

I was not a member of the Special Senate Committee on Poverty, chaired by Senator Croll, but I should be very much surprised if the television people did not get in on some of the meetings held by that committee in various places across this country. I am sure they did, and I think it was a good thing that they did. It showed good judgment on the part of the committee to allow them in, and so allow the public to see some of the proceedings of that committee.

It is my view that the sooner this discussion is wound up and we decide that we are pleased to have the media come in and televise our proceedings, the better. The only thing I would say to the media is, "For God's sake, don't overlook the other important committees of the Senate and the work that is going on. Come around and see the rest of us work once in a while."

**Senator Norrie:** Honourable senators, I am getting a little bit worked up. I am not at all in agreement with the last speaker, although usually I am. I feel that if we bring in the media we are then intruding on the privacy of the witnesses, and we are intimidating them to a great extent. The witnesses, in many instances, may not be as free with their comments as they might otherwise be. I think Senator McElman brought this point out very well, and I think it is an important one.

Perhaps I am pessimistic but, in my view, the mood of the media is not always to be trusted, and I am very diffident about the parts of our debates that they are going to pick up and publicize. If they were to pick up the things that we treasure and love, and try to promote those, then that would be fine, but they can also pick up things that are not to our credit, and that is what I worry about. They may not be important things, but when shown on television screens they can look pretty bad.

Those are the only comments I wish to make.

**Senator Goldenberg:** Is Senator Norrie suggesting that we should also exclude the press? The press already attends the meetings of the committee, and it is free to report whatever it wants to report.

[Senator Argue.]

**Senator Norrie:** There is quite a difference between the two, in my experience.

**Senator Buckwold:** Honourable senators, I should like to join the multitude of speakers in this deluge of advice. My own contribution is based on the fact that I personally have been involved in such a situation at a time when I was the mayor of a medium-sized city where meetings of the council were televised. In that small city council we heard many of the arguments that have been voiced here. However, eventually wisdom prevailed and we allowed the television cameras to come in. They were set up, and they did not interfere at all with our proceedings. All the warnings and grim forebodings that we heard today—selectivity, intimidation of speakers or witnesses, and all that sort of thing—turned out to be groundless. The fact is that after a very short period of time it seemed to be a quite natural thing.

There was, of course, the odd person who liked to show off a little in front of the camera, but we get the same thing when it is known that the press is present. We have all seen it happen where the press has been present, and a certain type of person in political life has moved into the show, but that situation soon sorts itself out. In my view, warnings such as we have heard today really do not find justification in subsequent events.

I consider that an elected city council is an important level of government, and by having its proceedings televised a large number of citizens were given the opportunity to see and to hear what went on. Furthermore, they were given the opportunity to evaluate the performance of some of the people they had elected, and to judge the issues involved. In my experience this led to greater interest in civic affairs.

Honourable senators, I pass that on for your consideration. It is a relatively small experience, but a good one. In my opinion, television would give the country the opportunity to see the Senate in action. Whether that will be good or bad from our point of view is another matter.

However, that is not my main reason for supporting the proposal of the committee. I do not care how it comes about. If we do not adopt the original motion then let us adopt Senator McElman's amendment, because the public of Canada, on a major issue like this, is entitled to have as much information as possible. The subject is difficult and confusing and, at the same time, terribly important. For this reason I say that the easiest way to achieve what is proposed, and to avoid a procedural wrangle, is to support the amendment. Let us try it out. I am sure that after the experience we will agree that it is a major step forward in the political life of this country.

● (1510)

**Senator Denis:** What was included in that program? Was it *in toto*, *in extenso*, or only in part?

**Senator Buckwold:** It contained the items that were of interest to those who would be viewing it. In other words, it was not a continuous broadcast of the entire two-hour session. There was editoralizing, I suppose, from the point of view of the reporter and the television producer. We face that in any type of news report. Obviously, they will take items of the greatest interest and speakers who make the best impression—or the worst impression.

**Senator Denis:** Who chooses the parts of the proceedings to be shown?

**Senator Buckwold:** The medium makes that choice.

**Senator Flynn:** Honourable senators, it seems to me that the questions we have been debating are three in number. I do not know whether they are all related to the amendment before the house and I will not attempt to define what is or is not relevant to the debate.

The first question put was whether a committee of this house has the right to permit the televising of its proceedings. This question is by no means resolved. I sense, however, that some senators have very definite views on the subject. Senator McElman is of the view that a committee has not that power. I respect that opinion but do not intend to take sides. In my opinion the Senate should recognize, first, that this problem is far from resolved. It is a legal question and I do not believe that any decision we make by voting either for or against this amendment or the main motion will solve that legal question.

The second question is, of course, whether it is desirable to have a committee televise or broadcast its meetings. This is a question of fact which can be ascertained by experience and debate. Again, however, no decision we might make on the motion or the amendment before the house would definitely resolve the question. If we decide finally that it would be desirable to televise committee meetings—and Senator Argue obviously has no doubt that it would be, but I am not prepared to follow him in this respect—

**Senator Langlois:** He is an optimist.

**Senator Flynn:** If we arrive at that conclusion, how should the committee proceed to have its sittings televised or broadcast? These are questions which go much beyond the amendment before the house.

I will say, first, in order to clarify my position, that I was in committee when this matter was discussed and I wish to absolve the chairman of the committee from any responsibility in this respect. It is quite clear that we received advice that our rules do not prohibit a committee from deciding on such matters. However, since there was room for doubt, it was suggested that the committee inform the Senate, in order to enable this body to refuse permission if it did not wish the committee to proceed with the televising or broadcasting of its meetings. That was the only point, and I personally did not take sides. I did not know whether the opinion was right or wrong and I still do not know. Further, I do not believe I will form an opinion unless and until this matter receives much further study.

I want to make it clear that I agreed that this was the manner in which to proceed, so that in the event the Senate was not in agreement it could so indicate. That is why I took the position that the manner in which we in the Senate could proceed, with respect to the information given to the Senate by Senator Goldenberg, was to say we did not wish the committee to proceed. Had we said no, that would have been the end of it and we could have considered the problem in another context than the precise situation created by the information given to the Senate by the Chairman of the Standing Senate Committee on Legal and Constitutional Affairs.

It seems to me that we are now endeavouring to tackle the problem as a whole, whereas the idea is only to decide in this particular instance, which is the object of Senator McElman's amendment. My only criticism is that Senator McElman backed his amendment by saying that he was against giving the impression that the committee could proceed in such a manner. I do not want this interpretation to be given to this motion or his amendment.

In conclusion, I would say that I would like to see this problem as a whole studied by the Standing Committee on Standing Rules and Orders, not merely this particular instance. But, in my opinion, the Senate as a body must not decide now on the entire merit of the question but rather must deal only with the particular instance with which we are presently faced. That is why I do not like the wording of Senator McElman's amendment. I would not have wanted the amendment to indicate that we are empowering the committee, because we have not decided yet whether the committee had or had not the power to proceed as it did. My view at this time is that there is nothing in the rules to prevent a committee from having its sittings broadcast.

As a matter of fact, as I remarked earlier, the Standing Senate Committee on Banking, Trade and Commerce, when it was considering fiscal reform, had part of one meeting televised without asking permission of the Senate. That committee was not criticized by the Senate for doing so. However, we should not make a final decision in this without having given it full study.

Senator McElman cited that part of our rules which relates to usages and customs applicable in 1867. Of course, there was no television then, no automobiles, no printing as we know it today, or many other things, so it is out of context.

**Senator McElman:** But there was privilege.

**Senator Flynn:** There was privilege, of course, but it did not mean the same in those days as it does today.

I have no objection to adopting Senator McElman's amendment, except that I do not wish this motion in amendment to mean that we are deciding today that the committee did not have the power. If we come to the conclusion that it has not the power and we do not wish to grant that power to the committee in the future, that will be something for us to decide, but to decide in the proper context, not in the context of one instance.

For these reasons, honourable senators, I would suggest that we adopt the motion in amendment as soon as possible, with the understanding that a reference of the whole question will be made to the Standing Committee on Standing Rules and Orders. The reference should be, first, to determine whether the committee under our rules has the right to broadcast its sittings. The reference should call, secondly, for a study of whether it is or would be desirable for a committee to televise or broadcast its sittings. And, finally, if we come to the conclusion that it is desirable, the manner in which this right or procedure should be followed by committees in the future should be considered. With this understanding the Senate could adopt the motion without creating a precedent, reserving final decision for an occasion which may be more favourable and, certainly, clearer than the present.

**Senator Grosart:** Honourable senators, in supporting the general position taken by the Leader of the Opposition I would, first of all, make the comment that everyone seems to want to conclude this debate after they have had their 15 minutes. I hope that some of the observations I may make will help clarify the situation.

● (1520)

I agree with the Leader of the Opposition that we should not regard this as a precedent. We do not have to worry too much about that because, of course, the Senate can reverse its decision on such a matter at any time. Technically, and probably, it is a precedent, because we have a motion of privilege. The matter was raised on a question of the privilege of the Senate, and the motion and amendment seem to me to be asserting that privilege. I do not think this is a terribly important matter. Had it been raised on another motion, the situation might have been different.

My own position is the same as that of Senator Flynn. I have no definite opinion at the moment on either of the two questions which are before us, one of which is whether the activities of a Senate committee should or should not be televised.

My personal preference is to open up all our proceedings to all media. I have never been able to understand why a specific difference should be drawn between the various types of medium, particularly when they are together in the Press Gallery, all with the same basic privileges, the same rights of membership in the gallery, and the same rights to collect news and disseminate it as they see fit, subject to the normal rules relating to non-disturbance of proceedings, and so on. My own inclination is to come down very much in favour of that, because I think it is inevitable.

As to the question whether the committee has the right to permit this, my own inclination is to say, "Yes, it has." I am not arguing this didactically. I say that because there is no specific permission given to committees to admit the press. This is not specific. They can admit the press. It is not a very long jump to say they can also admit the radio and television people because, as a matter of fact, today, in normal conversation, when one says "the press," one means the printed press, the magazine press, and radio and television. It is quite correct to say that when we mention "the press," we include, in common language, all of those.

I shall support the amendment, although I am not entirely satisfied with it. There has been criticism of our spending too much time here on procedure. I am all in favour of our trying to keep our activities in line with procedure, and I suggest to the chairman that had he done so in this case we would not have had all this long wrangling. When he made a statement purporting to be a report of the committee, there was in fact no report before the Senate.

I shall not quote our rules too definitively, but we do have a rule which details the matters on which a senator may rise to speak, and it does not include a verbal report from a committee. That is rule 27. It is a quite specific rule. It would apply also to other irrelevancies which occur here from time to time.

[Senator Flynn.]

Secondly, our rules are quite specific in saying how a report of a committee shall be brought in. I refer to rule 78. Had Senator Goldenberg availed himself of it, there would have been no wrangling whatsoever, because that rule requires that a report be written. This rule refers specifically to a committee report and one which is for information only. I will not read what the rule says, but that is the purport of it.

This was a report of a committee for information only. The committee merely said: "We have taken the decision." Had Senator Goldenberg introduced it that way, under rule 78, he could have taken comfort from the fact that included in the rule is the statement that there shall be no debate, and he would have been home free, unless some honourable senator had read further into the rules and found that he had the right to refer the matter for consideration at a future date. I doubt whether that would have happened, and I am sure Senator Goldenberg would have been much happier had he followed this procedure.

I suggest, as my defence of the comments I make from time to time on the rules, that if we keep to our rules we shall get through our proceedings much more simply. I am not myself a lawyer, but I am amazed that the many distinguished and eminent lawyers here, who have spent much of their lives reading and re-reading law, will not take the time to read the few simple rules of the Senate.

**Senator Croll:** Who is paying for it?

**An Hon. Senator:** They are too simple.

**Senator Grosart:** With those reservations, it seems to me that the motion, as amended, takes care of the situation generally. It speaks to both questions, and it does assert the right of the Senate—because it is a question of privilege—to empower the committee, and in this particular case it approves the principle of televising the proceedings of the committee.

This should satisfy all of us as being a way out of the impasse. We are in a complete impasse procedurally, because the matter would not be before us had it not been for Senator Molson's motion, and it could only have been raised on a question of privilege. Personally, I commend the committee and the chairman on the decision to refer this matter to the Senate. In my opinion, it was a wise decision.

I am not sure whether the Senate has the right to approve or disapprove the televising of committee proceedings, but I do not think it is terribly important because, as I said earlier, it is inevitable that all proceedings of all committees of legislatures everywhere in the world will before long be opened up to television and other broadcasting media.

I sympathize with some of the objections taken, but I would say also that if the worst happens, it probably will be no worse than what happens so often in the antechamber of the House of Commons when the television media intrude—if it is an intrusion—in a way that might not always contribute to the best interests of parliament. However, as the Leader of the Government and others have said, that is a risk we take, and we take the same risk with the press.

I found it difficult to follow Senator Manning's point, because clearly we are not going to decide what is of

interest to any media. They will decide that themselves. This has been going on from time immemorial. They are always deciding. It was nothing new that the press decided that the Watergate affair was of general interest, or that the cost of ministers' speeches—about which I read something yesterday—

**Senator Perrault:** We would not have chosen that one.

**Senator Grosart:** No. The press decided that the very large sums being paid for ministers' speeches was a matter of interest to the public. I am sure it is. It was certainly interesting to me, because I have written a lot of speeches in my life but never received one cent for them.

**Senator Flynn:** Be careful.

**Senator Grosart:** The sensational one referred to cost a little under $2,000.

**Senator McDonald:** I hope it made sense.

**Senator Grosart:** I am surprised at that comment from Senator McDonald, because I understand the speech was from the side he generally supports.

I support the stand taken by the Leader of the Opposition, and I am of the opinion that we can resolve this matter, with the reservations I have made.

**Senator McDonald:** Honourable senators, I had no intention originally of speaking in this debate, and after I resume my seat you may say that I should have kept to my original intention.

The arguments which have been put forward appear to me to be somewhat ridiculous. Senator Grosart said he believes in television being brought into the Senate because it is inevitable. But so is death. I wonder what he will do on the way home. I do not know. Senator Argue said he believes in broadcasting, and the proceedings should be televised.

● (1530)

We know that all the proceedings will not be televised. If television is allowed into meetings of committees of the Senate, or into this chamber, I am sure Senator Argue knows as well as I that the crew and the producer will editorialize. I am quite certain of the job they will do. We have already had some examples of the efforts of the media, including the electronic media, with respect to members of this chamber. If those are indications of what they propose to do in this committee, or any other committee, or in this chamber, then God forbid, and I do not want any part of it. I would have no objection whatever to the media's coming into this chamber, or into a committee of the Senate, to televise the proceedings, but that is not what they will do. They will televise only the spectacular and the ridiculous.

**Senator Grosart:** Why not?

**Senator McDonald:** It is the spectacular and the ridiculous that gets publicity. However, that is not the point I wanted to make.

**Senator Flynn:** You are not the only one who has made other points.

**Senator McDonald:** There are two points I want to make, one of them being as to whether a committee has the right to decide that television cameras will or will not enter the committee room. In this connection, rule 73 has been referred to several times, and it reads as follows:

> Members of the public may attend any meeting of a committee of the Senate, unless the committee otherwise orders.

That is true. Members of the public may attend in the galleries in this chamber at any time, unless this chamber decides otherwise. However, although members of the public are allowed in the galleries, they are not allowed to take notes, they are not allowed to talk, and they are not allowed to take pictures. There is a place in front of the bar, in both this chamber and the other house, and in the provincial legislatures, where the media—press, radio and television—are allowed to write. But rule 73 has nothing to do with the operation of the media in the chamber or in a committee of this house.

**Senator Flynn:** Agreed.

**Senator McDonald:** In my view, a committee of the Senate is a creature of the Senate, and the general rules which apply to attendance at committee meetings are the general rules which apply in this chamber. After 27 years of continuous service, in this house and the Saskatchewan Legislature, I am more convinced than ever that no committee on its own has the right to decide to broadcast its proceedings, or have television cameras in the committee room. If that right does exist, it should be taken away. In my view, that is a decision which this chamber, and only this chamber, can make.

**Senator Flynn:** And it will not make it today.

**Senator McDonald:** No, and I do not think it should be made today. Whether we adopt the original motion, or the motion in amendment as proposed by Senator McElman—which is the one I prefer—I hope we will not make a final decision at this point in time. I agree with the Leader of the Opposition that this decision ought to be made, and probably will be made, at another time, or at least that a recommendation should be made to the chamber by the Rules Committee. I hope that procedure will automatically follow.

I hope also that some day in the future, the privilege of informing the public in this manner will be extended to both radio and television. There is great benefit in this to the public, but there is also great danger, because the power of the media today, in my view, is even stronger than that of the Prime Minister. What individual in public life in Canada has daily contact with people from coast to coast by way of a syndicated column? No one. But the media has. The media has tremendous powers and, I suggest that because of those powers it has tremendous responsibilities.

In my view, at least, one of the most irresponsible segments of society today is the press—written, spoken and visual. The press today is engaged in anything that is spectacular. If a bus runs off a cliff in Tanganyika today, the television news tonight will show the dead bodies at the bottom of the cliff. After viewing the late night news can you ever go to bed without risking a nightmare? Surely there are some happy happenings in this world that are newsworthy. Do we ever learn of them?

**Senator Grosart:** Yes.

**Senator McDonald:** You must subscribe to some periodicals to which I do not have access. Do we ever see them on the news? Once in a while, but very rarely. I hope that when the privileges of the media, including radio and television, are extended to this chamber—and, I hope, the other place—more responsibility will be shown on their part to take the truth to the people of Canada, and not their version of the truth.

**Senator Cameron:** Honourable senators, this is a discussion which is timely, and one that will continue—not this particular debate, but debate on this whole subject area. For that reason, it is important that we give some thought and time to laying down rules under which the proceedings of the Senate itself and of Senate committees will be covered by the broadcast media. We might very well give some consideration to asking the Rules Committee, as a special assignment, to discuss this matter and report back with a set of rules and guidelines for using the media effectively, or we might set up a special subcommittee to deal with the utilization of the media in broadcasting the proceedings of the Senate.

**An Hon. Senator:** Question.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion in amendment?

**Some Hon. Senators:** Agreed.

**Senator Argue:** Honourable senators, I was hoping that the amendment itself might be put. As far as I am concerned, I am opposed to the motion in amendment but in favour of the original motion. If the vote can be recorded on division, I am quite happy.

**Senator Flynn:** On division. No "Argue-ment."

Motion in amendment agreed to, on division.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion, as amended?

Motion as amended, agreed to.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, February 20, 1975

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

Prayers.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Alexander has been substituted for that of Mr. McCleave on the list of members appointed to serve on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## VISITORS IN GALLERY

**Senator Fergusson:** Honourable senators, I should like to draw your attention to a group of senior citizens in our gallery. They are from March Township and Kanata. They contacted me because they were most interested in seeing the Senate chamber at a time when the senators were in it. As the result of that contact they are here this afternoon to view our proceedings.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of a Report entitled "Towards a Mineral Policy for Canada—Opportunities for Choice", dated 1974.

Estimates for the fiscal year ending March 31, 1976.

## ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Goldenberg,** Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, reported that the committee had considered Bill C-370, to amend the Electoral Boundaries Readjustment 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?

**Senator Goldenberg** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## THE ESTIMATES

NATIONAL FINANCE COMMITTEE AUTHORIZED TO EXAMINE AND REPORT

**Senator Langlois,** 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 the 31st March, 1976, in advance of bills based upon the said Estimates reaching the Senate.

**The Hon. the Speaker:** You have heard the motion, honourable senators. Is there unanimous consent?

**Senator Flynn:** There is unanimous consent, but before the question is decided upon I should like to ask the Deputy Leader of the Government if this means that the bills which will confirm the estimates will be dealt with in the same way as any other ordinary bill, and may be referred to committee.

**Senator Langlois:** Honourable senators, I can hardly give such an undertaking, because legislation is in the hands of the Senate, not in the hands of any individual member. I am afraid that the Senate is bound by its own rules, and that as usual this bill will be treated as a money bill and not as an ordinary bill.

**Senator Flynn:** As a money bill? I was wondering whether the deputy leader had changed his perspective on such bills.

**Senator Langlois:** I am afraid I cannot change the rules and practice of this house.

**Senator Flynn:** You cannot change the rules, but you can change your own ways and means.

Motion agreed to.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the names of the Honourable Senators Cook and Stanbury be substituted for those of the Honourable Senators Neiman and Riel on the list of senators serving on the Special Joint Committee on Employer-Employee Relations in the Public Service; and

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

Motion agreed to.

## BUSINESS OF THE SENATE

**Senator 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, February 25, at 8 o'clock in the evening.

Before the question is put, I should like as usual to give a brief outline of the work for the next week. The committee schedule will be heavy. On Tuesday, the Joint Committee on Regulations and other Statutory Instruments will meet at 9.30 a.m., and the Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 11.00 a.m. The Standing Senate Committee on Legal and Constitutional Affairs will continue its study of Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code at 11.00 a.m. and also at 2.00 p.m. The Standing Senate Committee on Banking, Trade and Commerce will meet at 2.00 p.m. to continue its consideration of Bill C-40, to amend the Excise Tax Act and the Excise Act, and will then go on to deal with Bill C-29, respecting Canadian Business Corporations. In addition, the Standing Senate Committee on Agriculture will hold an in camera meeting at 2 p.m. to complete its report on Bill S-10, to amend the Feeds Act.

On Wednesday at 9.30 a.m. the Standing Senate Committee on Banking, Trade and Commerce will resume its consideration of Bill C-29, and the Standing Senate Committee on Legal and Constitutional Affairs will meet to hear the Minister of Indian Affairs and Northern Development on Bill S-20, to amend the Territorial Lands Act.

On Thursday, the Joint Committee on Regulations and other Statutory Instruments will meet at 9.30 a.m., and the Joint Committee on Employer-Employee Relations in the Public Service will meet at 3.30 p.m. The Standing Senate Committee on National Finance will meet at 9.30 a.m. to continue with its examination of the estimates of the Manpower Division of the Department of Manpower and Immigration, and at the same hour, 9.30 a.m., the Standing Senate Committee on Banking, Trade and Commerce will again consider Bill C-29, and, time permitting, will then go on to consider Bill C-2, the Combines Investigation Act. That means there will be two committees meeting on Thursday morning.

In the Senate we will continue to deal with the items on the Order Paper, and it is expected that the income tax bill will pass the Commons and reach us some time next week.

Motion agreed to.

● (1410)

## TELEVISION

### COMMERCIAL ADVERTISING MESSAGE—USE OF PICTURE OF PARLIAMENT BUILDINGS—QUESTION

**Senator Davey:** Honourable senators, I have a question for the Leader of the Government. On Friday, February 14, at approximately 7.10 p.m., television station CBLT Toronto carried a commercial advertising message for Guaranty Trust. The commercial began with a full screen picture of the Parliament Buildings, which scene then dissolved into an office, purportedly inside these buildings and apparently an office of the Department of National Revenue. The tax collector, complete with green eye shade, sat at his roll-top desk and complained about tax revenue being less this year because so many Canadians are availing themselves of a Guaranty Trust Retirement Savings Plan. The commercial closed with the sound of the clock of the Peace Tower striking in the background and, as I recall, another picture of the Parliament Buildings. I have a series of questions:

1. Did Guaranty Trust receive permission from the Government of Canada to use this picture of the Parliament Buildings in its advertising?

2. Is such permission needed?

3. If so, is such permission ever granted?

4. Is permission needed from the Department of National Revenue for this kind of commercial approach and, if so, was such permission granted and why?

**Senator Perrault:** Honourable senators, these questions are most appropriate and relevant, touching as they do possibly upon the privileges of Parliament. I have received representations from other sources with respect to this particular alleged commercial telecast. Apparently it is part of a campaign carried over a number of Canadian stations. Indeed, I understand that the same commercial message is being broadcast in the Ottawa area by one of the commercial stations here. While I do not have immediate answers to the appropriate questions posed by our honourable colleague, I shall undertake to make immediate inquiries and, hopefully, I shall have the answers early next week.

## WELFARE MINISTERS CONFERENCE

### STATEMENT BY MINISTER OF NATIONAL HEALTH AND WELFARE—QUESTION

**Senator Benidickson:** Honourable senators, I would like to address a question to the Leader of the Government. We are all aware that in the last two days the Minister of National Health and Welfare has met with his counterparts from the provinces. In my opinion the newspaper reports resulting from that conference are rather confusing. I find in checking *Hansard* of the other place that last Monday the minister promised to make available to members of that house the actual statement made by the federal Minister of National Health and Welfare to the conference, outlining up-to-date federal policy in the social welfare field.

Will the Leader of the Government make an effort to see that members of this house are equally fully informed as to the policy outlined by the minister, particularly in view of the outstanding work carried out by the Special Senate Committee on Poverty a few years ago in the social welfare field and, in particular, the problems of the working poor?

**Senator Perrault:** Honourable senators, I shall most certainly attempt to determine whether it would be possible to have this document made available in some form to members of this assembly. It could be tabled here, or produced in some manner whereby the position of the minister can be made known to all senators.

## STANDING RULES AND ORDERS

APPOINTMENT OF COMMITTEE CHAIRMAN AND DEPUTY CHAIRMAN—QUESTION

**Senator Flynn:** Honourable senators, may I ask the Deputy Leader of the Government if he would confirm the rumour that the Standing Committee on Standing Rules and Orders at its meeting today appointed Senator Molson as chairman and Senator Langlois as deputy chairman?

**Senator Langlois:** It is not a rumour; it is a fact.

**Senator Flynn:** About time.

**Senator Grosart:** Honourable senators, as a supplementary: were notices of that meeting distributed?

**Senator Benidickson:** Yes, they were. I am not a member of the committee, but I received a copy.

**Senator Grosart:** I am a member, but I did not receive a copy.

**Senator Perrault:** Check your mail service.

**Senator Langlois:** Do you have a strike in your office?

**Senator Walker:** Honourable senators, I rise merely to state that a better choice of chairman could not have been made from the whole of the Senate. Senator Molson is one of the most distinguished men in Canada. We should feel proud to have him.

## CRIMINAL CODE (COMMUTATION OF DEATH SENTENCE)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Robichaud, P.C., seconded by the Honourable Senator Eudes, for the second reading of the Bill S-21, intituled: "An Act to amend the Criminal Code (commutation of death sentence)".—(*Honourable Senator Bélisle*).

**Senator Bélisle:** Honourable senators, Senator Hicks has informed me that he would like to speak today, and I am pleased to give way to him. I shall adjourn the debate after he has spoken.

**The Hon. the Speaker:** Honourable senators, is it agreed that the Honourable Senator Hicks speak now instead of the Honourable Senator Bélisle?

**Hon. Senators:** Agreed.

**Hon. Henry D. Hicks:** Thank you, honourable senators.

It is with some reluctance, but nevertheless a very sincere sense of duty and responsibility, that I rise to speak in support of Bill S-21, which, as you know, would have the effect of requiring a recommendation for clemency before it would be possible for the Governor in Council to commute a death sentence. I should like succinctly and briefly, I hope, to state some of the reasons why I feel this bill should be supported.

I start by saying that it has long seemed to me apparent that there are in our society some persons who by the monstrousness of their own actions forfeit their right to the protection of society, and I believe that society has the right to remove them. In early times, of course, the commission of murder brought forth acts of vengeance on the part of the relatives or dear ones of the person who was slain, and we have seen, in the evolution of human society, how public law has replaced private vengeance. That is as it should be. But I am not sure that it will continue to be so if the public law is not enforced strictly and if it does not, under some circumstances and in some instances, require the ultimate penalty of death to be exacted.

This is even more true today in the enormous complexity of modern society. With the rapidly increasing population, and particularly the agglomeration of people in large urban areas, the law must be firm and it must be respected.

I am more concerned with preserving the quality of life for the vast majority of citizens who are law abiding and who want to pursue their own interest, happiness and the good life without being involved in criminal activities. Unfortunately, crime has existed in every society which man has known, and it seems to have become increasingly more violent in the decades since World War II. I am more concerned, as I say, about the quality of human life than with the mere quantity of human life. I am also more concerned about the victims of criminal acts than with the criminals themselves.

It is a strange thing indeed, when we are almost through the third quarter of the twentieth century that society pays little attention to persons who suffer as a result of the criminal acts of other people. There is no compensation for a murdered man's wife and children, who may be left without opportunities for education or security, or the services to which they should be entitled from society, and which had been provided for them by the head of the family whose life was taken by some person's irresponsible and criminal act.

Some societies today are beginning to look at means of compensating the victims of criminal acts. We should increase our endeavours to find ways of compensating victims of crimes, but at the same time I do not think we can afford to neglect punishment, even the ultimate punishment of death, for the habitual murderer and the person who, as I say, by the monstrousness of his actions, forfeits his right to the protection of society.

I know that those who oppose the death penalty under any circumstances arrogate to themselves a very special virtue, and suggest that anyone who questions the virtuousness of their ideas is himself somehow or other lacking in feeling or sentiment, or is passionately concerned to see that the death penalty is exacted against someone else. I suggest that these people are themselves as highly emotional about their views as they accuse those who recognize the necessity of the death penalty under some circumstances of being.

● (1420)

**Senator Flynn:** Agreed.

**Senator Hicks:** I am certainly not passionate about this. I am saddened by the necessity of expressing the views I have expressed here, and by the fact that there are members of our society who require us to take such an extreme measure. Nevertheless, I submit that my views are respon-

sible having regard to the necessity for an orderly society in the complexity of the late twentieth century.

Furthermore, I suggest that those people who are categorically opposed to the death penalty under any circumstances, even for those who have repeatedly, deliberately and viciously murdered—whether the victims be police officers, prison guards, or others—are persons who have had very little contact with the criminal element, particularly the habitual criminal. It may very well be that if they had a little more contact with such persons, they would find it necessary to alter their views.

It will be gathered from what I have said that I am one who believes—reluctantly but, nevertheless, responsibly—that there are circumstances when the exacting of the death penalty is not only justified in the name of society but is necessary in order to preserve the stable society which supports the quality of life to which all of us aspire.

I am not dealing with the question as to how the death penalty should be exacted, although I think in this day and age there ought to be a better method than the old-fashioned method of hanging. I think the law might very well be revised in that respect, and that some more humane method might be adopted in Canada for the taking of the life of the habitual criminal to whom I have been referring.

But there is another reason why I would support this bill even if I did not hold the general views I have just expressed. I believe it to be essential for an orderly society that there be respect for the law. I think the law must be respected by persons in all walks of life, whether private citizens, people of influence, and even by members of Her Majesty's Privy Council. I suggest that the way the Privy Council of Canada has been automatically commuting all death sentences in recent years is contrary to the spirit and intent of the law that is on our statute books today. If we believe that all death sentences should be commuted, then Parliament should face up to the subject squarely and amend the law so that the imposition of the death sentence is no longer possible in Canada. In the alternative, we should not allow members of Her Majesty's Privy Council to flout the law by automatically commuting all death sentences imposed by the courts.

**Senator Sparrow:** Would the honourable senator permit a question? Are you suggesting that such action is against the law? You are not really suggesting that, are you?

**Senator Hicks:** It is not against the law, but it is against the spirit and intent of the law. I am suggesting that if the Privy Council is automatically going to commute all death sentences, then we had better alter the law to eliminate the death penalty.

I have already made it clear that I would not favour the abolition of the death penalty, but if that is the way we are going to act then I think that is the way in which we should do it, instead of going through the process of having judges and juries try persons, sentence them to death without any recommendation for clemency, knowing full well that in every instance—and this has been the case for several years now in Canada—the death sentence will be commuted by the Privy Council to life imprisonment, which normally amounts to a much shorter term of incarceration than the natural life of the person concerned.

For those reasons, honourable senators, I regretfully believe that it is my duty to support Bill S-21, and I propose to do so.

**Senator Godfrey:** Would the honourable senator permit a question? What would happen under this measure if circumstances came to light after the trial—evidence which was not available at the trial, and not disclosed at the trial—which would have resulted in a recommendation for clemency by the jury? Would you go ahead and hang the convicted person anyway?

**Senator Hicks:** In that highly unlikely hypothetical case, it may very well be that there ought to be some other provision to enable the commutation of the death sentence. I think, however, that this is the same as the case of the innocent man who is actually found guilty and sentenced to death. That has only rarely happened in our history, as my honourable friend knows.

**Senator Thompson:** Honourable senators, the honourable senator has suggested in his remarks that those who are opposed to capital punishment really have very little knowledge of the criminal element. I think that is what he said. Surely he would not suggest that Arthur Maloney, one of our noted criminal lawyers, has less knowledge of the criminal element than honourable senators, and yet I understand that Arthur Maloney is one of the founders of the Canadian Society for the Abolition of the Death Penalty.

**Senator Hicks:** There must be exceptions to the general statement that I made. I do not know the person to whom my honourable colleague has referred. My comment was certainly very general, and I recognize that there must be specific exceptions to it.

**Senator Walker:** Honourable senators, that is a very good question. Knowing Arthur Maloney, one of the greatest of our criminal lawyers and a former colleague in the House of Commons, I know it is perfectly understandable why he should feel and think that way. Defending the alleged murderers, naturally he would feel the way he does, and so does any other criminal lawyer who is defending alleged murderers. As Crown prosecutor over forty years ago, I saw the other side of it. These people would murder in cold blood, and when you saw the victim's widow and children you got a different impression. That was the impression I got, the agony of a murder for those who are left behind. It is something that has always stayed with me, not to speak of course of losing the life of a good citizen as well.

How anybody can say with finality that the death penalty is not a deterrent is beyond me. How do they find out? Is it by asking the people who have been found guilty of murder whether it would have made any difference to them, whether they would have committed the murder no matter the result? You might suggest to me that it does not make any great difference. You put yourself in that position: if you contemplated committing a murder—something that is unthinkable—would it not make an immense difference in your thinking as to whether or not you would go ahead with it?

This bill has a very limited application, limited to police officers. Every time a person is sentenced to death and the death sentence is commuted by the Cabinet, it has a tremendously demoralizing effect on the police officers, not only on the contemporaries of the police officer who has been murdered but on police officers across Canada. How can one expect a police officer to put his whole heart and soul into apprehending murderers and bringing them to justice, with all the months of work that involves, with all the risks they take in bringing it about, and finally having the person convicted, and then having our government commuting the death sentence? To me, it is ridiculous. If there is not a recommendation for mercy, for clemency, why shouldn't the law of Canada be carried out?

**Senator Benidickson:** Hear, hear!

**Senator Walker:** Why shouldn't it be carried out? Let us get away from sentimentality for a moment and consider the effect of this. I am not going to review it. I know there are those who will say it does not make any difference at all, but I say this is one instance, and it is the one remaining instance, of a death sentence that should be left on the statute books. This should be so, particularly because of the enormous increase in the number of murders today in Canada. It is ever-increasing and ever-enlarging. Why? One of the chief reasons is that these murderers know that, come hell or high water, whether they kill or do not kill, they will be out of jail eventually, they will be out of penitentiary, and they can go on again to perform whatever other criminal acts they wish to perpetrate.

Honourable senators, this is something we should take a stand on, not mixed with sentimentality. If you ever faced the problems that a Crown prosecutor or Crown attorney has to face, you would realize what this means. Do not go back on this. Do not go back on this last attempt to bring law and order to murderers. Do not demoralize the police any more than they have been demoralized already. I say to you, aside from whatever party you are in—this is something that transcends parties—this is something that should remain. I say that with the greatest sincerity of which I am capable.

**Senator Asselin:** May I ask Senator Hicks a question?

**Senator Hicks:** Certainly.

**Senator Asselin:** This bill tends to limit the effect of the royal prerogative. Do you think this bill is legal constitutionally? I refer particularly to section 686 of the Criminal Code, which says:

> Nothing in this Act in any manner limits or affects Her Majesty's royal prerogative of mercy.

**Senator Hicks:** That question could more properly be addressed to the sponsor of the bill. I do not think I am competent to judge that at this time. I suspect, however, that even the royal prerogative, in the kind of society we live in in Canada, has to be exercised within the statute law of the country, and that, if we amend the Criminal Code to this effect and thus limit the royal prerogative of mercy by a specific wording of the section of the Criminal Code being amended, probably this will take precedence over the general statement to which my honourable friend has just referred.

• (1430)

**Senator Connolly:** Honourable senators, I believe there is a difference between the royal prerogative of mercy, the source for which I believe is the Articles of Appointment of the Governor General, and what is dealt with here, which appears to be merely a statutory power to commute the death penalty under section 684 of the Criminal Code. Presumably, that is a matter of criminal law and is within the jurisdiction of the federal Parliament. I understand that it is that section under which the Cabinet today commutes those sentences.

As a matter of fact, I do not think the royal prerogative of mercy has been resorted to as such within this century. Senator Walker would know whether or not that is true, but I believe it to be the case. What is used today is the statutory power to commute under the Criminal Code, and for all practical purposes it does not really matter very much. It would not matter even if the statute were amended as proposed, because the royal prerogative would probably still apply. It would still exist.

**Senator Flynn:** But would the power of commuting under the Criminal Code still be used in the same way as it is used today?

**Senator Connolly:** I think it would depend entirely on the practice of the government of the day.

**Senator Grosart:** May I point out to the honourable senator that the bill before us specifically refers to the prerogative. It says, "notwithstanding the prerogative."

**Senator Asselin:** Yes, it does. That is the main purpose of the bill.

**Senator Connolly:** Then perhaps it is seeking to modify the prerogative as well.

**Senator Grosart:** Yes, that is the purpose.

**Hon. Sidney L. Buckwold:** Honourable senators, I happen to be one who supported the bill that was passed at the end of 1973. At that time we had a long and sometimes acrimonious debate in which the death penalty was thoroughly discussed in every aspect. I am convinced that even if we were to hang every murderer, it would not make any substantial difference in the number of murders committed in the country. Certainly, the statistics are there to prove that, if statistics are to be used. On the other hand, there is no doubt that the present mood of the country is reflected in Bill S-21, sponsored by Senator Robichaud, and, personally, I am prepared to go as far as saying that I believe the time has come when, in general, the principles of the bill should be evoked; that it is time we asked the government to take a look at this whole situation. I have a feeling that this is what Senator Robichaud is really trying to accomplish.

I should like to say to Senator Hicks that unfortunately there are many times when innocent men have been convicted. I know that from my reading and from a recent discussion I had with a very good friend, although a colleague of my friends across the way, the former Prime Minister, the Right Honourable John Diefenbaker, who holds sincere and personal views on this matter. He indicated to me that it had happened that innocent men had been sent to the gallows, or otherwise executed, when evidence later proved that in fact they had not been guilty.

Indeed, Mr. Diefenbaker mentioned one particular case that he personally had lost. It was one of the few, by the way, in which this circumstance prevailed.

**Senator Bélisle:** Honourable senators, may I speak on a point of order? I am always quite liberal in my views, but I should like to point out that I gave my place to Senator Hicks. Obviously, if honourable senators wish to ask questions, that is their prerogative, but if they are going to make speeches, then I shall take my turn. I would remind the house that after Senator Hicks' speech and the questions put to him, I have adjourned the debate.

**Senator Buckwold:** In this respect I am in your hands, honourable senators. I had no intention of interfering with the right of Senator Bélisle to hold the floor. As a matter of fact, I did not realize he intended to adjourn the debate at that moment. If I may be permitted to continue, I shall not be too long.

**Senator Walker:** Continue.

**Senator Asselin:** Go ahead.

**Senator Denis:** You cannot adjourn a debate ahead of time. Carry on.

**Senator Buckwold:** If you will allow me, I will continue. However, I have so much respect for Senator Bélisle that I hesitate to take away any of the things he might wish to say.

**Senator Bélisle:** We shall no doubt be enriched by what you gentlemen may want to add.

**The Hon. the Speaker:** Honourable senators, in my opinion we should let all those wishing to participate in the debate speak as they desire to, and if Senator Bélisle then wishes to move the adjournment of the debate he will be free to do so.

**Senator Bélisle:** I thought, Madam Speaker, that I had done so after Senator Hicks was through. I moved the motion that the debate be adjourned. However, if my voice was not loud enough then, I am willing to do it again, and if anyone wants to ask questions, I welcome them, but not a speech.

**Senator Prowse:** Honourable senators, with all due respect to the right of a senator to move the adjournment of a debate, I think the practice has always been that we are free to debate. Without intending to interfere with Senator Bélisle's right to move the adjournment of the debate, I should like to give notice now that as soon as Senator Buckwold is finished, with your permission I intend to discuss the matter myself for a few moments. It is a most important question.

**Senator Buckwold:** Honourable senators, if I may continue, I had indicated that there have been times in the past when evidence has come to light, on the basis of which a very strict following of this particular bill would quite possibly result in an innocent man's going to the gallows—I repeat "possibly." I suggest that a hidebound following of this measure, even to the point, in my opinion, of eliminating the prerogative of mercy, would be to do something that is not in the British tradition of law, justice and mercy. In fact, the bill as we have it today dramatically draws to our attention the situation as it is developing, and I think that is a good thing in the sense that it will point out to the people of Canada the concern of this particular body with respect to this whole business of commutation of death sentences.

I should like to suggest that a more effective approach—an approach which might evoke a more direct response from the government—would be a resolution of the Senate to the following effect: We senators think that this should be the law, and we urge the Privy Council to carry out the terms of the present law within the limits of humanity and justice. I firmly believe a resolution of that nature would receive widespread support. It would be merely an address to the Privy Council suggesting that honourable senators feel it would be proper for the Privy Council to carry out the terms of the act, keeping in mind the bounds of justice and mercy that I suppose always have to be present in the administration of the Criminal Code.

● (1440)

Therefore, I say that I cannot support this bill, because I think it is too strict. In fact, I think it would probably do more harm than good. I support the spirit, or the principle, of the bill, but I would hope that in due course a resolution, or an address, will go forward to the Privy Council, suggesting that the terms of the law be carried out to the best of the ability of that body.

**Senator Flynn:** May I put a question to Senator Buckwold? Does he not believe that this warning to the government would have been more convincing if the Senate had voted down the last bill, to continue the five-year experiment, and returning thereby to the old distinction between capital and non-capital murder?

**Senator Buckwold:** I am not really prepared to accept that, because I think the people of Canada are not, at the present time, prepared to accept the complete abolition of capital punishment. I have said that I personally am now coming to the point at which I support the kind of things that Senator Robichaud is proposing in this bill, within the context of the limitations I have brought to the attention of the house.

**Senator Flynn:** You read my question tomorrow.

**Hon. J. Harper Prowse:** Honourable senators, first of all, I would like to get certain things clear. I have the Criminal Code in front of me. Section 684 is subject to section 686, which provides:

> Nothing in this Act in any manner limits or affects Her Majesty's royal prerogative of mercy.

Section 684, therefore, is not talking about Her Majesty's prerogative of mercy at all. It is talking about a responsibility which is placed by the code on the Cabinet of this country.

**Senator Flynn:** No.

**Senator Prowse:** Yes. Just so we do not have to argue unnecessarily, let me read this damned code to you.

**Senator Flynn:** Which code?

**Senator Prowse:** The Criminal Code. Section 671 reads:

> (1) A judge who sentences a person to death shall appoint a day for the execution of the sentence, and in appointing that day shall allow a period of time that, in his opinion is sufficient to enable the Governor General to signify his pleasure before that day, and

shall forthwith make a report of the case to the Solicitor General of Canada for the information of the Governor General.

(2) Where a judge who sentences a person to death or any judge who might have held or sat in the same court considers

(a) that the person should be recommended for the royal mercy, or

(b) that, for any reason, it is necessary to delay the execution of the sentence,

the judge may, at any time, reprieve the person for any period that is necessary for the purpose.

Then, before the sentence can be carried out, these certificates are sent. The Governor in Council then either gives permission for the execution of the sentence, or stops it.

I do not want to bore you with figures—they are of no use here at all—but in each of the past two years there have been three cases where people have been sentenced to death and where the sentence has been commuted. In each year in two out of those three cases there was a recommendation of mercy from either the judge or the jury, or both, so that in each year there was one person, and one person alone, who would have been affected by this bill.

The reason for this debate, and the reason this subject has been raised—it is an understandable one, it is a human one, and God forgive us all for our feelings—is that some heinous things have been happening. But nothing that we do here can undo what has been done. If you think the monsters who killed those policemen in Moncton would have been stopped, or deterred for a moment, by any kind of legislation, you are living in a dream world.

I do not for a moment claim for myself the ability to see truth. I see truth as best I am able to see it, and I grant to everyone else in this chamber the same capacity. I admit that I may be wrong, and I believe that you may be wrong. There is no way by which any of us can know if we are right. However, let me tell you of something that happened not so long ago.

At the end of the Second World War we had a series of trials at Nuremberg where we brought before the court men who were charged with ordering people to be killed for certain things done during the war. Person after person came forward and said, "I was a servant of my country, and I obeyed my country's laws." The principle was laid down at Nuremberg, for whatever it may be worth, that a soldier in battle—surely under greater stress than civilians in ordinary life—who gets an order from his commanding officer to do something to somebody, but whose conscience tells him, or ought to tell him, that the thing he is being ordered to do is wrong, cannot say, when he is brought before the courts, "I was the instrument of my government." He stands there as an individual to answer for his actions.

I happen to have had the responsibility twice in my life—and God knows that was often enough—of having on my back and in my hands the lives of two men, when I pleaded for them before the court. Neither of those men was hanged, but let me assure you that unless you have had that experience you just cannot know how difficult it is. Nor can you know how much more difficult it would be if you were the Solicitor General, and you believed with all your heart and soul that it is wrong to take a life under any circumstances, and because of an act like this you were forced to sign the papers. True, you could resign your post, but let me tell you something of our history.

There was a person called Thomas Scott, and there was another person called Louis Riel. Thomas Scott was tried by a court of the *de facto* government set up during the 1870 disturbances in Manitoba, and sentenced to death by that court. Louis Riel did not know whether to let the sentence be carried out or not, but among the people who supported him feeling was running so high in favour of the death of this person that he let the law take its course, and Thomas Scott was shot.

In 1885 Louis Riel was found guilty of treason, and sentenced to be hanged. There were voices that cried out for clemency; there were voices that cried out for vengeance. The government in the end yielded to pressure, as Louis Riel, ironically, had yielded to the political pressure exerted on him in his own day, and permitted the law to take its course. Louis Riel was hanged, and I do not think that any objective student of our history today will view that incident with any pride at all. It was a straight case of political pressure interfering with the actions of ministers of the Crown. How different are we today?

A juror who tried Louis Riel later said, "We tried Louis Riel for treason, but we sentenced him to hang for the murder of Thomas Scott." If that is something that we as Canadians should take pride in, then I don't know what we have to do to be ashamed.

● (1450)

I believe that it is completely wrong to take a life, and in that belief I am in good company. Clarence Darrow, who was possibly the greatest pleader we have had on this continent, talked of "judicial murder." You can talk about cold-blooded murder all you want, but what can be more cold-blooded than the judicial murder that takes place when a man is executed; where people sit quietly around a table and say, "Let it go," and where someone signs a document and somebody else hires someone to do the deed? Would any one of you be prepared to be the hangman or the executioner? What kind of people do they get? As I say, honourable senators, there is nothing more cold-blooded than judicial murder.

I have no brief for these people who are properly called monsters. But then I come to the one thing that concerns me, which is that unless the policemen feel they are doing a job which needs to be done, unless the policemen can feel that the public values them, and unless we can let the policemen do their job with peace of mind, they are not going to be as effective as they should be. And so I find myself now in the terrible position where I have to say, "Must I risk Nuremberg, must I risk my soul, must I outrage my conscience, in order to allow the police to do their job?" I do not believe that in a democracy we really have the right to give people what we are sure is good for them, whether they want it or not. I think we have the responsibility to try to get them to agree with us, and when it comes to the taking of a human life let us be sure we know what we are doing.

After all the court procedures have been completed, the law requires the Cabinet to study the whole record. Of course, it is done for them because the ministers do not have the time to do it themselves. They are not entitled legally to substitute their judgment for that of the judge, because the judge is not given any alternative but to sentence an accused to death if the jury finds him guilty.

**Senator Robichaud:** That is not so.

**Senator Prowse:** I beg your pardon, it is so. The judge has no alternative but to impose sentence of death if a jury brings in a verdict of guilty. The jury may add a recommendation for mercy or clemency, and if they do not the judge may ask them if they wish to do so. But once a verdict of guilty is returned, either with or without a recommendation for mercy, the judge can do one thing and one thing only under the statute, and that is sentence the man to be hanged, and set the date.

The documents have to go to the Governor in Council, and the Governor in Council has to have time to go over the whole case. Under our system of law, no reviewing court has the right to substitute its judgment for that of the court it is reviewing. It can find fault in the procedure or in the reasoning of the judge, and order a new trial, but it cannot simply substitute its own judgment. At the present time, unless there is something that appears to the Cabinet not to have been properly considered by those who have dealt with the case previously, or further information is brought forward, they cannot say, "You made the wrong decision; the guy was not guilty." They cannot do that; they are simply given the right, which the judge is not given, of varying the sentence.

So when you say they are breaking the law, you are publicly confessing that you do not know, and have not taken the trouble to find out, what the law is. In fact, all they are doing is carrying out the law—perhaps in a way that you do not agree with.

If you want to change this, you can change it. But I submit to you what has happened following Nuremberg. The Americans have had all the trouble they had with the Vietnam war because it was a war that was not important enough for their government to formally declare war. On the basis of the Nuremberg decision, thousands of young Americans said, "If it is not important enough for my country to declare war, then it is not important enough for me to go out and commit murder," and so they would not join their armed forces.

The question we have to consider is this: Just how upset are the police? How far are the law-enforcement agencies actually being interfered with? The point that worries me more than anything else is that if they feel they are being interfered with, we are almost inviting them to take the law into their own hands to bring us back bodies, and not people who are charged and accused, when they go looking for criminals. Let us not confuse vengeance with justice, honourable senators, because vengeance and justice are as opposed as the poles.

It is said that this will deter killers. If you look at the evidence in any one of these cases where there has been a murder, particularly those cases where there has been a killing that results in what we call capital murder, I warrant that you will not honestly say to yourself that the murderer for one moment considered the possibility of being hanged. That person either did not care, or more probably in his arrogance—because these people take to themselves the right to take life—he took it for granted that he was not going to be caught.

We are not moving into a more civilized world; we are not moving into a world of greater justice. So the one thing we have to do—and God help us, we do have to do it—is consider carefully how we do the greatest harm. If you were in the Cabinet now, would you hang this one person, who is now sitting in a prison cell, waiting, because every vengeful voice in the country is yelling for vengeance? Or would you coolly and dispassionately ask yourself, "How do I serve my conscience, my God and my country?"

That is our responsibility, honourable senators. And the way I must discharge my responsibility is to vote against this bill, which interferes far more than it appears to do with a right that has been exercised for more than 500 years, the constitutional right of the Governor in Council to exercise the prerogative of mercy. In any event, I do not think we have the right to pass this bill. I am not at all sure how we can change the Constitution and interfere with that royal prerogative which has always existed.

Honourable senators, I hope what I have said will help you to come to your own decision on this very serious and important matter.

● (1500)

**Senator Bélisle:** Honourable senators, before moving the adjournment of the debate I would like to make a correction. The sponsor of the bill was quite clear when he said that he wished this debate to be rational and unemotional. It is quite obvious that we are debating the whole spectrum of capital punishment, which you, Senator Prowse, said we should. I am already on record as saying that I am a liberal-minded person when it comes to assistance. I am also on record as saying that anything said today by honourable senators would enhance the debate, and we would be enriched by it. My correction is this. I must exclude from that statement the words of the honourable gentleman who just damned our Criminal Code. I feel that if we permit one of our colleagues in this house to use the word "damned," a word which is uncalled for in this chamber, then we permit disrespect for one of our most important statutes.

Senator Prowse asked what we have to do to be ashamed? We can be ashamed of the word he pronounced. I shall not repeat it.

**Senator Prowse:** If the honourable senator will permit, I apologize for an unfortunate slip of the tongue. That is all it was, a careless slip of the tongue, and I am sorry.

On motion of Senator Bélisle, debate adjourned.

The Senate adjourned until Tuesday, February 25 at 8 p.m.

# THE SENATE

Tuesday, February 25, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Lists of shareholders in the Chartered Banks of Canada as at the end of the financial years ended in 1974, 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, 1974, pursuant to section 101(1) of the *Quebec Savings Banks Act*, Chapter B-4, R.S.C., 1970.

Report of the Ministry of State for Urban Affairs for the fiscal year ended March 31, 1974, pursuant to section 22 of the *Ministries and Ministers of State Act*, Part IV of Chapter 42, Statutes of Canada, 1970-71-72.

Copies of Statement made by the Minister of Transport on February 20, 1975, respecting the new Toronto International Airport at Pickering.

Report on operations under the *Regional Development Incentives Act* for the month of November 1974, pursuant to section 16 of the said Act, Chapter R-3, R.S.C., 1970.

## BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF SENATE

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Standing Senate Committee on Banking, Trade and Commerce have power to sit while the Senate is sitting tomorrow, Wednesday, February 26, 1975, and that rule 76(4) be suspended in relation thereto.

**The Hon. the Speaker:** Honourable senators, you have heard the motion. Is there unanimous consent?

**Senator Grosart:** Explain.

**Senator Langlois:** Honourable senators, before the question is put I will ask the chairman of this committee to explain the reason for this motion.

**Senator Hayden:** Honourable senators, the Committee on Banking, Trade and Commerce has a large amount of work to do, and insofar as the committee is concerned we do not want any suggestion made that we are losing time in dealing with the legislation referred to us. In order to expedite it we should sit tomorrow afternoon as well as tomorrow morning.

Motion agreed to.

## THE RIGHT HONOURABLE ARTHUR MEIGHEN

PORTRAIT—QUESTION

**Senator Forsey:** Honourable senators, I am sorry to rise again to ask a question which I have asked of the Leader of the Government before and to which I got an answer at the time which seemed satisfactory but which seems less satisfactory now. It has to do with the missing portrait of the Right Honourable Arthur Meighen outside the Commons chamber. That portrait was defaced or damaged on or about June 21, 1973, and I asked a question about it on March 26, 1974 and was informed that the people who did the restoring or repairing of such defaced portraits were very scarce and very, very busy and that they had a long backlog and so had not been able to get at it. But the then Leader of the Government hoped that something would be done about it within a reasonable length of time, or words to that effect.

I drew attention to the matter again in the debate on the Address in reply to the Speech from the Throne early in this session. I might have allowed the thing to rest there except that I notice now outside here that the portrait of Queen Charlotte has been removed from the wall, and there is a very appropriate and loyal explanation that it has been taken away for the purpose of being restored. I cannot help asking why, if the government has now got round to dealing with Queen Charlotte, it has not managed in the course of nearly two years to get round to dealing with the portrait of Arthur Meighen. If it makes haste as slowly over poor Queen Charlotte as it has over Mr. Meighen, nobody in this place will live to see the portrait of Queen Charlotte restored. The last time I referred to this—and I am coming to my question in a moment; I am sorry to delay, I am afraid I will be called to order—but the last time I referred to this I said that I cherished what was perhaps an unworthy suspicion that if the eccentric character who damaged the portrait of Mr. Meighen had damaged the portrait of Mr. Mackenzie King instead, the portrait of Mr. Mackenzie King would long since have been restored and replaced in all its glory. That suspicion has now, I am afraid, deepened to a certainty. I don't know whether there is some dyed-in-the-wool Grit roosting in the Department of Public Works or the Art Gallery, or wherever it is, who is determined to do this and to see that the portrait is not restored within a reasonable length of time. But I should really like to ask the Leader of the Government to look into this and to find out whether there is any prospect of this situation being dealt with within any measurable length of time. I have only four more years in this chamber and I should like to see that picture back before I go. I cannot help feeling that if it turns out to be impossible to restore it an appeal to the Meighen family would produce a fresh copy of the original portrait, which I know exists in Toronto.

**Senator Perrault:** Honourable senators, I wish to assure you that nothing improper should be read into the disappearance of Queen Charlotte and the former Prime Minister of Canada, the Right Honourable Arthur Meighen. The disappearances are readily explicable in logical, defensible technical terms. Queen Charlotte, of course, is in the process of being restored.

**Some hon. Senators:** Her portrait.

**Senator Flynn:** Yes. You don't need to do that with Arthur Meighen, but you do need to do it with Mackenzie King.

**Senator Perrault:** The portrait of Queen Charlotte is in the process of being restored, and I understand that a particularly painstaking restoration is under way with respect to the portrait of the former Prime Minister, the Right Honourable Arthur Meighen.

## TELEVISION

COMMERCIAL ADVERTISING MESSAGE—USE OF PICTURE OF PARLIAMENT BUILDINGS—STATEMENT

**Senator Perrault:** Honourable senators, before I resume my seat may I make reference to two questions which were directed in the chamber on Thursday last, February 20. It will be recalled that Senator Davey made reference to an alleged commercial advertising message by Guaranty Trust, the commercial allegedly beginning with a picture of the Parliament Buildings and later purporting to feature a member of the Department of National Revenue inside the buildings with a part of the commercial apparently filmed within the precincts of Parliament Hill. I undertook to provide honourable senators an early answer to this question. I have determined that it may be impossible to obtain any kind of definitive ruling or opinion before this time next week. Apparently adequate precedents do not exist for alleged incidents of the kind cited by Senator Davey. Thus I must ask the indulgence of the house for a few more days.

## WELFARE MINISTERS CONFERENCE

STATEMENT BY MINISTER OF NATIONAL HEALTH AND WELFARE—QUESTION ANSWERED

**Senator Perrault:** Honourable senators, a question was directed by the Honourable Senator Benidickson, who requested that a copy of the statement of the Minister of National Health and Welfare made in the other place regarding the social security system in Canada—

**Senator Flynn:** Is it the 45-minute speech that cost $2,000?

**Senator Perrault:** Whatever amount was paid, if any, it is a very fine speech, I say in a very non-partisan way.

**Senator Flynn:** That is quite obvious.

**Senator Perrault:** But may I say that the suggestion was directed to this side that copies of the statement, which outlines up-to-date federal policy in the social welfare field, be made available to members of the Senate. I have since ascertained that a copy of the statement was to have been sent to every member of this chamber and every member of the other place. I would appreciate it if any member who has not received a copy of the statement would inform me at the earliest convenience, whereupon I will ensure that copies are provided.



## ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL TO AMEND—THIRD READING

**Senator Goldenberg** moved the third reading of Bill C-370, to amend the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read third time and passed.

● (2010)

## CRIMINAL CODE (COMMUTATION OF DEATH SENTENCE)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, February 20, the debate on the motion of Senator Robichaud for second reading of Bill S-21, to amend the Criminal Code (commutation of death sentence).

[*Translation*]

**Hon. Rhéal Bélisle:** Honourable senators, first of all allow me to express my sincerest thanks to Senator Robichaud for having, in introducing Bill S-21 to the Senate, stirred the conscience of the Senate to a matter which is certainly foremost in current interest across Canada today. Those of my honourable colleagues who have spoken before me in this debate certainly have, through their remarks, brought a wealth of opinion to the deliberations of the Senate which professes to have the maturity and the seriousness required to study, at greater leisure and with more wisdom, the bills passed by the other place which can also, on various occasions, claim to reflect the conscience of the Canadian people.

Allow me also to express my wholehearted agreement with the deep concern of the Senate about capital punishment and, above all, about the high rate of crime and repeated murders in Canada in the last few years as well as today.

[*English*]

The honourable senators who have preceded me in this debate have underlined the seriousness of the problems that confront us in Canada today. While not wanting to duplicate or repeat what my honourable colleagues have said, I would like to place in perspective the questions which we are asked to ponder and analyze today.

First, it has been expressed by one of my honourable colleagues that the widow and children of the victim have not been compensated in the past for such atrocious crimes. If the federal Parliament is to be the legislative body with respect to the criminal law, and if the criminal law has visited the consequences of a crime upon a Canadian citizen, should it not be equally true that the criminal law should make compensation to the victims of crimes which deprive a widow or children of the livelihood to which they are entitled? Schemes have evolved in some provinces, but such schemes can never replace the concern of the federal Parliament and the federal government in this regard. As long as the inequities of such

injustice are repeated across Canada, it shall be the purpose of this house to express concern for the victims of such grave and serious circumstances that follow the murder of a loved one.

Another colleague has expressed his concern in another area. It is the possibility that a person might be hanged and subsequently found to be innocent after new evidence has been discovered. To suggest that my concern does not extend to such circumstances would be incorrect. In fact, I am deeply concerned about the question, and would suggest that certain steps be taken to avoid such consequences, should this bill ever be implemented. I am of the opinion, however, that the entire debate should not be curtailed by the insertion of a grave and serious detail but, nonetheless, a detail which would obscure the real purpose of this bill.

May I respectfully suggest to my honourable colleagues that if there is a danger of such incidents occurring, then that danger could perhaps be foreseen and alleviated by providing a further amendment to the Criminal Code to the effect that a conviction of murder should immediately be the subject of an appeal without the necessity of the accused having to file the appeal himself. If necessary, an accused who has been convicted of the crime of murder should be provided, at the state's expense, with counsel to enable an appeal to the provincial court of appeal in the jurisdiction where the conviction occurs, and subsequently to the Supreme Court of Canada.

This would avoid the tragedy which has been alluded to by my honourable colleague, and which I am sure he raised dutifully in conscience, as I would too. Nevertheless, I believe that the avenue of appeal should be completely exhausted before the matters of sentence and commutation of sentence arise. Perhaps there should be that further assurance and satisfaction that society will not exact the punishment when it is not fit or necessary.

A previous speaker in this debate alluded vaguely to the point that justice is not always perfect and impartial and, accordingly, in order to prevent the imperfection or the defect resulting in the death of an innocent person, perhaps the death penalty ought not to exist in this country. May I suggest to my honourable colleague who raised this matter, which is also a concern of mine, that because judges are independent, have security of tenure, and, in this country, have won a reputation equal to none across the world, perhaps we ought to entrust to them our system of criminal justice with greater faith than we have.

Who in this house would impeach the impartiality of 12 men and/or women, and judges who have been chosen by merit, whose sagacity is applied to a set of circumstances with impartiality? I doubt that anyone in this house would, for one moment, suggest that 12 men and/or women who have been called to decide whether or not an odious crime has been committed do not apply themselves properly to the case presented to them. Indeed, they give the accused every possible safeguard in the trial, and it is perhaps because such a safeguard is built into our system of criminal justice that we cannot afford to disregard the verdict of 12 men and/or women, good and honest, when they do not, themselves, suggest clemency or leniency for the convicted person.

It can be said, of course, that there is no alternative on conviction but for the judge to impose a sentence of life imprisonment without necessarily accepting that an eye for an eye is the proper principle. One has to wonder whether or not 12 men and/or women in their wisdom cannot convict an individual who has taken a life, and then leave it to the judge to pass sentence. Is that not democracy? I must ask you to consider, in your true conscience, whether there is a better system to determine guilt or innocence in such a serious matter.

There is another serious matter which I should like to consider, that being the duration of a life sentence. Our system of criminal justice has to provide for jail and parole to prevent the repetition of crime. The emotion which now runs high in this country, particularly among police officers, prison guards, and innocent citizens, would be substantially reduced if we knew that a life sentence meant imprisonment for life, or at least 25 years, and not a short-lived vacation at the expense of the Canadian taxpayer.

Several times, honourable senators, we have heard in this house the issue of deterrence, and whether or not deterrence prevents the commission of further similar crimes. However, no one has placed in perspective the fact that this house has the responsibility of the protection of all citizens. While deterrence is certainly our concern, protection of the people of this country is paramount. If we cannot assure protection to the public who use our streets, then we cannot proudly say that we have assisted in protecting them. Deterrence is certainly paramount, but to suggest that deterrence alone is the sole purpose of capital punishment, one would have to forget and completely ignore the responsibility with which this house is charged and, indeed, sworn to uphold, that being the protection of the public at all costs. We should give both factors, deterrence and the protection of the public, equal status in this debate. It is not at the cost of ignoring one that we will do justice to the other.

Having addressed myself to the question of the protection of the public and having discussed the matter of deterrence, I feel duty bound to look at the possibility of rehabilitation of those who have been convicted of committing a cold and calculated act of murder. Can these persons be rehabilitated? That is the question I put to honourable senators, and which Senator Robichaud has so eloquently discussed in this debate. Senator Robichaud suggested that there have been many instances of suicide by persons convicted of capital murder and sentenced to life imprisonment.

Suppose we look at the question of rehabilitation and conclude that rehabilitation is so impossible, even in the minds of those who have committed these cold, calculated murders, that they would rather not live with their consciences. That is at least one conclusion that could be reached. It certainly leads me to suggest that the maturity of our thinking could be brought to bear on this question, and perhaps we should re-examine the question of rehabilitation for these people.

● (2020)

The government is deliberately flouting the will of Parliament. In 1967, and again in 1973, Parliament voted to suspend the death penalty for a period of five years. But—

and this was at the request of the government which presented the bill—it made an exception in the case of prison guards and police officers. We are informed by Senator Robichaud—and I have the material to prove it—that as many as 25 police officers and two prison guards have been murdered while on duty since 1967. Yet the same government which asked that the death penalty be retained for the murderers of police officers and prison guards has been automatically commuting with undue haste all sentences of death in those cases.

If in 1967 and 1973 it was the intention of the government never again to hang anyone for capital murder, then why did they not make that very clear so that Parliament might have known exactly what it was voting for? Parliament was misled by the government on this question, and it continues to be misled.

The government has, in effect, without the benefit of statute, altered Canadian law as regards capital punishment, and that is dangerous business. If the Government of Canada can disregard the spirit of the law, so may we all, and the sort of chaotic situation that an attitude like that might lead to, were it to become widespread, is frightening to contemplate.

So, I fully agree with Senator Robichaud when he sets out to insure against the federal government's abuse of its statutory power in the matter of commuting death sentences. I am, however, not at all convinced that his bill will really solve the problem which we face—the problem of a government determined not to be bound by an act of Parliament which that government itself sought.

This bill, as I read it, would only limit the government's statutory power to commute death sentences. But what would happen in those cases where there was no recommendation of clemency by judge or jury, or where the jury could not agree on whether or not clemency should be recommended? What would happen in those cases? Senator Robichaud, since he has not sought to amend any other part of the code, obviously thinks those people would be put to death. I do not think that is so. The statutory power of the government will be limited by his amendment, but the royal prerogative of mercy will remain intact.

Section 686 of the Criminal Code reads:

> Nothing in this Act in any manner limits or affects Her Majesty's royal prerogative of mercy.

So, if the government could not commute a death sentence on account of the restrictions placed upon it by Senator Robichaud's amendment to the code, it could petition the Crown and use the royal prerogative to commute the death sentence.

The bill before us now does not in any way, as much as it may have been the sponsor's intention to do so, ensure that murderers of police officers and prison guards, for whom no clemency has been recommended by judge or jury, will be executed. The royal prerogative can still be used. Section 686 of the Criminal Code is still there. The bill does not seek to amend the code by striking out section 686.

To place restrictions on the Governor in Council is not to place restrictions on the Crown in the right of Canada. But even if that were the case, the sponsor would still have to move an amendment to the code by striking out section 686. I say that because section 686, which follows section 684, would govern, and the prerogative of mercy would remain untouched. The accepted rules of statutory interpretation dictate that. It would make no difference if Senator Robichaud had commenced his amendment with the words "Notwithstanding anything in this Act . . ." The royal prerogative of mercy would still be there. Nothing but an act expressing such desire in clear and calculated language could accomplish that.

The situation is that if Senator Robichaud is to achieve his ultimate purpose, he must seek to limit the royal prerogative of mercy—that is, the natural, inherent prerogative of mercy.

Section 16 of the Interpretation Act states:

> No enactment is binding on Her Majesty or affects Her Majesty or Her Majesty's rights or prerogatives in any manner, except only as therein mentioned or referred to.

To me, this means that if this house intends to limit the natural prerogative of the Crown in any way, then it will be compelled to be very clear and explicit in the way it approaches the problem. Any attempt to limit the inherent prerogative of the Crown must be a conscious, deliberate and explicit act.

This bill, in other words, would have to amend the code further by repealing section 686 and further amending section 684(1) to read "Governor General" instead of "Governor in Council." It would then be clear that the intention is to limit the royal prerogative of mercy.

But, even if all this is done, there is still a problem. Parliament cannot restrict a natural prerogative of the Crown without consent. So consent would have to be sought, and that, in my opinion, would have to be done by the Prime Minister, because the privilege of dealing with the Crown in matters as sensitive as that is a privilege reserved to the Prime Minister.

In the 17th Edition of May's *Parliamentary Practice* at page 615, under the heading "Queen's consent to bills," one can read the following passage:

> In the case of bills which affect the royal prerogatives a more complicated formula is employed, varying slightly to suit the circumstances of each case, and including the statement that the Queen places her interests at the disposal of Parliament. The Queen's consent is signified by a Privy Councillor, but the communication of the fact that the Queen has placed her interests at the disposal of Parliament is made orally, generally by a Minister of the Crown.

This, May tells us, can be done at any stage of a bill's progress.

A bill to limit the royal prerogative of mercy would more appropriately be a government bill initiated in the other place. Thus, if we intend to protect against the government's flouting the law as regards capital punishment, this bill will have to be reworded and consent will have to be sought and granted.

The limiting of a royal prerogative is a serious matter. The course to be followed is a very complicated one. There are formalities which must be rigorously adhered to. The reason we make the process so difficult and involved is

that we do not want lightly to limit inherent royal prerogatives. It is the Crown, with its prerogatives, which ultimately protects some of our most basic freedoms and privileges. For example, and as all of you know, it is the fact that the Crown has the prerogative of dissolving Parliament that assures us of elections once every five years, thus protecting us against "long Parliaments" and dictatorships.

● (2030)

The royal prerogative is part of our Constitution. To ignore it could lead to grave constitutional abuses. We are not, therefore, to treat the matter of limiting the royal prerogative of mercy, so as to forbid commutation of death sentences where clemency has not been recommended by judge or jury, or where there has been no agreement among the jury on whether or not to recommend clemency, as a light matter.

This is a serious constitutional matter. While I am in agreement with Senator Robichaud's goal, and am of the opinion that we would be justified in seeking to limit the royal prerogative of mercy in the matter of commuting death sentences, I want to see this bill sent to committee where our constitutional experts can discuss fully: 1. Whether or not I am correct when I say that this bill would only limit the statutory prerogative of the Governor in Council and leave intact the royal prerogative of mercy. 2. How we should go about seeking to limit the inherent royal prerogative of mercy, if this is what we must do to make sure that the government respects, in future, the spirit of our law with regard to the commutation of death sentences.

[*Translation*]

Honourables senators, I suggest that when this bill is returned to us, following serious and thorough study by the committee, we should have another look at it. I feel very strongly that it should be read the third time, so that once it has been sent to and adopted by the House of Commons, it may hopefully become an act which will reflect the aspirations of the Canadian people and bear witness to the serious climate of uncertainty which prevails throughout this country as to whether the legislation will apply to some people only and not to others. If our Upper Chamber wishes to deserve the confidence of the Canadian people, its conscience must reflect the climate of uncertainty which we have been made aware of and which you, honourable senators, have been the interpreters over the past few days of debate.

[*English*]

On motion of Senator Heath, debate adjourned.

## QUEBEC PROVINCIAL POLICE

### FINANCIAL COMPENSATION FOR MAINTENANCE—DEBATE CONTINUED

The Senate resumed from Tuesday, February 18, the debate on the inquiry of Senator Deschatelets, P.C., calling the attention of the Senate to the claim made by the Minister of Justice of the Province of Quebec for financial compensation from the federal government with respect to the Quebec Provincial Police Force and to the ever-increasing costs of maintaining the various police forces in Canada.

[*Translation*]

**Hon. Paul Desruisseaux:** Honourable senators, I shall not be long. I feel, however, that the matter on which I intend to speak is important.

Last week Senator Jean-Paul Deschatelets dealt very intelligently with an important issue arising from the application for compensation for the services of provincial police forces which the federal government received first from the Quebec government and later from the Ontario government.

Thanks to Senator Deschatelets' clear and precise remarks, we are now in a position to see the problem in its proper perspective. Senator Asselin's exposition has also been highly appreciated.

I do not wish to go over again such a well presented exposition or the "*ad rem*" remarks made to date. These are events which are beyond dispute in the minds of Quebecers. Tonight, I shall deal briefly with one or two points which will serve me as a base for my own position.

[*English*]

The federal law enforcement facilities and the federal police services are used by eight participating provinces under an agreement that provides for the partial payment of its costs by the participating and agreeing provinces.

In the Yukon Territory and Northwest Territories, this law enforcement service is also provided under contracts to these territorial governments. The force is still called the Royal Canadian Mounted Police, a federal civic force responsible for enforcing federal laws throughout Canada. This 14,000 strong central police force is organized in three groups: The federal force, which is the Royal Canadian Mounted Police; the provincial police forces in all provinces except Quebec and Ontario; a number of municipal police forces.

As we know, the force celebrated its centennial in 1973, but since its inception it has expanded, in 1918 to assume law enforcement throughout the Canadian West, and in 1920 to absorb the Dominion Police and transfer its headquarters from Regina to Ottawa, from where it now serves eight provinces and territories and over 170 municipalities. It has liaison offices in Hong Kong, Paris, London and Washington, and it represents Canada in the International Criminal Police Organization. Its directorate of laboratories and identifications has been a focal point of criminal investigation work. Its five crime detection laboratories, and its remarkable duplexed computer system, connected by remote terminals with many other police forces, are also made available to all police forces in Canada. It is recognized as one of the world's best and most efficient law enforcement organizations.

Historically, arrangements with provinces and territories have been made since 1905 for full law enforcement services. The last contracted arrangement, made in 1966, will expire in 1976. It was made under the provisions of section 20 of the Royal Canadian Mounted Police Act, chapter R-9 of the Revised Statutes of Canada, 1970. This section pertains to the use of the services of the Royal Canadian Mounted Police of Canada in the provinces. It authorizes the Solicitor General of Canada to conclude arrangements with the government of any province or municipality for the total use of the RCMP in their prov-

inces and municipalities to help the administration of justice and to assume the responsibility for the enforcement of the Criminal Code, the federal laws, the provincial laws and even the municipal bylaws.

The Quebec and Ontario governments, for a number of reasons, abstained in the past, as allowed, from any agreement with the federal government for the use of the federal law enforcement services. Since 1905, because it abstained, Quebec has had to pay in excess of $360 million for its police services, and Ontario has had to pay much much more. In 1975, 52 per cent of the cost of the service will be paid for by our central government for the eight participating provinces. In 1976, the yearly cost to the participants will be 50 per cent.

● (2040)

As they are now drafted, these arrangements result in an unequal treatment of the non-participating provinces. Quebec and Ontario object to paying the total cost of their own law enforcement services and at the same time, indirectly, because of the agreement, a good part of the cost of the law enforcement services in eight of the other provinces. In 1973, Quebec decided to put in a claim against the federal government for compensation for that share of the extra costs they had to fork out because they had not joined the club and because they had not signed a participating agreement.

It is to be noted that the law itself allows the opting out of any province. It is contractual and constitutional but non-obligatory. Hence the present problem of inequality of treatment in the field of shared costs.

Early last year we became alerted to this problem when the question of the cost of civic protection services in cases of emergency was being reconsidered as between Ottawa and Quebec. Arrangements between member provinces should not involve unequal or unfair treatment in the sharing of the costs of any federal law enforcement services by the provinces. In our case the pertinent facts do point to an actual unequal sharing of costs for services. The federal authorities argue that the opted-out provinces can join in to take advantage of the formula of equal sharing of the costs of these services.

The study of a new agreement with the provinces who want to participate from 1976 on is, I believe, a good opportunity to rectify our federal law enforcement services policy and to establish more equitable rules for all provinces, rules that will not cause dissension because of the opting out of some, and rules that will not twist the arms, so to speak, of those opting out since that is allowed under our system.

We have a federal government, a central government, to help in the development of all member provinces. Each province is a federated member which benefits from a great many centralized services and takes advantage of the central government's excellent protective facilities and assistance. This, in the final analysis, contributes to strengthening both the members and the central or federal government.

Although the federal law enforcement services in Canada were reviewed and expanded in 1918 and 1920, the system needs to be reviewed again and, where the situation demands, to be overhauled and strengthened. It should now be made operative with power, authority and efficiency equally applied everywhere at any time and under any conditions.

[*Translation*]

Although remarkably efficient, the present system of federal-provincial arrangements, with or without intergovernment consultation at the provincial level, and with participation on a partial cost compensation basis by the central government, is not in my opinion the fair and ideal arrangement doing justice to Canada, by reason especially of important regional developments, international ramifications of tracking illegal domestic and international trafficking of all kinds, and opportunities for fast travel between each of the different areas of Canada and abroad.

Surely each developed province—and they are all developed in Canada—must or should have an adequate police system of its own, as indeed every federated state in this modern world. I also believe in the transcendence, the priority and major importance to be given a national police system recognized by everyone, an unfragmented system operating in the same way and with the same impact, without territorial weaknesses.

Since the federal-provincial arrangements for the participating provinces will terminate in 1976, we should, in my opinion, restate the framework of rented assistance services, to ensure efficiency in meeting every modern Canadian requirement, in order that they truly reflect a spirit of fairness in our well developed and well established federal state.

Surely a Senate committee could examine the situation in this area, not only to correct differences now existing between the federal government and a few provincial governments that do not participate in the program, but also to initiate new expansion concepts for our federal police services and also to increase their cooperative actions.

[*English*]

**Hon. Ernest C. Manning:** Honourable senators, I did not have the opportunity of hearing all the debate on this inquiry. It is possible that the two or three points that I should like to draw to your attention have already been referred to, and if that is the case I hope you will pardon the repetition. I should like to point to one particular aspect of the current agreement between the participating provinces and the Government of Canada whereby the RCMP carry out police work which otherwise would be undertaken by a provincial police force.

● (2050)

In the early days of those arrangements it is true that the provinces paid little more than a token payment toward the cost of the services of the RCMP, and this situation is one that has changed gradually over the years. There was a time when both British Columbia and Alberta had their own police forces, but later they felt it was advantageous to disband the provincial forces and enter into an agreement with the federal government to use the services of the RCMP.

In the early days of this type of agreement, the provinces which did not participate could argue with validity that they were contributing substantially toward the cost of police services in those provinces that were served by

the federal force. However, with the revision of the contracts which took place some years ago—and this is really the point to which I wish to draw your attention—that situation underwent a fundamental change.

I happen to have had the opportunity to participate in a series of conferences between the provinces and the federal government. The provinces that initially were using RCMP were quite perturbed when the federal government announced that they had decided there should be a substantial increase in the amount paid toward the cost of those police services by the participating provinces. However, when the basis of the federal government's argument was understood, I think it was eminently fair. They pointed out that because the RCMP was a national force and had to be preserved, whether the provinces used its services or not, there were fixed costs, such as the training of men, administration, recruitment, and all the other aspects of the mobilization and maintenance of a strong national force, which would continue whether the provinces chose to use the services of the RCMP or to have their own forces.

The federal government was asking the participating provinces in the revised agreement to pay enough based upon so much per man. The number of personnel was fixed by agreement between each province and the RCMP, but the provinces were asked to pay a sufficient amount per man that would, if not entirely, largely offset the additional cost that would be incurred by the federal treasury by reason of the necessity of having a number of additional men to serve in those provinces that were participants to the agreements.

I submit that if you look at the data that was produced at the time of the discussions, that proposition can be understood. If that is a correct premise, then it is not correct to say that the non-participating provinces today are paying any significant amount toward the cost of the police services provided those provinces which are under an agreement.

At the same time as these revisions were made in the arrangements between the federal government and the governments of the participating provinces, another feature was introduced under which a municipality that had its own force could enter into a specific contract with the RCMP for so many police personnel to carry out police work for that municipality. Here was an additional amount paid by the municipality over and above that contained in the agreement between a participating province and the federal government. Many municipalities in the West—I cannot speak for the other parts of Canada—took advantage of that offer, because it enabled them in most instances to obtain more highly trained men, members of a national force who had the advantages of liaison with the national crime detection agencies, exchange of information, and so on, at a lower cost than that for which they could have recruited and trained those men themselves.

I mention the second feature because it came in at the same time as the revised federal-provincial arrangements with the RCMP and became another source of revenue to offset to some degree the cost of the additional personnel recruited by the RCMP to provide not only the national service but services for the participating provinces, plus additional service where there was a specific contract between the municipality and the RCMP.

I am not discussing the merits of the various points raised in this debate. I think they are understandable and proper. My purpose in making these comments is to draw attention to what is really a matter of history. An interesting series of conferences led to a substantial increase in the charge per man that was levied against the praticipating provinces on the basis that the amount would be approximately sufficient to offset the difference in cost incurred by the federal treasury by reason of taking on that provincial service.

If that premise is correct, there is really not much argument for saying that the non-participating provinces are being discriminated against and paying for the services of police forces in other provinces. I submit that if you examine the financial facts of the existing agreements you will find that that is not the case.

**Senator Buckwold:** Would the honourable senator allow a question? Do the provinces pay the RCMP for personnel who carry out their national duties? Is that included in the overall provincial payments?

**Senator Manning:** No. I say this subject to any change which has taken place in the last few years, because I have not been in touch. It is still the same, my colleague says. Each participating province requisitioned a specific number of RCMP personnel. These personnel included not only the men carrying out the actual police work, but also whatever administrative personnel were required in that province by the RCMP because they were serving the province as a police force of that province. However, it had nothing to do with the members of the force stationed in that province to carry out their regular duties.

**Senator Prowse:** That included the cost of vehicles and equipment, in addition to the men.

**Senator Manning:** Yes, that is right. There was a whole formula. The price of the equipment and cars they needed, and everything else, was all included.

On motion of Senator Flynn, debate adjourned.

## INDIAN AND NORTHERN AFFAIRS

### INDIAN AND ESKIMO RECRUITMENT DEVELOPMENT PROGRAM—INQUIRY ANSWERED

**Senator Fergusson** inquired of the government pursuant to notice:

Under the Indian and Eskimo Recruitment Development Program

(a) How many native students were employed in the summer of 1974;

(b) How many were male; and

(c) How many were female?

**Senator Perrault:** Answered.

There were 96 native students employed in the Indian and Eskimo Affairs program during the summer of 1974.

As information about the sex of an applicant is not shown on the application form, it is not possible to provide the exact breakdown. It is estimated, however, that 44 of the students were male and 52 were female.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, February 26, 1975

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

Prayers.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Fraser has been substituted for that of Mr. Dinsdale on the list of members appointed to serve on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## EXCISE TAX ACT AND EXCISE ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Hayden,** Chairman of the Standing Senate Committee on Banking, Trade and Commerce, to which was referred Bill C-40, to amend the Excise Tax Act and the Excise Act, presented the following report.

WEDNESDAY, February 26, 1975.

The Standing Senate Committee on Banking, Trade and Commerce, to which was referred Bill C-40, intituled: "An Act to amend the Excise Tax Act and the Excise Act", has in obedience to the order of reference of Wednesday, February 12, 1975, examined the said bill and now reports the same without amendment.

Your committee, however, considers it important that the following observations be made.

It appears that some unlicensed wholesalers of construction type equipment have been refused sales tax refunds although the government has seen fit to grant such refunds for the distributors of transportation equipment who are in an identical position. As well, such wholesalers are unlicensed for sales tax purposes, which means they must pay sales tax on the importation or purchase of such construction type equipment whereas competitors who are licensed for sales tax purposes pay such tax only at the time of the sale of such equipment. This situation arises in the administration of the sales tax by reason of the fact that competitors who can show that at least 50 per cent of their business over a specified period has been with tax exempt end users have an advantage.

The result of being in the position of unlicensed wholesalers because they cannot meet the above test is that on budget night, November 18, 1974, these unlicensed wholesalers had substantial tax-paid inventories for which the sales tax could not be recovered from customers when on that night such construction type equipment became exempt from sales tax. Their competition, namely, licensed wholesalers, had little or no tax-paid inventory on hand. To be competitive, these licensed wholesalers must absorb the amount of tax or lose substantial sales.

Your committee considered that it did not have clear authority to amend the Bill being reported on to correct this situation. However, your committee considered that this situation should be called to the attention of the Senate.

Your committee further considers that the same relief should be granted to those unlicensed wholesalers as was extended to the distributors of transportation equipment.

Respectfully submitted,
Salter A. Hayden,
Chairman.

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Macnaughton:** Honourable senators, with leave of the Senate and notwithstanding rule 45(1) (b), I move that the bill be read the third time now.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Macnaughton, P.C., seconded by the Honourable Senator Fournier (de Lanaudière), that this bill be now read the third time. Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Jacques Flynn:** Honourable senators, I do not object to third reading being moved now, if some senators would rather speak on third reading today than tomorrow. The report tabled by the Committee on Banking, Trade and Commerce speaks for itself. Honourable senators may recall that when I spoke on second reading of this bill I raised the matter of the plight faced by unlicensed distributors of construction equipment who were caught with tax-paid inventories on budget night, November 18. They were in a rather difficult position, because they had paid the sales tax and had to face the competition of the licensed dealers, who had not been obliged, because of the system, to pay that tax in advance and had inventories on which no sales tax had been paid.

If I may explain further, these dealers sell pieces of equipment which are frequently valued at well in excess of $75,000, and the tax of 12 per cent on such an amount represents a significant sum. Dealers who have to sell in competition with others who have not paid the sales tax find themselves in a very difficult situation. The same problem was encountered by dealers in transportation equipment. The minister has seen fit, as was mentioned by the sponsor of the bill, Senator Macnaughton, to grant

relief to these dealers, making use of certain provisions of the Financial Administration Act to achieve their end. The question was whether the same relief should be granted the dealers in construction equipment. That question was raised on second reading, and we in committee examined the position. The minister appeared before us and announced that he was not prepared to grant the same treatment to these unlicensed dealers in construction equipment. His reason, generally speaking, was that when the sales tax increases the dealers are left with tax-paid inventories at a lower sales-tax rate and, hence, benefit. Consequently they should be prepared to absorb the burden when the situation is reversed and the tax is lowered. But this argument was not very convincing and the committee failed to see why the same remedy should not apply to the group I have mentioned. Of course, there were other groups similar to dealers in building materials who were caught with tax-paid inventories on budget night, but their problem is not as easily solved.

So, in these circumstances the committee felt that if some remedy were to be granted, it would have to be either by way of amendment to the bill or by the minister's using the provisions of the Financial Administration Act.

The question of an amendment was difficult, because we were not sure whether the Senate, or even the House of Commons, had the power to adopt a provision which would have the effect of providing a refund in taxes, which is something different from providing a decrease in tax. Were we to provide for a refund, we would be interfering with ways and means. Were we to decrease the tax, we would be doing something which has been accepted as being within the competence of the House of Commons and certainly of the Senate.

Because of this doubt, the committee felt that the bill should be reported without amendment, but that it should be mentioned that in the committee's opinion the minister should grant to the distributors of construction equipment, who were unlicensed and had tax-paid inventories on budget night, November 18, the same remedy as that provided for dealers in transportation equipment.

That is the meaning of the report before the Senate. It does not, of course, affect the bill in itself, but these facts should be drawn to the attention of the Senate, as its attention had been drawn to the recommendation contained in the report. I for one would certainly urge the Minister of Finance to accept the recommendation of the committee, which I trust will become the recommendation of the Senate.

**Hon. Eric Cook:** Honourable senators, I should like to make a few remarks in support of the recommendation made in the report of the Standing Senate Committee on Banking, Trade and Commerce on Bill C-40.

I attended all meetings of the committee during which Bill C-40 was considered, and I have carefully reviewed all the correspondence and supporting data. As a result, I have no hesitation in respectfully urging the minister to review this application. I feel sure that if the minister and his officials permit these taxpayers a fresh opportunity to outline the facts surrounding their case, the minister will find himself able to grant the relief suggested by the committee. Otherwise, I fear a grave injustice will be done, and a small number of taxpayers will suffer hardship while other taxpayers in exactly the same line of business will escape all liability in respect of this 12 per cent tax reduction.

I do not wish in any way to say anything provocative, because I am sure the minister is a fair-minded man, as are his officials, and if this matter is reconsidered, making a fresh start and bringing a completely open mind to bear on the problem, the merits of the request will be apparent and the prayer for relief will be granted.

Let me briefly outline the situation as I see it. The equipment distributors request a refund of the 12 per cent excise tax they paid to the government on inventory they had on hand unsold on the date of the budget, November 18, 1974. The main merit of this application rests on the fact that there are two classes of equipment distributors doing business in Canada, both classes handling exactly the same equipment. One class is the licensed equipment dealer, and the other is the unlicensed dealer. The licensed dealer sells over 51 per cent of his turnover to users in Canada who are exempt from having to pay the 12 per cent tax, examples being provinces or municipalities. Therefore, rather than the licensed dealer paying the tax at the time he imports the equipment, he only pays it at the time he sells the equipment to consumers who are not exempt, such consumers as contractors in the ordinary course of business.

● (1410)

On the other hand, the unlicensed distributor sells over 50 per cent to non-exempt consumers, and he pays the tax in respect of most of his sales or turnover at the time he buys the equipment. In the event that he sells equipment to an exempt consumer, he claims a refund.

The licensed distributor and the unlicensed distributor are in direct competition, one with the other. They sell the same type of equipment to, if possible, the same consumer. However, the inventory of the licensed distributor is tax-free—that is, the licensed distributor has paid no tax on his inventory—whereas the unlicensed distributor paid 12 per cent tax on the inventory he had on hand as of November 18, 1974. The unlicensed wholesaler or distributor could not escape having some tax-paid inventory on hand as at that date. In order not to have had tax-paid inventory on hand as at November 18, 1974, he would have had to voluntarily cease to do business after July 8, 1974, until after the budget date, whenever that might have been. By doing that, he would have surrendered his customers to the licensed wholesalers during this undetermined period.

Unless the department intends to benefit the licensed wholesaler at the expense of the unlicensed wholesaler, clearly refunds should be made for the following and, no doubt, other reasons:

(1) The application has great merit, and there has been no bad faith whatsoever.

(2) It is quite feasible to make refunds, taking into consideration the number of distributors and the nature and value of the separate pieces of equipment. There are no insurmountable difficulties. There are only 60 distributors involved, and the total amount of the refunds would be $3,500,000, which is not a large sum as far as the

government is concerned. Indeed, a similar application was granted in the case of distributors of transportation equipment.

(3) Making the refunds asked for would not create a precedent, because the refunds in this case are necessary to put two classes of taxpayers in the same line of business on an equal tax footing. In all other cases, clothing dealers and dealers in that class of goods are already on an equal footing, and will continue to be so, irrespective of an increase or decrease in taxes. Therefore, there is no inequity as between taxpayers in the same class.

(4) The argument that the distributor receives the benefit when the tax is increased is true, but it carries little weight in this particular case. The distributors are being asked now to absorb a reduction in the tax of the full 12 per cent. On the other hand, in the last 25 years the tax was increased by only 2 per cent in 1951, by only 1 per cent in 1959, and by only 1 per cent in 1967.

**Hon. Sidney L. Buckwold:** Honourable senators, I was one member of the committee who had some doubts about the recommendations that have been made in the report of the committee. I am not in any way trying to deny the construction equipment dealers what they feel is their right in having a very substantial amount of money, $3.5 million, returned to them. One of my major points was that they are in the same position as literally thousands of other businesses of very substantial value that will get no refunds. The sales tax was dropped on building equipment to the extent of 6 per cent, involving inventories of literally millions of dollars. The sales tax was dropped on footwear to the extent of 12 per cent, and the wholesalers and retail distributors who had very large inventories and stocks on hand on which tax was paid took that loss. The tax was dropped on all clothing, and again those who had substantial investments in those lines found themselves taking the loss.

My point is that I do not know where we can draw the line. Is it fair to say, "We are going to give back to the construction equipment dealers the loss they have taken in the decline of inventory value because of the drop in tax," and let all the other people who have taken a similar kind of loss bear the entire burden? To me this seems blatantly unfair.

I know the argument has been put forward that there is competition between licensed and unlicensed wholesalers or distributors, but this is also true of other lines. There are licensed distributors of a variety of commodities where the same situation applies. There might also be some argument about whether the relationship of transportation equipment to construction equipment is quite as similar as has been indicated.

I only pass on this information to show that, while it is true these people have taken a loss and there may have been unfair competition in some way or another, there are, on the other hand, I suppose, hundreds of occasions involving larger amounts with respect to a wide variety of items that have had tax removed from them, and the loss has been borne by those who owned those inventories, yet there is no recommendation for relief. I just draw this to the attention of the house.

[Senator Cook.]

**Hon. Salter A. Hayden:** Honourable senators, I do not propose to go over the ground that has already been developed. I rise only to correct one statement made by my friend Senator Buckwold in referring to the clothing and shoe industries. Those industries had these problems immediately the May budget was defeated, and they made representations to the government, as a result of which an order in council was passed, under the authority of the Financial Administration Act, remitting those duties, on the basis that at some time, if the government were returned, the budget of May 8 would be reinstated in these respects. Therefore, Senator Buckwold was in error in his reference to the unfortunate position of the clothing and shoe industries.

In addition, the revision of the Financial Administration Act for remission of duties, which can be done by the Governor in Council, has been applied in the case of the transportation equipment industry. This means that, notwithstanding the fact that they had accumulated tax-paid inventories by the time the budget became effective on November 18, 1974, after which date, of course, they were tax exempt, there was an order in council for remission of those duties on tax-paid inventories that had accumulated at that time.

These three instances, quite apart from what Senator Cook said, indicate that recognition has been given to the situation in respect of certain taxpayers. I am not questioning the motive or the reason for it. I think in the case of clothing and shoes the reason was a good one, that there are many people employed in the clothing industry and there are seasonal changes in the preparation of clothing and materials and getting it into the market. The clothing people in the state of their industry were not prepared to carry on in an if-as-and-when basis and be subject to a 12 per cent tax added to the price at which they might try to sell their merchandise.

● (1420)

That was the position of the shoe people as well. But so far as the transportation equipment people are concerned, they have come more lately into the picture and their position has been recognized on the basis that their equipment was of large structure and involved substantial cost, with a selling price up to $150,000 per unit. But the order in council on the minimum side provides for remission of duty on transportation equipment, which includes three-ton trucks in which case the cost factor might be between $5,000 and $10,000. On the other hand, with respect to the construction type of equipment, which involves steam shovels and equipment of that kind, there are units which have a cost in excess of $150,000. So, you have a paralleling of position there. In one instance the situation has been recognized, and remission has been granted; in the other, it has not. To say that there are other people in the same situation adds little to the argument; undoubtedly, there are.

There is to be a reduction in duty from 12 to 6 per cent in the sales tax on construction material, but the problem there was indicated to be a difficult administrative one. With such quantities of construction materials held in so many different places, the department felt it presented too large an administrative problem.

In this case we were told by the witnesses that there is not that difficulty in administration. There is a record of every sale, and therefore there is the identity of the person; moreover, the number of persons involved is not substantial. The administrative problem is of much simpler proportions.

This was the view of the committee. When a motion was made to amend the bill, I felt as chairman that there was not any authority in the committee, or at least it was doubtful whether there was, to amend the bill in this regard. I therefore refused to accept the amendment and it was not pressed. I also reinforced myself by getting the opinion of our law clerk. On that basis we took the next best course and included in our report a statement of the situation.

I must say that this has been described here by several of the speakers as being a recommendation. If it were a recommendation, we would not be engaged on third reading at this time. We would be debating the report. This is not a recommendation. We are calling to your attention a situation which was disclosed in the course of the hearing. We are then suggesting that the government should give serious thought to these representations with a view to improving the position of these people.

**Hon. Ernest Manning:** Honourable senators, I am not going to repeat the points which already have been well made. I wholeheartedly endorse the hope that has been expressed that the minister will give favourable consideration to the relief sought by the distributors of construction equipment.

On the occasion when the minister was before the committee he emphasized quite strongly, as one of his reasons for maintaining that this relief was not warranted, the fact that ample notice had been given to these people by virtue of a press release following the first budget. During the past weekend I took the opportunity to discuss this problem with some of these construction equipment dealers. They pointed out that there is a very long lead time between the time they place orders and the time that this equipment can be delivered. They said if they cancelled orders and started over again they would not only be faced with quite severe penalties but also with the probability of not being able to get the inventory equipment in time to keep their operation going. For this reason they say this notice factor, on which a lot of emphasis was placed by the minister, is in fact not realistic as far as this type of equipment is concerned.

I agree fully that there is a close parallel between heavy construction equipment and the trucking vehicles for which provision has already been made by order in council. In fairness to the construction equipment dealers, I do not think that it should stand that they had ample time to make the adjustments which would have protected them from the taxes in question. I wholeheartedly endorse the idea that the minister give favourable consideration to their request for tax relief.

**Senator Buckwold:** Honourable senators, I am not speaking twice in the debate. I rise on a question of privilege to correct the distinguished chairman of the committee. He said I was in error in my reference to the clothing and footwear inventories not being relieved of tax because of the order in council, and that arrangements had been made, because of the type of industry, for the remission of the tax. The Leader of the Opposition shakes his head, but this is what I got from what the chairman said.

**Senator Flynn:** I am shaking my head because I think you are using the word "privilege" for providing a debating point.

**Senator Grosart:** It is not a privilege, and you are speaking twice.

**Senator Flynn:** You cannot speak twice on the motion. You may feel somewhat frustrated by what has been said, but that is something else.

**Senator Buckwold:** I wanted to correct the error. I can only speak from personal experience, because I happen to be involved in the same kind of operations, and I know that for the period from May 8 to July 8 full sales taxes were paid on those items by the company I represent. I am very glad to hear that there may be a way of getting some of that back. Therefore, I would also say that I do not really feel that my statement was in error.

Motion agreed to and bill read third time and passed.

## THE HONOURABLE JEAN MARCHAND, P.C.

RUMOUR OF RESIGNATION OF MINISTER OF TRANSPORT—QUESTION

**Senator Flynn:** Honourable senators, I want to ask the Leader of the Government if there is any truth to the rumour that the Honourable Jean Marchand has resigned as Minister of Transport. If this is true, could the leader tell us why Mr. Marchand resigned?

● (1430)

**Senator Perrault:** Honourable senators, there is no validity to that rumour. The minister in the other place is going to remain an active member of Her Majesty's Privy Council.

**Senator Flynn:** But has he resigned his office as Minister of Transport? You say he is remaining in the Cabinet, but that is a different matter.

**Senator Perrault:** No.

**Senator Flynn:** You have said that he is remaining in the Cabinet, but has he resigned as Minister of Transport? Has there been any change at all? I would like the honourable leader to state bluntly if Mr. Marchand is still the Minister of Transport or if he has resigned that office.

**Senator Perrault:** I think that question should be more properly directed in the other place. However, I want to assure all honourable senators that Canada will continue to be served superbly well by the minister in his present portfolio.

**Senator Flynn:** I certainly wasn't trying to suggest that he is doing anything less than a superb job.

## CONFLICT OF INTEREST

REFERENCE OF GREEN PAPER TO COMMONS COMMITTEE—FURTHER QUESTION

**Senator Croll:** Honourable senators, on December 11, 1974, I asked a question. I take the liberty of reading the following from page 373 of *Hansard* of that day:

SENATOR CROLL: Honourable senators, the House of Commons endorsed the following resolution and passed it, and I quote:

> That the Green Paper entitled "Members of Parliament and Conflict of Interest" tabled on November 27, 1974, be referred to the Standing Committee on Privileges and Elections; and
>
> That, after the Committee has concluded its deliberations and submitted its report on the aforementioned matter, it be authorized to consider and make recommendations upon the subject-matter of Ministers and conflict of interest and Public Servants and conflict of interest.

My question is, what provision is being made, or has been made, for our participation in a matter which affects senators equally with members of the House of Commons?

SENATOR LANGLOIS: The only thing I can say at this stage is that consideration is being given to this subject, and that the matter will be referred to this house in due course.

By my calculation 77 days have passed since December 11, so nobody can say that I have not been patient. As a matter of fact, I think I must now say that my patience is wearing a little thin. I am told that a statement made by Mr. Reid in the other place is to the effect that all questions on matters of policy should be answered within a week. In that case my question should have been answered a long time ago, because it was evident that the Commons was not going to join with us in the consideration of any such question as conflict of interest. They feel—and surely it must have been known on this side—that questions of conflict of interest in that house can be settled by guidelines sufficiently strong to apply to ministers as well as members, and they have indicated that they want no part of us in connection with any inquiry; that our situation is a different one; and that what is needed here is some deep, serious, political surgery.

**Senator Grosart:** Is this a question?

**Senator Croll:** This is leading up to the question I want to ask. I had a hard enough time getting an answer to my other question, so I thought that perhaps I should make this one plainer.

**Senator Argue:** You are quite in order.

**Senator Croll:** It appears to me that the leader must have known some time ago what the answer would be. I have made inquiries from time to time, and I would have thought that he would have told me, because it would have been the courteous thing to do when he first knew about it. But what do we find now? We find that the Green Paper, "Members of Parliament and Conflict of Interest," is being considered by the House of Commons. I read from the *Globe and Mail* of this date where it says:

> He was commenting during committee debate on a Government green paper setting out proposed conflict of interest legislation for MPs and senators.

Are they going to deal with it insofar as it affects us as well as themselves, honourable senators? I ask that because nothing, to my knowledge, has been done on this side. Do we have to wait for the answers from the House of Commons?

But there is something here more serious than that. It had been rumoured on the other side for a long time that they would not join with us. Another rumour to be heard on the other side is that there are ten vacancies in the Senate, and they will not be filled until such time as we make some reasonable and meaningful reforms, particularly where conflict of interest is concerned. Whether that rumour is true or not, I do not know, but it may be just as true as the first one which, in fact, is turning out to be quite true.

The question I want to ask now—and I am sure every senator understands what it should be—is this: What is being done, or what is going to be done? I think I have a right to ask that question again after 77 days.

**Senator Perrault:** I should like to remind honourable senators that if rumours on Parliament Hill could be converted into power, we would see a very power-rich country indeed. I do not think it serves much purpose to cite rumours—some of which I have not encountered—regarding appointments to the Senate.

As far as the other question is concerned, the Deputy Leader of the Government in this house indicated approximately two weeks ago that we have yet to receive a response from the other place with respect to a matter which, of course, touches on the rights and privileges of members of the Senate. I shall undertake personally to see if we can achieve a comprehension of the attitude of the other place towards the idea of conflict of interest as it affects both the House of Commons and the Senate. It seems to me that this might indeed be a useful area for joint committee activity.

**Senator Desruisseaux:** May I ask the government leader a question? Will he define "conflict of interest"?

**Senator Perrault:** That is one of the tasks of the committee, but if the honourable senator has a useful definition that might assist all of us, then I hope he will be good enough to tell us.

**Senator Desruisseaux:** If I had one I would have given it.

## CRIMINAL CODE (COMMUTATION OF DEATH SENTENCE)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the debate on the motion of Senator Robichaud for second reading of Bill S-21, to amend the Criminal Code (commutation of death sentence).

**Hon. A. E. Haddon Heath:** Honourable senators, I read my horoscope in the Montreal *Gazette* this morning, and it said to keep a low profile. I am here to speak to Bill S-21, to amend the Criminal Code, and so you will see that I shall have some difficulty in keeping a low profile. However, it seems we do not believe all we read in the papers—even in the Montreal *Gazette*.

Perhaps an important thing to keep in mind in dealing with Bill S-21 is that it is not legislation where it matters whether one is an abolitionist or a retentionist as far as

capital punishment is concerned. We debated this in 1973 and, previously, in 1968.

● (1440)

It may be important to note that we passed an amendment to the Criminal Code in 1973, in all good faith that its provisions would be carried out; but apparently they have not been. The modest amendment we are discussing today is surely not unreasonable. We are simply being asked to amend the code to the extent of ensuring that the wishes of Parliament are carried out.

It is perhaps good to dust off some first principles at this time. Legislators define crime and prescribe certain consequences, as we did in 1968 and again in 1973. Courts decide whether or not crime has occurred, and impose suitable sanctions within the law. In the matter of punishing those convicted, we might take an historical approach. It is a broad problem and, as legislators, we probably should take a long approach—which, with respect, should be the way of the legislator. Crimes and offences were originally breaches of the King's peace. At least, that has been so since Saxon times. The sovereign was, and still is, the father and protector of the people and the fountain of justice. It was his duty to see that his people were free to go about their business unhindered by the activities of the anti-social. We now have the citizen and the state, but the same principles apply. A crime is a matter of public interest, an offence of such gravity as to require the application of public justice.

We come, therefore, to the object of criminal law, which is simply to preserve the public peace. How to do it? By ascertaining the culpability of suspected offenders and then punishing them, the cardinal object of punishment being the protection of the public.

The basics of criminal justice are simple enough, but their application is infinitely difficult. So we return to the initial hypothesis, that legislators define crime and prescribe certain consequences. Courts decide whether it has occurred, and impose suitable sanctions within the law. We might well ask who is charged with the duty of imposing suitable sanctions under the Constitution, and better equipped to carry out this sovereign duty? Wicked old judges, that's who!

Have the judges and juries since 1968 been one hundred per cent wrong? If the executive—that is, the Governor in Council—can literally dismember the orders and judgments of the courts, the impression that the courts do not know what they are doing is fortified in the mind of the public. The danger is that the impeachment of the credibility of the courts may well result in massive disobedience of judicial orders. How then will government govern? By means of troops and bayonets?

The result of interference with the judicial function will be much more serious than those who have encouraged or permitted it ever imagined.

Parliament, the executive and the courts have their respective powers, which we attempt to keep in balance. On this solid base rests all our hope of good governance. If two of these three elements are being emasculated, this bill is a modest step in restoring the necessary balance. It seems reasonable that Bill S-21 will be a constructive element in restoring both the effectiveness of Parliament and of our judicial system.

**Hon. John Morrow Godfrey:** Honourable senators, as everyone is probably well aware, I am unalterably opposed to capital punishment in any form, and was one of eight senators who voted against capital punishment with respect to the murder of police officers. The reason, very simply, is that it appeared to me to be illogical that if someone murdered the Prime Minister of Canada, his wife, or his child, he would be sent to jail for life, or for a certain number of years. On the other hand, if he murdered the RCMP officer guarding the Prime Minister, he would be executed.

The public have the idea, in my opinion, that this problem is greater than it actually is. In Toronto last week I was being attacked by several of my friends with respect to the action of the government in commuting these death sentences. I therefore asked one of them for his estimate as to the average number of policemen murdered in Canada each year, and he replied 25. We have had the figures from Senator Robichaud, and I will just remind you of them. In 1968 the number was five; in 1969 it was five; then it dropped for three years in a row to only three each year, and increased to five in 1973. Therefore, the problem is actually not as great as it is considered to be by the public.

We also heard from Senator Prowse, who pointed out that in the last two years there has been only one murder of a policeman in each year with respect to which there was no recommendation for mercy by the judge or jury, and the Cabinet commuted the death sentence. However, I am sympathetic to the viewpoint that the Cabinet should not automatically commute all death sentences. It is wrong if they are allowing their personal opposition to capital punishment to influence their decisions.

As far as I am concerned, there is no way I could support Senator Robichaud's bill. This could result in a person being executed because evidence that would have resulted in a recommendation for mercy by the judge or jury came to light after the trial rather than before it. Also, there may be relevant evidence that would not be placed before the judge and jury, although available, because it would not be the type of evidence adduced at a murder trial, although it might be pertinent to this question of commutation.

Senator Hicks asserts that this is a highly unlikely hypothetical case. I can simply say that I do not agree. I am sure that there have been many cases in which commutation has been granted based upon information and evidence not available to either the judge or jury.

However, as I say, I sympathize with the view that the government should obey the spirit as well as the letter of the law. Might I suggest that this object to a certain extent might be accomplished by requiring the government, when there have not been recommendations for mercy by the judge or jury, to give detailed reasons for their decision if they decide to commute the death penalty.

On motion of Senator Petten, for Senator Michaud, debate adjourned.

● (1450)

## SENATE (INTERSESSIONAL AUTHORITY) BILL

SECOND READING—DEBATE ADJOURNED

**Hon. Jacques Flynn** moved the second reading of Bill S-22, to provide for the internal economy and administration of the Senate between sessions of Parliament and between Parliaments.

[*Translation*]

He said: Honourable senators, I have been waiting for an opportunity when our program would not be too heavy to introduce this bill which is in no way dramatic and which I bring to you very simply.

It represents the result of the experience I have acquired since I came to the Senate over 12 years ago, and especially since I have become Leader of the Opposition in the Senate. I am in the process of establishing a record here. It is not my fault but that of the Canadian electorate.

**Senator Fournier (de Lanaudière):** And you will keep it up.

**Senator Flynn:** I beg your pardon? Is the interpretation system not working?

[*English*]

**Senator Croll:** Madam Speaker, the interpretation system is not working, and we would like to hear the Leader of the Opposition.

**Senator Flynn:** If it is not working I shall speak in English.

This bill is not one which is necessarily endorsed by the party to which I belong. It merely comes as a result of some of the experience I have acquired since I entered the Senate some 12 years ago, but more particularly since I became Leader of the Opposition over seven years ago. I may very well establish a record in this post of Leader of the Opposition, not because I wish to do so but because of various decisions made by the electorate of Canada. Senator Fournier suggests that the situation is not about to change. He has been here for such a long time that he should know what he is talking about.

I am not so lacking in humility as to suggest that it is necessarily in the interests of Canada that I should remain in this post. Nor am I suggesting that I should take over the responsibilities of the Leader of the Government. I do not envy him, I can assure you.

The bill I am proposing for your consideration hopefully will give rise to a debate as to what we should do concerning certain problems. Some of these are minor, while others are becoming more important because of the evolution of responsibilities taken over by the Senate in recent years, particularly in the investigations conducted by our committees. This bill is an attempt at a solution to these problems.

As honourable senators know, when there is a dissolution, the Senate is in no way changed as a result. We all remain members of the Senate. The same does not obtain in the other place. Dissolution there means that those people are no longer members of the House of Commons. But, because of the legislation which provided that their indemnity should be paid on a monthly basis and until the date of the election following a dissolution, this concept of ceasing to be a member of the House of Commons upon the day of dissolution has become clouded.



The same situation is not to be found in the Senate. We remain senators, but, as has been said by legal experts, we are discharged from our duties. Therefore there is a sort of hiatus created.

Could we not allow for senators to undertake some work during the period of dissolution—that is, from the date of dissolution until the date when Parliament reconvenes? Sometimes that period is quite lengthy. That is one question, and the most important one with regard to the duties that might be undertaken during such periods.

I shall deal with the minor matters in a moment. I wish to place on record the various periods during which Parliament did not sit following a dissolution. The periods vary from 100 to 150 days, which is over five months.

In the House of Commons, the only problem between Parliaments is that of internal economy, which is solved by the House of Commons Act, giving authority to the Speaker to deal with problems of staff, and so on.

There are no other problems in the other place, at least from the date of dissolution until the date of the election, because following the date of election the new members, or re-elected members, are sworn in and arrangements are made for their travelling expenses, the hiring of staff, and so on, which are confirmed when the house reconvenes for the first session.

The following are the number of days involved in the periods of dissolution between the Twenty-fifth and Thirtieth Parliaments: between the Twenty-fifth and Twenty-sixth Parliaments, February 6, 1963 to May 16, 1963, 99 days; between the Twenty-sixth and Twenty-seventh Parliaments, September 18, 1965 to January 18, 1966, 132 days; between the Twenty-seventh and Twenty-eighth Parliaments, April 23, 1968 to September 9, 1968, 138 days; between the Twenty-eighth and Twenty-ninth Parliaments, September 1, 1972 to January 4, 1973, 125 days; and, finally, between the Twenty-ninth and Thirtieth Parliaments, May 18, 1974 to September 30, 1974, 143 days.

In the Senate, the problem of hiring staff, of providing travelling expenses, and so on, during a dissolution, is dealt with by adopting the following resolution after each Parliament has reconvened for the first session:

> 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.

● (1500)

This problem is theoretical with respect to the period between sessions of Parliament, because the custom over

the last ten years has been to prorogue the session on the day prior to the commencement of the new session. Therefore, the Senate is merely adjourned. There is no problem in that respect. If there were, I suggest we would have been able to deal with it by a resolution of the Senate giving the necessary authority.

This authority has not been challenged either for the period between sessions of Parliament or between Parliaments. Yet it covers, as I mentioned, only trivial matters. I have a lot of the minutes of this committee that we appoint from time to time to deal with problems between Parliaments, and these indicate that the matters dealt with were such things as travelling expenses for members attending parliamentary association meetings, use of credit cards for making telephone calls from outside Ottawa, temporary staff during the period between Parliaments, and things of that nature.

I think it would be useful to have the proposals embodied in Bill S-22 to deal with these matters in a more comprehensive and certainly a more standard way than has been the case in the past. My main concern, however, is not so much with such matters as I have outlined, but rather the problems encountered by Senate committees which are investigating certain matters that have been referred to them by the Senate. The moment Parliament is dissolved, investigations by Senate committees come to an immediate standstill. Yet the fact is that these committees could continue to hold hearings for at least a month, and perhaps even a month and a half after dissolution of Parliament. Also, they could reconvene shortly after the election, and sit from that time up to the beginning of the first session of the new Parliament.

When it is not a question of legislation, it seems to me that the Senate should provide authority for its committees, to which have been referred certain matters for investigation, to continue their hearings. I am quite sure Senator Croll will agree with me on that point.

The most striking example of what I am dealing with here concerns the Special Senate Committee on Science Policy which encountered delays amounting to at least three months in completing its study because of dissolutions of Parliament. In May of 1974 the Foreign Affairs Committee had arranged for five or six sittings with very important witnesses which, again, could not be held because of the dissolution of Parliament. Had we had the provisions which are embodied in Bill S-22 at that time, the Foreign Affairs Committee would have been able to continue for at least a month and would have been able to reconvene right after the election. As a result, it would probably be much further advanced than it now is in its study of relations between Canada and the United States.

Honourable senators, I am sure, are not always busy during the entire period between Parliaments. Not too many senators are heavily involved in the entire election campaign, and there are not too many who could not come back fairly soon after the election itself to resume their duties as members of such committees.

For those reasons, honourable senators, I suggest that Bill S-22 would solve our problems in this respect. The only objective I have in presenting it is to correct this unfortunate situation and, at the same time, provide for a solution for the other minor problems which I have outlined.

Perhaps I could take a moment to draw to your attention the main clause of the bill, that being clause 3. Clause 2 deals with the committee that would be appointed to deal with these problems, and it would be much the same as the one which is presently established by resolution; that is, one made up of the Leader of the Government in the Senate or a senator acting for him, and a senator to be named by the leader or, in his absence, by the Acting Leader of the Government; and the Leader of the Opposition in the Senate or a senator acting for him, or a senator to be named by the Leader of the Opposition or, in his absence, by the Acting Leader of the Opposition. That committee would cover all the situations which might arise and may act for and on behalf of the Senate in all matters relating to the internal economy or administration of the Senate, and would report to the Senate within 15 days of the commencement of the next session.

The main point of this bill is to be found in clause 3, which states:

> (1) Notwithstanding anything in the Rules of the Senate or in any other law or authority, any Senate committee in existence immediately prior to the termination of a session, and the members thereof, may be authorized by the Senate prior to dissolution or prorogation, or by the Senate Intersessional Authority between sessions of Parliament and between Parliaments, to sit and continue any investigation previously entrusted to it by the Senate, for the duration or any part of any such period, and shall be deemed to have been reconstituted accordingly.

And subclause (2) is:

> Notwithstanding subsection (1), the powers of a Senate committee authorized to function between sessions of Parliament or between Parliaments are limited to the taking of evidence unless otherwise authorized by the Senate Intersessional Authority on the recommendation of the committee.

The "unless" clause provides for the situation where the Senate might authorize a committee to proceed with the preparation of a report, and this has been the case on previous occasions.

Subclause (3) provides:

> The evidence given before any such committee between sessions of Parliament or between Parliaments shall form part of the records of its successor committee, if any, when it is established following the commencement of the next ensuing session of Parliament.

Whether the formula embodied in this bill will provide the ideal solution to the problems I have in mind, I do not know. I think it is a good solution. My main objective, as I said, is to draw the attention of the Senate to the necessity of providing a solution to these problems, and I hope that the debate on this bill will bring about either the endorsation of the bill I am presenting or the introduction of a bill by the Leader of the Government, or any other honourable senator, which might more effectively solve the problems I have described.

On motion of Senator Perrault, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, February 27, 1975

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

Prayers.

## ALASKA BOUNDARY TREATY OF 1825

150TH ANNIVERSARY OF ESTABLISHMENT OF CANADA'S WESTERN BOUNDARIES

**Hon. Paul Yuzyk:** Honourable senators, with leave, I should like to impart to the house what I consider to be some important and worthwhile information.

Tomorrow, February 28, 1975, marks the 150th anniversary of the establishment of Canada's western borders, accomplished by the signing of the Alaska Boundary Treaty of 1825, by which Great Britain and the Russian Empire demarcated their boundaries on the northwest coast of North America. Territories assigned by this treaty to Great Britain later became the Province of British Columbia, the Yukon Territory, and part of the Northwest Territories of Canada. Alaska was purchased by the United States in 1867. Thus were established Canada's western boundaries, which have remained to the present day, thereby extending her territories from the Atlantic to the Pacific and to the Arctic in the North.

Signing for Great Britain was her plenipotentiary, Stratford Canning. The co-signatories for the Russian Empire were Count Charles Nesselrode and Pierre de Poletica, former Ambassador to the United States. In 1923, by resolution of the Government of the United States and the Government of Canada, mountains on the Alaska-British Columbia boundary were named in honour of Nesselrode and Poletica, as well as the British negotiators George Canning and Sir Charles Bagot, and the American negotiators Henry Middleton and John Quincy Adams.

Since the negotiators of the Alaska Boundary Treaty of 1825 on the Russian side are considered to have been quite fair and even generous, I am drawing attention to Pierre de (Petro) Poletica, who was a Ukrainian. This should be of interest to Canadians, because over 600,000 citizens of Ukrainian ancestry live in this country and have made significant contributions in all walks of Canadian life. A prominent diplomat in the Tsar Alexander I's service, Poletica, after the treaty, was appointed Privy Councillor and senator. The role of Poletica is fully presented in a well-documented book by Mykhaylo Huculak, entitled *When Russia was in America*, published in 1971 by Mitchell Press Limited, Vancouver.

A Committee for the 150th Anniversary of the Demarcation of Canada's Western Boundary was established last year. The Right Honourable John G. Diefenbaker is the Honorary President. Among the honorary members are Premier Robert Bourassa of Quebec, Premier Peter Lougheed of Alberta, Premier Richard Hatfield of New Brunswick, Premier Alexander Campbell of Prince Edward Island, Commissioner S. M. Hodgson of the Northwest Territories, Commissioner J. Smith of the Yukon, and others. Dr. M. Huculak, the author of the aforementioned book, is president of the Executive.

This committee has achieved the following. Mayor Arthur Phillips of Vancouver has undertaken to designate three streets of that city as Canning, Nesselrode and Poletica; Mayor Peter Pollen of Victoria has offered a site in the Inner Harbour Park for the erection of a commemorative obelisk. A commemorative plaque is planned to be erected in the Parliament Buildings or the National Library in Ottawa.

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

GOVERNMENT HOUSE
OTTAWA

February 27, 1975

Madam,

I have the honour to inform you that the Right Honourable Bora Laskin, P.C., Chief Justice of Canada, in his capacity of Deputy Governor General of Canada, will proceed to the Senate Chamber today, the 27th day of February at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the
Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Reports respecting receipts and expenditures under Part V (Sick Mariners) of the Canada Shipping Act for the fiscal years ended March 31, 1973 and 1974, pursuant to section 306 of the said Act, Chapter S-9, R.S.C., 1970. Nil Return.

## TERRITORIAL LANDS ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

**Senator Goldenberg,** Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, reported that the committee had considered Bill S-20, to amend the Territorial Lands Act, and had directed that the bill be reported with the following amendment:

Page 1: In the French version strike out lines 7 and 8 and substitute therefor the following:

"24. (1) Un fonctionnaire ou employé du gouvernement du Canada, ou en relevant, ne peut, directe-"

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

**Senator Goldenberg:** With leave, now.

**The Hon. the Speaker:** Honourable senators have heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

**Senator Goldenberg:** Honourable senators, perhaps I should explain the amendment. It is a very simple correction in the French text so that both the English and French texts say the same thing.

**Senator Flynn:** That is a very laudable purpose.

Motion agreed to and report adopted.

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Goldenberg:** With leave, now.

**Senator Flynn:** I have no objection.

**Senator Denis:** For once. Congratulations. You are improving.

[*Translation*]

**Senator Côté:** I do not recognize Senator Flynn since he is so agreeable today. He has changed a lot.

● (1410)

[*English*]

**Senator Flynn:** Honourable senators, Senator Denis says that for once I have given consent. Perhaps I should explain, since I would not want his remark to stand unanswered on the record. This bill is not a simple one, but I am afraid it is a very trivial one and I do not want to keep it here any longer.

Motion agreed to and bill read third time and passed.

## LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF SENATE

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit while the Senate is sitting on Wednesday next, March 5, 1975, and that rule 76(4) be suspended in relation thereto.

**The Hon. the Speaker:** Honourable senators, you have heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

Motion agreed to.

## BUSINESS OF THE SENATE

**Senator 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, March 4, at 8 o'clock in the evening.

Before the question is put, I should like to give a brief outline of what we can expect for next week. When we return on Tuesday evening we should have before us Bill C-49, an act to amend the statute law relating to income tax. This is an important bill and one that will require careful consideration, both in the Senate and in the committee. The Standing Senate Committee on Banking, Trade and Commerce was authorized on November 21 last to examine any bill based on the budget resolutions relating to income tax in advance of any such bill coming before the Senate. That committee has already done a great deal of work on this bill, but in view of the substantial amendments made in the other place, the legislation will require further careful study by the committee.

On Tuesday, the Joint Committee on Regulations and other Statutory Instruments will meet at 9.30 a.m. The Standing Senate Committee on Legal and Constitutional Affairs will meet at 11 a.m. and again at 2.30 p.m. to hear witnesses on Bill S-19, and arrangements have been made to televise the proceedings both in the morning and afternoon. The Standing Senate Committee on Foreign Affairs will continue its study of Canada's relations with the United States at 2.30 p.m., and the Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 8 p.m.

On Wednesday, the Banking, Trade and Commerce Committee will continue its examination of Bill C-29, an act respecting Canadian business corporations, and the Legal and Constitutional Affairs Committee will hold a meeting at 2 p.m. to continue its examination of Bill S-19.

On Thursday at 9.00 a.m., the Foreign Affairs Committee will hold another meeting on Canadian relations with the United States. The Joint Committee on Regulations and other Statutory Instruments will meet at 9:30 a.m., and the Special Joint Committee on Employer-Employee Relations in the Public Service will meet at the same time. Also at 9:30, the National Finance Committee will continue with its examination of the Manpower Division of the Department of Manpower and Immigration. At 11:30 a.m., the Special Committee on Science Policy will hold an in camera meeting.

Motion agreed to.

## EUROPEAN ECONOMIC COMMUNITY

CANADA'S CLAIM FOR COMPENSATION—QUESTION

**Senator Grosart:** Honourable senators, I wish to direct a question to the Leader of the Government.

In view of the impending deadline and the possibility of a failure of negotiations resulting in retaliatory trade measures between Canada and the European Community, would he inform the Senate as soon as possible of the status of the negotiations being carried on between Canada and the European Community in respect of the compensation demanded by Canada, under article 26.4 of GATT, in the matter of the loss of preferential access of certain Canadian commodities to the British market under the former British Preferential Tariff as it applied prior to the entry of Britain into the community. Particularly, would he inform the Senate as to the amount, in dollar terms, claimed by Canada in compensation.

I ask the question because the negotiations, understandably, are being carried on without very much information being given to Parliament, and it seems to me that it is time we had some information because of the serious results which would come about if a trade war were started between Canada and the European Community.

**Senator Perrault:** Honourable senators, the question is most appropriate, indeed. The matter to which Senator Grosart has referred has been the subject of intensive discussion and negotiation, as the senator pointed out, over many weeks and, indeed, months.

I shall undertake to obtain a report for the Senate. I hope to be able to present that report next week. Honourable senators are aware, of course, of the current visit to Europe of the Right Honourable the Prime Minister of Canada, and some of the matters to which the senator has referred are items which most probably will be on the agenda.

## CONFLICT OF INTEREST

REFERENCE OF GREEN PAPER TO COMMONS COMMITTEE—QUESTION ANSWERED

**Senator Perrault:** Honourable senators, I should like to make reference to an inquiry directed to me by Senator Croll yesterday with respect to the matter of conflict of interest among parliamentarians. In his remarks Senator Croll made reference to the fact that the subject of conflict of interest is now under consideration by a committee of the other place. I undertook to obtain further information with respect to the attitude of that place toward this subject and toward the participation of members of this place in any kind of joint committee.

It is the opinion of the house leader in the other place that the Commons committee is dealing with the question of conflict of interest only as it applies to members of the House of Commons. Because it is not the intention of the Commons committee to consider the matter of possible conflict of interest in this chamber, they feel a joint committee on this particular subject is inappropriate at this time. I think it remains, then, for the Senate, when our schedule permits, to strike a committee to examine the question as it affects the Senate.

● (1420)

There is no inclination on the part of members of the other place to enter into any kind of joint committee arrangement to discuss the question. I am advised that it is felt on the other side that it would be inappropriate for members of this place to discuss possible conflicts of interest in the Commons, just as it would be inappropriate for members of that house to discuss alleged conflict of interest in the Senate.

[Senator Grosart.]

## CRIMINAL CODE (COMMUTATION OF DEATH SENTENCE)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the debate on the motion of Senator Robichaud for second reading of Bill S-21, to amend the Criminal Code (commutation of death sentence).

[*Translation*]

**Hon. Hervé J. Michaud:** Honourable senators, because the deliberations now in progress in the Senate could have serious consequences, it is imperative, according to those who have until now taken part in the debate, that the discussion take place with the greatest objectivity, and consequently be devoid of any political consideration or partisanship, and that it should reflect the dictates of individual consciences.

To eliminate all glaring manifestations of violence in society, or so they claim, some have seen fit to suggest that we do away, straight off, with those who are found guilty of violent criminal acts, thus, we are told, ensuring a lasting peace to our even otherwise troubled world. Were we to give credence to such a merciless concept, then perhaps we should extend it to its extreme limits in order to finally achieve the perfect society that would guarantee each one of us a life free of burdens and useless worries.

To do away with the hardships of poverty, why not get rid of all the poor, who have become far too cumbersome? To do away with the burdens and troubles of sickness, why not get rid of all the sick whose needs seem too onerous? To do away with the many obligations the old and the lame impose upon society, why not get rid of those who cannot be self-sufficient? Obviously, to do so is repulsive to the conscience of a society such as ours and, rightly so, all its citizens would reprove such measures. Yet are not a great number of those violent individuals who live among us above all a product of our own unbalanced society?

Therefore, it would not be without failing in its serious duties that society could deny its responsibilities towards those of its members who are affected by the confusion in which we are all caught. It is everybody's responsibility to look for the causes of this new outbreak of violence. Degrading living conditions, social alienation and dismemberment, exploitation of the underprivileged by the privileged, oppression, restraint, all these form the breeding ground for the frustration which often leads to the outburst of violent tragedies for which each one of us, together with society, is responsible.

If there is physical violence, there is also moral violence. Is it not everybody's duty to be more merciful, more compassionate toward the victims of social injustice? Moreover, how could we excuse any kind of intransigence toward the authors of these violent actions when we know that very often it is on the screen of our public television corporation that they have learned their trade. We are

aware of the horrors of the films that are shown, apparently with the consent of responsible authorities, before the eyes of both young and adults. They show in the tiniest detail the most horrible crimes, despite, for that matter, the repeated protests of numerous citizens whose consciences are offended. Do we want to curb excessive violence in our society? Let us then begin by fighting its causes.

Those who believe in capital punishment, and quite sincerely so I agree, will try to convince the rest of us that such a brutal measure will have a deterrent effect on those who might be tempted to commit murder.

And yet, we have under our eyes a perfect example of a society in which the death penalty is a rule that applies to all its members. It is the organized crime society. Woe to those who interfere with the progress or counteract the efforts of the underworld in carrying out its harmful schemes: police officers, unwilling witnesses, rivals of today who no later than yesterday were partners—every one of them will be mercilessly slaughtered. He who kills today will be shot tomorrow. Such is the death penalty rule in its broadest sense. But the number of criminals keeps growing in spite of those dangers which they constantly have to face. There is no need reminding them of those dangers; their insensitive minds will not listen to any warning. They will give up their lives rather than their schemes, as we can learn everyday from their accomplishments. Such is the deterrent effect of the death penalty, as applied in their own personal way, on crime addicts.

When introducing this bill, the mover said, as reported in the Senate *Hansard* of February 13, and I quote:

> Honourable senators will have noticed the number of suicides.

He was speaking of suspects arrested for murder.

> When society refused to play its role, some of the accused committed suicide because they had accepted the consequences of their act at the time they committed the murder.

Then what about the deterrent effect of the death penalty on those who committed suicide in those circumstances if they did not fear to take their own lives by their own hands and of their own volition?

According to the figures supplied by the mover of this bill, eight suspects arrested for the murder of policemen since 1967 in Canada were convicted by the courts and given the death sentence—eight people, over a period of eight years, whose sentences were later commuted.

Honourable senators, I ask—how many murders were committed within the framework of organized crime where, as we have seen, the law of capital punishment is the only valid one? How many murders were committed, not in the last eight years but in the last eight weeks, in Canada?

For all those reasons, honourable senators, I am convinced that capital punishment does not have the deterrent effect that some of us, as well as people in other parts of this country, would like to think. The Government of Canada, for its part, has taken on that issue a position that is based on clemency rather than merely punitive grounds. The rehabilitation of inmates becomes the priority of the government. The government may want to take a harder stand towards paroles for inmates; that is one thing, but I cannot accept that the royal prerogative as specifically set out in the Statutes of Canada should be impaired.

[*English*]

● (1430)

On motion of Senator Flynn, for Senator Asselin, debate adjourned.

The Senate adjourned during pleasure.

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At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

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## ROYAL ASSENT

The Right Honourable Bora Laskin, 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 Royal Assent to the following bills:

An Act to amend the Customs Tariff, (No. 2).

An Act to amend the Excise Tax Act and the Excise Act.

An Act to amend the Electoral Boundaries Readjustment Act.

An Act respecting International Air Transport Association.

The House of Commons withdrew.

The Right Honourable the Deputy of His Excellency the Governor General was pleased to retire.

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The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, March 4, at 8 p.m.

# THE SENATE

Tuesday, March 4, 1975

The Senate met at 8 p.m., Honourable Muriel McQueen Fergusson, P.C., Speaker *pro tem* in the Chair.

Prayers.

## PUBLISHING INDUSTRY

NEWSPAPER ARTICLE AND CORRESPONDENCE—QUESTION OF PRIVILEGE

**Senator Davey:** Honourable senators, I rise on a question of privilege. Recently I wrote a letter to the editor of the Toronto *Globe and Mail* in response to an editorial which appeared in that newspaper on Monday, February 24, entitled "Whittling Down a Freedom." Most but not all—I repeat, most but not all—of my letter appeared in the *Globe and Mail* on Saturday, March 1. It may be helpful if I took a moment to read my letter to the editor, which is more or less self-explanatory. The following is part of the letter which I sent to the editor:

> Because *The Globe and Mail* has well earned its reputation of having the best written and most perceptive editorial page in the country, I was more than a little surprised to read your recent editorial Whittling Down a Freedom (Feb. 24). You accuse the government of censorship because after more than 30 years of inactivity it has had the courage to tackle head-on the unfair competition of the so-called Canadian editions of *Time* and *Reader's Digest* with the Canadian periodical industry.
>
> Although the Canadian managers of both these publications have tried hard to foster the impression that their Canadian readers will be deprived of their magazines, in fact, they will be no more excluded than are *Newsweek*, *Playboy* or *Sexology Today*. *Time* will still be able to carry as much Canadian news as it thinks worth printing.
>
> The only restriction proposed is directed against a form of commercial dumping which both the O'Leary Commission and the Senate Committee I headed found to be unique in all the world. This is the dumping of costly editorial material, virtually free of charge, as a means of selling advertising space and depriving Canadian magazines of about half their potential revenues.
>
> To compare this, as you do, to the government moving in to regulate how much New York *Times* wire service copy should be carried in the pages of the *Globe* is simply absurd. The two situations have nothing in common. A truer comparison would be if *The Wall Street Journal* had decided to launch a daily to compete with your Report on Business, threw in four or five Canadian stories, but took away half your advertising. I wonder if your editorial would have taken a different line in such circumstances.
>
> When our Senate Report on the Mass Media was published, you supported our recommendation that *Time* and the *Digest* be deprived of their special privileges. Now, you have made a 180-degree switch.

Curiously, honourable senators, that version of my letter, which appeared in last Saturday's edition of the *Globe and Mail*, was followed by an editorial note in italics which was, in fact, longer than my letter to the *Globe and Mail*. The final sentence of my letter was omitted completely.

Incidentally, it might be worth pointing out that by some coincidence the editorial cartoon which appeared in the *Globe and Mail* of the same date depicted two citizens standing in front of the Peace Tower with, apparently, some dirty laundry hanging out to dry, and the caption was: "We seem to be in a period of letting it all hang out."

I share that exact sentiment, and I propose, for just a moment or two, to let it all hang out. The final sentence of my letter which the *Globe and Mail* omitted is as follows:

> Perhaps your about-face on the issue may have some connection with the arrival of *Globe* publisher Brigadier Richard Malone, who announced earlier this week that FP Publications had abandoned its attempt to negotiate a deal with *Time*.

Honourable senators, my authority for that assertion is impeccable. It is the *Globe and Mail's* own Report on Business. That story appeared in the *Globe and Mail's* Report on Business on Wednesday, February 26, the editorial having appeared on February 24 and my letter having been published on Saturday, March 1.

It is an Ottawa by-line by Jeff Carruthers, the headline of which is: "FP abandons plans for *Time* share." Let me read it in part:

> FP Publications Ltd. of Toronto has abandoned any plan to acquire an interest in the Canadian edition of *Time* magazine and perhaps use *Time* as the basis for a new weekly news magazine with greater Canadian content.
>
> R. S. Malone, president of FP Publications, said the federal government's latest proposals concerning the content required for *Time* to remain classified as a Canadian publication under the Income Tax Act has killed FP's interest in the news magazine.
>
> "It's a dead issue as far as we are concerned," said Mr. Malone, who is also publisher of the *Globe and Mail*.
>
> FP had preliminary discussions with *Time* officials last year on the subject, but no such negotiations or discussions are under way or contemplated, Mr. Malone said.
>
> "The terms just aren't acceptable. The government would be controlling the news content and telling

people what they can read in the magazine, something that would not bode well for the Canadian publishing industry generally," he said.

The latest government proposals, which would be in addition to the previously proposed 75 per cent Canadian ownership, "will destroy the magazine (*Time Canada*)" he said.

Honourable senators, let me make it clear that I have no quarrel with either *Time* or the *Globe and Mail* negotiating a deal. That, of course, is their respective business. But surely the *Globe and Mail*, unwilling or unable in its editorial to declare its own conflict of interest on this proposed magazine legislation, should have published my letter in its entirety. There are perhaps two conclusions. A senator who is aggrieved is indeed fortunate. He can rise in this place and air his complaint. But what of ordinary Canadian citizens in comparable situations? In the case of the *Globe and Mail* they cannot even appeal to the Ontario Press Council because, of course, the *Globe and Mail* does not belong to the Press Council. The *Globe and Mail* has opposed, from the beginning, the very concept of a press council.

Finally, it may be time in this country for us to require most newspapers to publish on their editorial page or masthead the names of their real owners. The *Globe and Mail* is, of course, an FP publication, whose publisher, R. S. Malone, is also president of FP Publications. But neither this fact nor, indeed, the fact that the *Globe and Mail* is an FP publication is even mentioned on the *Globe and Mail* editorial page masthead.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** *pro tem* informed the Senate that messages had been received from the House of Commons to acquaint the Senate that the name of Mr. Dinsdale has been substituted for that of Mr. Fraser, that the names of Messrs. Fraser and Isabelle have been substituted for those of Messrs. Alexander and Clermont, and that the name of Mr. Clermont has been substituted for that of Mr. Isabelle on the list of members appointed to serve on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## 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-49, to amend the statute law relating to income tax.

Bill read first time.

**Senator Langlois** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## NORTHWEST TERRITORIES REPRESENTATION BILL

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-51, to increase the representation of the Northwest Territories in the House of Commons and to establish a commission to readjust the electoral boundaries of the Northwest Territories.

Bill read first time.

**Senator Langlois** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

● (2010)

## PRAIRIE GRAIN ADVANCE PAYMENTS 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-10, to amend the Prairie Grain Advance Payments Act.

Bill read first time.

**Senator Langlois** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## LAW REFORM COMMISSION 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-43, to amend the Law Reform Commission Act.

Bill read first time.

**Senator Langlois** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL C-228 (BRUCE)—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-228, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

**Senator McDonald** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

BILL C-229 (LAFONTAINE)—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-229, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

**Senator McDonald** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

**Senator Choquette:** May I ask if we will be sitting from 9 o'clock on that morning?

**Senator Langlois:** All night.

Motion agreed to.

BILL C-365 (BERTHIER)—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-365, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

**Senator McDonald** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## IMMIGRATION POLICY

PROPOSED SPECIAL JOINT COMMITTEE TO CONSIDER GREEN PAPER

**The Hon. the Speaker** *pro tem:* Honourable senators, the following message has 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 consider the Green Paper on immigration policy tabled by the Minister of Manpower and Immigration in the House of Commons on February 3, 1975; and to invite the views of the public on the issues raised therein;

That 15 Members of the House of Commons to be designated at a later date be members on the part of this House on the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have power to adjourn from place to place within Canada;

That the committee be empowered to retain the services of advisers to assist in its work; and that it also be empowered to retain the professional, clerical and stenographic help as may be required;

That the committee submit their report not later than July 31, 1975;

That the quorum of the committee be 12 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 6 members are present so long as both Houses are represented; and

Ordered: That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

Attest

Alistair Fraser,

The Clerk of the House of Commons.

[The Hon. the Speaker.]

## DOCUMENTS TABLED

**Senator Langlois** tabled:

Report of temporary loans made to the Old Age Security Fund for the fiscal year ended March 31, 1974, pursuant to section 25(4) of the Old Age Security Act, Chapter O-6, R.S.C., 1970.

Report on the administration of the Canada Pension Plan for the fiscal year ended March 31, 1974, pursuant to section 118, Chapter C-5, R.S.C., 1970.

Supplementary Estimates (D) for the fiscal year ending March 31, 1975.

Copies of text of resolutions adopted by the House of Representatives of the Republic of Cyprus, January 16 and 23, 1975, relating to the Cyprus situation (English text).

● (2020)

## FEEDS ACT

BILL TO AMEND—REPORT OF COMMITTEE PRESENTED

**Senator Argue,** Chairman of the Standing Senate Committee on Agriculture, to which was referred Bill S-10, to amend the Feeds Act, presented the following report:

Tuesday, March 4, 1975.

The Standing Senate Committee on Agriculture to which was referred Bill S-10, intituled: "An Act to amend the Feeds Act" has, in obedience to the order of reference of Wednesday, October 23, 1974, examined the said bill and now reports the same with the following amendment:

1. (a) *Page 3:* Strike out line 1 and substitute therefor the following:

"10. (1) Every natural person who *contravenes*"

(b) *Page 3:* Immediately after line 11 add the following:

"(1.1) Every corporation that contravenes any provision of this Act or the Regulations is guilty of an indictable offence.

(1.2) Where a corporation has been convicted of an offence under this Act, the chief executive officer of the corporation shall be presumed to be guilty of an offence under subsection 10(1) unless he establishes that the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission."

In addition, your committee desires to make three recommendations arising out of its discussion of the bill and the briefs presented to it.

First, the question of whether dogs and cats should be defined as livestock for the purpose of regulating the manufacture of pet foods was raised by witnesses appearing before the committee. The Canadian Feed Manufacturers' Association, which represents many pet food manufacturers, requested that the manufacture of pet foods be regulated under the Feeds Act. The Pet Food Manufacturers Association of Canada expressed the opposite in its written brief.

Two groups not associated with the manufacturing of pet foods, the Consumers' Association of Canada and the Canadian Veterinary Medical Association, expressed their concern about the quality of the product. It was brought to the committee's attention that there are no required nutritional standards for pet food in Canada and that these products can contain dead or diseased animals or protein and other nutrients in non-digestible form. These products are only required to be correctly packaged, labelled, weighed and to be free of bacteria.

The pet food industry is of considerable size; gross sales in 1974 were over one hundred and twenty million dollars and growing at 10-20 per cent per annum. Pet owners are spending considerable sums on products, the nutritional quality of which your committee believes to be irregular.

After considering the evidence presented to it, your committee concluded that the problem of the nutritional quality of pet foods warranted further study. Your committee therefore recommends:

> That the government give serious consideration to regulation of the nutritional quality of pet foods for the protection of the consumers of these products, their owners, and the health of the population in general.

Second, your committee investigated the question of whether the additional responsibilities that the Department of Agriculture will have as a result of Bill S-10 would decrease the capability of that department to carry out its current responsibilities under the Feeds Act. These additional duties include the inspection of "integrated feed manufacturing-livestock production" enterprises and of "customer formulae" mobile feed mills. The department could not supply information on the number of units of each type but they are significant. The mobile feed mills will be a special problem for inspectors simply because they are mobile.

The ability of the department to fulfill its current responsibilities appears to be stretched to the limit, with the result that inspections of manufacturers are infrequent. Each feed manufacturing location is inspected on an average of only ten times per annum. However, these infrequent inspections uncover a significant number of violations of the Act and regulations—4,650 in 1972-73 and 4,438 in 1973-74.

Your committee is concerned that the purchasers of livestock feeds are not now receiving the protection they expect from the Act and that with the increase in duties the level of protection will decline. Your committee has decided that the resolution of this problem can be initiated by two actions on its part. It has amended clause 3 of the bill to encourage corporations to be more concerned about their manufacturing processes and your committee, as a second step, recommends:

> That the government review the effectiveness of the feed inspection program and give serious consideration to increasing the inspection and technical staff in light of the new and more difficult responsibilities being given the Department of Agriculture.

Third, as the legislation extends the provisions of the Feeds Act to cover all feed manufactured in Canada, it will include many more manufacturers under the regulations. These newly regulated manufacturers will be, for the most part, farmers of both large and small scale. Your committee and some of the witnesses that appeared before it, particularly the Consumers' Association of Canada, are concerned about the control of ingredients, especially medicaments, that are added to livestock feed, at both the farm and commercial levels.

These ingredients, which can have a considerable impact on animal and human health and on the environment, are regulated by both the Feeds Act and the Food and Drugs Act. However, your committee is concerned that the technical information about these ingredients may not be reaching the farmer. Your committee therefore recommends:

> That the government, through the Department of Agriculture and in cooperation with the provincial departments of agriculture, undertake a campaign to disseminate in a suitable form the technical information concerning the use of these ingredients, especially medicaments.

Your committee believes that such a campaign would benefit producers and consumers.

Your committee met seven times to consider this bill and heard the following witnesses:

Mr. C. R. Phillips,
Director General,
Production and Marketing Branch,
Department of Agriculture.

Mr. C. H. Jefferson,
Director, Plant Products Division,
Department of Agriculture.

Mr. C. L. Stevenson,
Chief, Feed and Fertilizer Section,
Department of Agriculture.

Mr. J. A. Scollin,
Assistant Deputy Attorney General (Criminal Law),
Department of Justice.

Mr. W. G. Johnson,
Legislation Section,

Department of Justice.
Mr. C. M. Bolger,
Acting Assistant Deputy Minister,
Department of Consumer and Corporate Affairs.
Mr. H. W. Wagner,
Director, Consumer Fraud Protection Division,
Department of Consumer and Corporate Affairs.
Dr. D. G. Chapman,
Assistant Director General,
Food Directorate,
Department of National Health and Welfare.
Mr. D. Burvill,
Compliance Office,
Department of National Health and Welfare.
Mr. R. L. Gamelin,
President,
Canadian Feed Manufacturers' Association.
Mr. C. L. Friend,
Executive Secretary,
Canadian Feed Manufacturers' Association.
Mrs. Maryon Brechin,
Past President,
Consumers' Association of Canada.

Briefs were received from the Pet Food Manufacturers Association of Canada and the Canadian Veterinary Medical Association.

Respectfully submitted.

Hazen Argue,
Chairman.

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

**Senator Argue** moved that the report be placed on the Orders of the Day for consideration at the next sitting of the Senate.

Motion agreed to.

● (2030)

## LEGAL AND CONSTITUTIONAL AFFAIRS

CHANGE IN COMMITTEE MEMBERSHIP

**Senator Macdonald,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Choquette be substituted for that of the Honourable Senator Sullivan on the list of senators serving on the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.

## BANKING, TRADE AND COMMERCE

CHANGE IN COMMITTEE MEMBERSHIP

**Senator Grosart,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

[Senator Argue.]

That the name of the Honourable Senator Macdonald be substituted for that of the Honourable Senator Blois on the list of senators serving on the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

## THE ESTIMATES

SUPPLEMENTARY ESTIMATES (D) REFERRED TO NATIONAL FINANCE COMMITTEE

**Senator Langlois,** 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 (D) laid before Parliament for the fiscal year ending the 31st March, 1975.

Motion agreed to.

## HEALTH AND WELFARE

CONNAUGHT LABORATORIES LTD.—QUESTION

**Senator Sullivan:** Honourable senators, I have three related questions for the Acting Leader of the Government arising out of the extraordinary statement by the Minister of National Health and Welfare, Mr. Lalonde, last Friday, indicating that he was satisfied with the performance and policies of the Connaught Laboratories of Toronto since they were taken over by the Canadian Development Corporation. I ask them as one who was for some years prior to that the medical member of the Connaught Committee of the Board of Governors of the University of Toronto, and who has for some time shared with others great concern about the laboratories under this management.

I ask, therefore, the following questions:

1. Does the government approve of the proposed sale of land by Connaught Laboratories Ltd. for a housing development?

2. Is the government aware that the proposed residential development would be close to isolation areas where many dangerous micro-organisms and infected animals are kept for the production and testing of vaccines and antisera?

3. Does the government realize that natural fears of local residents, even if not entirely justified, could embarrass the laboratories and might even force them to close?

**Senator Langlois:** Honourable senators, considering the complex nature of those questions and the necessity for obtaining information from outside the precincts of this house, may I take this question as notice and endeavour to obtain the information as soon as possible?

**Senator Sullivan:** Thank you.

## CRIMINAL CODE (COMMUTATION OF DEATH SENTENCE)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, February 27, the debate on the motion of Senator Robichaud for second reading of Bill S-21, to amend the Criminal Code (commutation of death sentence).

[*Translation*]

**Hon. Martial Asselin:** Honourable senators, I shall take only a few minutes to express my views on the bill on the commuting of the death penalty by the Governor in Council which was introduced by Senator Robichaud. I have followed with interest the speeches which have been made on this subject. I understand that Senator Robichaud introduced his bill dispassionately and I am convinced of it because at that time we were aware of the terrible tragedy which had occurred in Moncton when two policemen were shot while on duty. But Senator Robichaud told us that this was not why he wanted to introduce this bill and, as a parliamentarian, I must accept his statement. I must say that the purpose of his bill is certainly to call the attention of Parliament to an extremely important problem, that of commuting the death penalty, but it may aim at satisfying also the Canadian public who, in general, is starting to worry about the countless number of crimes committed throughout the country. I believe that this is not the time to start all over again the debate on the death penalty. In my opinion, that debate is closed.

First of all, in 1967, if my memory serves me right, the Canadian Parliament voted a five-year moratorium on the death penalty. According to this moratorium, the capital penalty was reserved for the killers of policemen and prison guards.

In 1972, this moratorium was extended for another five years, which will bring us to 1977.

In my opinion, then, although we may make speeches for or against capital punishment, I think it would be a sterile debate, because in itself this bill does not intend to change the present legislation, which was adopted by Parliament in 1972, but has only one purpose: to limit the royal prerogative of the Governor General in Council. Therefore, I shall not linger on the pros and cons of capital punishment. I repeat that this question has been settled. We could make long speeches saying that we are opposed to capital punishment or that all murderers and all those convicted of capital murder should be put to death.

● (2040)

Again, I think that such is not basically the point of this debate. The point of this discussion and of this bill is whether we can reduce through legislation the royal prerogative of the Governor General in Council.

I submit, honourable senators, that this is a legal and consitutional matter of extreme importance. We know that historically Parliament wished and very often attempted to reduce the power of pardon and the prerogatives of the Governor General in Council. The main reason given then for the control by the legislator over the prerogative of the executive was that Parliament is the supreme authority and is above all other institutions.

So, it is true then—and I am not telling you anything new—that, in the course of our Canadian history, we have sometimes seen prerogatives of the executive limited and withdrawn by Parliament, by the legislative authority. With this argument, I am referring directly to the bill before us, and I have serious doubts about the constitutionality and legality of this bill, considering its terms.

Looking at the bill, here is what clause 1 says:

> 1. The Criminal Code is amended by repealing subsection 684(1) of the said Act and substituting therefor:
>
> "684. (1) Notwithstanding anything in this Act or in any other law or prerogative,—

And I repeat.

> —or in any other law or prerogative, the Governor in Council may commute a sentence of death to imprisonment in the penitentiary for life, or for any term of years not less than two years, or to imprisonment in a prison other than a penitentiary for a period of less than two years, where, but only where,
>
> (a) the jury or the judge, if so authorized by law, has made a recommendation that the accused be granted clemency, or
>
> (b) the jury has reported to the judge that it was unable to agree upon a recommendation either in favour of clemency or against it."

This, in fact, is the purpose of the bill. The bill is to limit the royal prerogative of the Governor in Council empowering him to commute a death sentence into imprisonment for life. But, in order to follow this argument, I think we should look at section 684 of the Criminal Code, the section to which the sponsor of the bill referred and which amends subsection 684(1). That subsection presently reads as follows:

> The Governor in Council may commute a sentence of death to imprisonment in the penitentiary for life, or for any term of years not less than two years, or to imprisonment in a prison other than a penitentiary for a period of less than two years.

Section 684 of the Criminal Code is the section which the sponsor of the bill claims the Governor in Council must refer to when he decides to commute a death sentence to imprisonment for life. The mover of the bill refers only to one section of the act. He states that section 684 of the Criminal Code, which I have just quoted, is abrogated on two occasions: when the jury or the judge, who are legally authorized to do so, recommend clemency, or when the jury reports to the judge that it could not agree on a recommendation for or against clemency.

So, according to him—and I do not say this to oppose the bill but because I have doubts as to its constitutionality, its legality—the Governor in Council commutes the death penalty to life imprisonment pursuant to section 684 only. There is also section 686 of the Criminal Code.

This is where I find it difficult to follow the mover of the bill in his presentation. I brought up this question when Senator Hicks made his speech on the matter, last week, I believe. Senator Prowse as well as Senator Bélisle spoke about it in their presentations to the Senate; still, to my mind, the matter is not clear enough. That is why, tonight, I take the liberty to quote section 686 of the Criminal Code, which says:

> Nothing in this Act in any manner limits or affects Her Majesty's royal prerogative of mercy.

Thus, if the sponsor of the bill, in proposing it, suggests—and it might be his point—that the Governor in Council, when he commutes a death sentence to imprisonment for life, does so pursuant to section 684—if this is true, then section 686 should also be amended. If section 684 remains as amended under this bill, and if section 686 is maintained in the statute books, I think section 686 should also be amended in this bill, because—if I am not mistaken, since I am not an expert in constitutional law—reference should also be made to the effect that it abrogates section 684 and 686. Now, the sponsor of the bill might say, as Senator Connolly did, that there was a difference between the royal prerogative on the appeal of mercy, given by letters of appointment from the Governor General, and the one of commutation of the death penalty, given by the Governor in Council under section 684. I do not see any difference. I know that the royal prerogative is given by letters of appointment from the Governor in Council; I know that, but there is no distinction in the code.

In his desire to amend section 684, is the sponsor of the bill pursuing the aim of the bill he introduced?

Would it not have been better to amend also section 684, as well as section 686, since I think that section 686 is extremely clear:

> Nothing in this Act in any manner limits or affects Her Majesty's royal prerogative of mercy.

The royal prerogative still appears in this section. Senator Connolly maintains that this is not the section dealing with the royal prerogative but that it is section 686 that defines the royal prerogative. However, in his bill, Senator Robichaud deals precisely with the royal prerogative. He did not realise that the royal prerogative was included in section 686 of the code, when he said:

> Notwithstanding anything in this Act or in any other law or prerogative.

Taking the word "prerogative" in its context, I believe the prerogative has to do with the royal prerogative. If it is the royal prerogative that is to be limited, we should amend section 686, because I believe section 686 precisely grants the Governor in Council the royal prerogative, as provided for in section 686, which reads as follows:

> Nothing in this Act in any manner limits or affects Her Majesty's royal prerogative of mercy.

Well, obviously, I have doubts, as I said, about the constitutional and legal aspects. Knowing whether I am right or not is no concern of mine, I may be completely wrong. Therefore, I think it would be extremely important, once the debate on second reading of this bill is over, to refer this bill to the Senate Committee on Legal and Constitutional Affairs to get legal advice from Department of Justice officials, who might explain some apparent inconsistencies which I suggest can be found in this bill, as I just mentioned.

● (2050)

Finally, from a practical point of view, is it a good thing to introduce a bill to restrict the royal prerogative of the Governor General in Council? And more specifically, with respect to commuting death sentences to life imprisonment when dealing with the murders of prison guards and police officers, would these be the only two cases involved? With respect to every other kind of capital murder mentioned in the Criminal Code, our legislators have already decided that the sentence would be life imprisonment. The only exception is for police officers and prison wardens; and I still wonder: is Parliament right in restricting now the prerogative of the Governor in Council through legislation?

Let me say, honourable senators, that I do not think so. Here is why: I have frequently acted in the past on behalf of the accused in a criminal case. I have acted on behalf of alleged capital murderers. Fortunately, we were lucky with the outcome of those trials.

**Senator Fournier (de Lanaudière):** Did you act on behalf of the Crown or did you put the case for the defence?

**Senator Asselin:** I was the defence lawyer, senator.

**Senator Langlois:** Your clients were lucky.

**Senator Asselin:** Thank you. Now, I said I had doubts because what always worried me when I was a counsel for the defence, for I was almost always a counsel for the defence when I used to practise law—what always worried me was the possibility of a miscarriage of justice. People who have had the experience of criminal courts, who have been defence counsel for people who were accused of such heinous crimes as murder, capital murder, knew that there was no remission, that the judge had to hand down a death sentence if the accused was found guilty, and that is what always haunted defence counsel—and if you read speeches made in the House of Commons and the Senate in 1967 and 1972, you will find that the possibility of a miscarriage of justice was always suggested.

It is my contention that the royal prerogative prevents a miscarriage of justice in the last resort.

Some will say that the accused was tried before his twelve peers, and then appealed to the Court of Appeal in his province; that he also went to the Supreme Court. That is all very well, but so many things happen in a trial that everything cannot be controlled. Miscarriages of justice can happen, not voluntarily but rather indirectly.

If, for instance, the defence counsel is not very experienced, either a young lawyer or one who never argued before a criminal court, he might let objectionable evidence go before the jury, resulting in the accused being found guilty.

This also applies in the case where a counsel is not able to fully test the credibility of witnesses giving evidence in a trial by jury, which I submit is not possible in 1975. Sometimes it comes out several years after the trial that someone did not tell the truth, and that had he done so possibly the outcome of the trial might have been quite different.

The judge in a trial by jury does not interfere in the case put either for the Crown or for the accused. He has no role in the presentation of evidence by the Crown or the defence. He has, however, the right to inform the jury, in his address, of his interpretation of the facts brought forward by the Crown or by the defence.

Let us imagine, honourable senators, the consequences of an important point being forgotten by the defence. It may be fatal to the accused's case and lead to his being found guilty.

I submit there are so many intangibles that it would not be wise, in my view, to remove the royal prerogative from the Governor General in Council, especially when we realize that after all appeals by the accused, up to the Court of Appeals and the Supreme Court, there remain people who had no part in the trial process but who will be called upon to render judgment, since a file will be sent to the Solicitor General, with copies going to each minister of the Crown.

Each minister is then briefed—as they say in English—by the legal advisers of the Department of Justice. In addition, an inter-ministerial committee is set up to study the trial, to review the whole thing. It is only after that review that the Governor in Council reaches a decision. I could say, without being mistaken—

**Senator Lamontagne:** Is the procedure the senator has just described fairly recent?

**Senator Asselin:** No; when I was in the cabinet, that was the procedure. I do not know whether it was used in your time: perhaps not. It may be that you were not a member of the inter-ministerial committee which had to present the case to the cabinet. But, as far as I know, that is how things were done. I am not revealing cabinet secrets, but that is how it must be done. I do not know whether you were a member of the interministerial committee which made the recommendation to the cabinet, but that is what I know about the matter and I have no more to add. However, I do feel that there is some solace for the condemned to death in having as objective a review of his case by people who took no part in the trial. Those people and the legal advisers of the Department of Justice must make an objective study of the case before making their recommendations to the cabinet. I feel this is a protection against miscarriages of justice. Such is my view. Of course, I am not saying that I will vote against the bill, but before its third reading I hope it will be referred to the proper Senate committee where my doubts as to its constitutionality and its legality will be cleared up. Also on third reading, perhaps we could consider more thoroughly the case of a miscarriage of justice which in my opinion is well protected whenever the royal prerogative of the Governor in Council, who can commute a death penalty to life imprisonment, is maintained.

**Senator Choquette:** I would like to ask a question. In the bill under consideration, there is a reference to the recommendation of clemency made by the jury when the accused is found guilty. Is there a clause in the Criminal Code which provides that in his charge or instructions to the jury the judge must say that if the accused is found-guilty they can return with a recommendation of clemency, but such recommendation must be unanimous. I have never heard of such an instruction which a judge must give to a jury, and if there is no such provision we would have to draw up another amendment.

**Senator Asselin:** Is the question directed to me? I think the jury must come back before the judge after having considered its verdict and must have agreed unanimously on the sentence; but as far as clemency is concerned, I do not know of any pertinent provision in the law.

• (2100)

[*English*]

**Senator Prowse:** Honourable senators, if I may be permitted to interject, I believe I can answer the question.

**Senator Choquette:** Go ahead.

**Senator Prowse:** The answer is, if the jury comes into court with no recommendation, the judge must then ask them if they have considered it. If the jury has not considered it, then the judge instructs them to retire and consider it and then return and let him know what their opinion, if any, is.

**Senator Choquette:** Consider what?

**Senator Prowse:** Whether they recommend clemency or mercy.

**Senator Choquette:** I have never heard of it.

**Senator Prowse:** Well, there is a provision in the code for it.

**Senator Choquette:** And I am asking where that provision is in the code?

**Senator Prowse:** There is a provision in the code under which the judge may ask the jury to consider the question of clemency, if they have brought in a verdict without having done so.

**Senator Choquette:** Well, I hope you can tell us tomorrow what that section is.

**Senator Prowse:** I can get it for you tonight, if you want it.

[*Translation*]

**Hon. Sarto Fournier:** Honourable senators, I had not intended to speak on this matter tonight, but the honourable senator who preceded me sort of inspired me and I feel compelled to say a few words.

He told us about the obsession of a lawyer acting as counsel for someone accused of murder. In all the time I practised law, I did not have the privilege of defending many persons accused of murder, but I had one such case. I must admit that the obsession of the lawyer acting as counsel for a person accused of murder is the miscarriage of justice. The honourable senator and myself have never talked about our cases. We have never exchanged views on the subject. He has practised law in the area of Quebec City and I in another area for awhile, and the obsession he described as his own and that of other lawyers is exactly what I felt. I was afraid. I was afraid the members of the jury would make a mistake that would leave no choice to the judge. However, the situation today is entirely different. Even if the accused is poor, destitute, not only is an appeal possible but it is automatically heard by five judges. From one appeal to the next, the case can reach the Cabinet.

If I may, honourable senators, I should like to relate the experience of a Solicitor General who had to decide on a case of miscarriage of justice. The former Solicitor General concerned is the Honourable Joseph Jean.

We were both practising in the same lawyers' office in Montreal. He told me that while he was Solicitor General, he had to report once to the Cabinet on a case of a death sentence. The defendant had killed somebody with an axe. He explained that he had used the axe to defend himself and that he had made the axe turn in the air and, at some moment, the sharp part—I do not know if that is the right word, but in my region, the Beauce, we called it the sharp part of the axe—

**Senator Langlois:** The head.

**Senator Fournier:** The head of the axe broke loose from the handle and hit the victim on the forehead and killed him.

So, during the hearing of the case, the head of the axe—thank you for correcting me—was brought in, with the same handle and it did not work. The head would not come off the handle. So, the death sentence was maintained. But, when the case came to the Cabinet, the Solicitor General, the Honourable Joseph Jean, had the axe, the head and the handle, brought to his office, and it worked, because when the instrument was kept in the basement of the Court, where it was humid, the wooden part had enlarged and could not come off. But after the trial it had been placed in a dry room and it worked, I could not say perfectly, but according to the story of the defendant. His sentence was then not only commuted, but he was released immediately because his defence made sense.

So, there are things like that which, by themselves, may not tell the truth, reflect the truth, just as there are people who, when speaking, when bearing witness, even with the greatest honesty in the world, may be wrong and poles apart from the truth, while believing they are telling it. They are honest. It is not a lie, but it is not the truth either. So, there is a way out. When the death penalty is to be enforced, there must not subsist any possible doubt. That is theory. But, in practice, it is not so easy, and that is why miscarriages of justice might have taken place.

As the honourable senator pointed out, the bill before us does not deal precisely with capital punishment. Should we or should we not enforce capital punishment? However, I hope I will not be out of order expressing my views on capital punishment. With all the necessary precautions, justice can only be made by reason of the rights and powers of everyone. I am against capital punishment, beginning with the one murderers inflict upon their victims. I am against it. In order that justice be fair, punishment must be in proportion to the offence and when someone kills someone else, in a ruthless, unlawful, cold-blooded and premeditated way by committing a crime and foreseeing he could kill, using a firearm or any other weapon, when he is seen, caught, when the crime is ascertained *de visu*, there is absolutely no doubt.

● (2110)

Justice then calls for the penalty to be proportionate to the crime. Otherwise, there is no justice. Therefore, he who kills must know in advance that, in these circumstances, he will himself lose his right to live. He will not be taken by surprise, he will know it in advance, knowing that he was killing to commit a theft or something else. This does not include accidental crimes, but premeditated crimes, crimes of jealousy. For instance, two men are fighting in a tavern and one of them punches one of his friends on the jaw. His friend falls on the cement floor, fractures his skull and dies an hour later; there is no murder involved, but involuntary homicide. An accident in a hospital or on the road is not murder. But we should not have to live with murderers. Society should not be penalized by allowing murderers to live until they can escape from prison to kill two, three, four, five, six or a dozen more people.

These people are not needed. They are professional killers. If we have to protect them and treat them fairly, we must also treat society fairly. But once again, we can never be too careful. We must take every precaution. A human being is involved. The capital penalty is involved, and before ordering it we must be absolutely sure that it is justified. And when a man deserves it, when he has become an undesirable element in society, when he is a threat to someone else, I think we should take away his life. In any case, he is doomed to die. It is a question of protecting other people by having him die a little sooner. That is the only difference.

In my mind—I would not like to repeat myself and I apologize as I had not intended to speak so long—I still think that the obsession of a miscarriage of justice really exists as you have said, honourable senators. It exists and I did realize it when once I had to defend a man charged with murder. I was obsessed.

**Senator Bourget:** Did you save him?

**Senator Fournier:** He did not even need me, being so innocent. I was just there to watch over the members of the jury and the court in order to prevent any judicial error. I thank you for your question. When a speaker is asked a question at the end of his speech it is because the questioner has listened to him from the beginning to the end and because he has shown interest.

● (2120)

[*English*]

**Senator Choquette:** Honourable senators, to the credit of Senator Prowse, I must say that he has found the section in question, and he was right. It is section 670(1)—a new section, apparently—and this is why the sponsor has worded his bill the way he has.

I should like to put section 670(1) of the Criminal Code on the record, because I think it should be there:

> Where a jury finds an accused guilty of an offence punishable by death, the judge who presides at the trial shall, before discharging the jury, put to them the following question:
>
> > You have found the accused guilty and the law requires that I now pronounce sentence of death against him (or "the law provides that he may be sentenced to death", as the case may be). Do you wish to make any recommendation as to whether or not he should be granted clemency? You are not required to make any recommendation but if you do make a recommendation either in favour of clemency or against it, your recommendation will be included in the report that I am required to make of this case to the Solicitor General of Canada and will be given due consideration.

With regard to the question of unanimity, there is subsection (2):

If the jury reports to the judge that it is unable to agree upon a recommendation, either in favour of clemency or against it, and the judge is satisfied that further retention of the jury would not lead to agreement, he shall ascertain the number of jurors who are in favour of making a recommendation for clemency and the number of jurors who are against making such a recommendation and shall include such information in the report required by subsection 671(1).

So, it can be seen that there is no mention of unanimity.

**Senator Langlois:** Does it say it should be done by polling the jurors?

**Senator Choquette:** No.

**Senator Langlois:** But I imagine the judge would have to poll the jurors.

**Senator Choquette:** That would seem to be the only way to ascertain the situation. In my view, the bill should go to a committee on the strength of this.

**Senator Langlois:** Honourable senators, if no other honourable senator wishes to speak at this time, I move, on behalf of Senator McElman, that the debate be adjourned.

On motion of Senator Langlois, for Senator McElman, debate adjourned.

## AGRICULTURE

### COMMITTEE MEMBERSHIP

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of Senator Duggan be added to the list of senators serving on the Standing Senate Committee on Agriculture.

**Senator Argue:** Honourable senators, I find it difficult to say what I should say at this time, namely, that the contents of this motion were discussed between the Whip and myself a few days ago and I am surprised that this particular motion is being put forward. In private conversations, Senator McDonald expressed a wish to be on this committee. Furthermore, Senator Joe Greene, a former federal Minister of Agriculture, has been active in committee but not as a member. I have no objection to Senator Duggan, obviously. I am sure that he would play a useful role, but because of these conversations I think the motion should have been presented after agreement and not in this way.

**Senator Langlois:** Honourable senators, normally the Whip moves such motions. I am doing this under his instructions.

**The Hon. the Speaker** *pro tem:* Honourable senators, you have heard the motion, which cannot be proceeded with without unanimous consent. Is there unanimous consent?

**Senator Argue:** Honourable senators, if the motion requires unanimous consent, I do not give it at this time, and it will be subject to further discussion.

**The Hon. the Speaker** *pro tem:* There being no unanimous consent, the question cannot be put.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, March 5, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Langlois** tabled:

Copies of a contract between the Government of Canada and the Municipality of Cap-Pelé, New Brunswick, 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 (French text).

## FEEDS ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Senate Committee on Agriculture on Bill S-10, to amend the Feeds Act, which was presented yesterday.

**Senator Argue:** Honourable senators, I move that the report be adopted now.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Argue, seconded by the Honourable Senator O'Leary, that this report be now adopted. Is it your pleasure, honourable senators, to adopt the motion? Senator Argue?

**Senator Argue:** Honourable senators, unless there is any comment, the report can be adopted now.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Argue** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## IMMIGRATION POLICY

APPOINTMENT OF SENATE MEMBERS TO SPECIAL JOINT COMMITTEE

The Senate proceeded to consideration of the message from the House of Commons requesting that a Special Joint Committee of the Senate and the House of Commons be appointed to consider the Green Paper on immigration policy.

**Senator Langlois:** Honourable senators, I move, seconded by the Honourable Senator Bourget, P.C.:

That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of both Houses of Parliament to consider the Green Paper on immigration policy tabled by the Leader of the Government in the Senate on February 4, 1975; and to invite the views of the public on the issues raised therein;

That eight members of the Senate, to be designated at a later date, act on behalf of the Senate as members of the said Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of its powers except the power to report directly to the Senate;

That the committee have power to send for persons, papers and records, to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have power to adjourn from place to place within Canada;

That the committee be empowered to retain the services of advisers to assist in its work; and that it also be empowered to retain such professional, clerical and stenographic help as may be required;

That the committee submit its report not later than July 31, 1975;

That the quorum of the committee be twelve 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 six members are present so long as both Houses are represented; and

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

Motion agreed to.

● (1410)

## BUSINESS OF THE SENATE

**Senator Langlois:** Honourable senators, I move that the Senate do now adjourn.

**Senator Flynn:** Honourable senators, before the question is put, may I say that the Deputy Leader of the Government should have mentioned it was by agreement that we dispensed with most of the items on the Orders of the Day. It was to allow two committees to sit this afternoon.

**Senator Langlois:** Honourable senators, I was about to make that announcement. The two committees scheduled to sit are the Banking, Trade and Commerce Committee and the Legal and Constitutional Affairs Committee.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, March 6, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Langlois** tabled:

Report of operations under the Export and Import Permits Act for the year ended December 31, 1974, pursuant to section 26 of the said Act, Chapter E-17, R.S.C., 1970.

## BUSINESS OF THE SENATE

**Senator 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 Monday, March 10, 1975, at 8 o'clock in the evening.

Before the question is put, I should like to say that in moving that we adjourn until Monday next at 8 o'clock in the evening, I have taken into consideration the number of bills now on the Order Paper for second reading and, in particular, Bill C-49, to amend the statute law relating to income tax, as well as the large number of committee meetings already scheduled for next week.

On Monday night we will first deal with second reading of Bill C-49, and then with such other items on the Order Paper as time permits. I think it will be necessary, although it is not quite settled at present, for the Senate to sit on Friday of next week to deal with legislation now before us, as well as with bills that come to us from the other place.

On Tuesday, the Standing Senate Committee on Legal and Constitutional Affairs will meet at 11 a.m. to hear witnesses on Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code. The Special Joint Committee on Employer-Employee Relations in the Public Service will meet at the same hour. The Joint Committee on Regulations and other Statutory Instruments will hold a meeting at 8 p.m. The Standing Senate Committee on Banking, Trade and Commerce has a meeting scheduled for 9:30 a.m. on the same day.

On Wednesday, the Banking, Trade and Commerce Committee has a meeting set down for 9:30 a.m., when it will commence its consideration of Bill C-49—

**Senator Flynn:** Oh!

**Senator Langlois:** —should the bill have been referred to it. I said that in time.

The Standing Senate Committee on Transport and Communications will meet at 9:30 a.m. to hear witnesses on Bill S-5, the Aircraft Registry Act. Also at 9:30 a.m. the Standing Senate Committee on National Finance will examine supplementary estimates (D) for the fiscal year ending March 31, 1975.

On Thursday, the Banking, Trade and Commerce Committee has a meeting set down for 9:30 a.m., and at the same time the National Finance Committee will meet to continue its examination of the Manpower Division of the Department of Manpower and Immigration. The Regulations and other Statutory Instruments Committee will meet at 11 a.m., and the Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 3:30 p.m.

**Senator Flynn:** Honourable senators, I would suggest that next time Senator Langlois has a problem like the one he had with regard to Bill C-49, he should start the phrase, "If the Senate passes the bill, the Banking, Trade and Commerce Committee will be ready to start consideration thereof," rather than say that the committee will consider the bill—

**Senator Langlois:** If.

**Senator Flynn:** Yes. I would assert that "if" is too suggestive and perhaps even imperative.

**Senator Langlois:** I just wanted to give my friend a chance to say something.

**Senator Flynn:** You always do and I am always most obliged.

**Senator Quart:** You never miss.

Motion agreed to.

## FEEDS ACT

BILL TO AMEND—THIRD READING

**Senator Argue** moved the third reading of Bill S-10, to amend the Feeds Act.

Motion agreed to and bill read third time and passed.

## NORTHWEST TERRITORIES REPRESENTATION BILL

SECOND READING—DEBATE ADJOURNED

**Hon. J. Harper Prowse** moved the second reading of Bill C-51, to increase the representation of the Northwest Territories in the House of Commons and to establish a commission to readjust the electoral boundaries of the Northwest Territories.

He said: Honourable senators, my remarks with respect to this bill will be brief. I believe you are aware that at the present time there is only one member of Parliament in the House of Commons representing the Northwest Territories. That one man represents a territory of one and a third million square miles, a territory comprising approximately one third of the area occupied by the Dominion of

Canada. Naturally, because of the distances which have to be travelled by this representative, and often because of the complete difference in interest as between those who live in the eastern Arctic region and those who live in the western Arctic region, this single representation is tantamount to a farcical tokenism. How could any one member be expected to give, or to be able to give, the kind of representation which is necessary to such a vast and diversified area, the interests of the population of which are also diverse? Because of proposals to develop what are apparently substantial natural resources in that area, it is considered desirable that there should be two electoral districts established and that provision should be made for two members of Parliament to represent that area which is now represented, with great difficulty, by one member.

● (1410)

In brief, that is the purpose of the bill. But once you accept the principle of having two members and two electoral districts, it then becomes necessary to delineate the boundaries of those electoral districts. Here it is proposed that we adopt the procedure followed by the rest of the country and establish an independent commission. In this case, the Chief Justice of the Court of Appeal for the Northwest Territories, who in practice is the Chief Justice of the Court of Appeal of the Supreme Court of Alberta, will appoint the chairman of the commission responsible for the establishment of those boundaries, and the commission will proceed to function in exactly the same way as the other electoral boundaries commissions in Canada.

I do not think it is necessary to discuss all the points raised in the past when attempts have been made to do this. The population of the Northwest Territories, as of the 1971 census, was estimated to be in excess of 38,000. Today it would be between 40,000 to 50,000, and before we get around to another election, particularly if some of the things that are forecast take place, the population may be in excess of 50,000.

Following the principle of giving to these areas greater control over their local government, and consequently a better opportunity of seeing to it that they are properly represented in the central government, which has so much to do with their affairs at the present time, it is the purpose of the bill to provide the kind of legislation that will achieve this result.

Honourable senators, I think that is all I need say by way of explanation at this time. If any senator has any questions, I am not sure that I have all the answers but I have a black book here which purports to have a large number of answers. An attempt has been made to provide me with information, and I would be happy to attempt to answer any questions.

**Senator Grosart:** Honourable senators, I wonder if I might ask the sponsor of the bill a question? Would he be prepared to lend the black book?

**Senator Prowse:** I would be prepared even to lend you the black book. Having read it carefully I am sure there is nothing in it that would cause any of us, or anyone associated with the preparation of the book, any embarrassment not even those in the government who seem to be particularly prone to being embarrassed.

**Senator Grosart:** Unless there are any questions, honourable senators, I move that the debate be adjourned.

On motion of Senator Grosart, debate adjourned.

## PRAIRIE GRAIN ADVANCE PAYMENTS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. A. Hamilton McDonald** moved the second reading of Bill C-10, to amend the Prairie Grain Advance Payments Act.

He said: Honourable senators, before dealing with the purpose of this bill, I should like to take a moment to review the Prairie Grain Advance Payments legislation, which was placed on the statute books in November of 1957, some 18 years ago. It came into being after many years of agitation on the part of Prairie farmers for some system of advance payments in those years when sales of grain were limited in their total, and when quotas on which they could deliver grain were very, very small, especially in the fall. This problem began shortly after the last World War. Up until then Prairie farmers had virtually been able to deliver all the grain they could produce almost any time they wanted to, but not too long after the war a surplus of grain products was built up in the Prairie region of Canada, and the Canadian Wheat Board brought in a system of rationing the sales of grain that the farmers could make. This was done to give each Prairie farmer an opportunity to deliver his fair share of the total deliveries that could be purchased by the Canadian Wheat Board for sale either domestically or abroad.

Unfortunately, as we all know, foreign markets became restricted and in some years the total volume of sales in relation to the amount of grain produced was limited indeed. In some instances farmers found that, despite the fact they had harvested their crop in September, they might have had to go until Christmas and only have a two-bushel quota per seeded acre to sell their grain on. Because of this they were desperately short of cash, although they had huge quantities of grain stored on their farms. So the system of cash advances was brought in, as I mentioned a moment ago, in 1957.

**Senator Grosart:** That was a good year.

**Senator McDonald:** It was a good year for the western grain producer in that this legislation was beneficial to him, and it is beneficial to him today. But because of changed conditions since 1957, it has been found that the legislation is not adequate today.

The original legislation made provision for a maximum advance payment of $3,000 per farm. Several years later—I do not remember when—the maximum advance payment was increased to $6,000 per farm. The first amendment in Bill C-10 increases the maximum advance payments to $15,000 per permit holder. The need for this increase is obvious. The price of grain on the world market is much higher today than it was when the ceiling was set at $6,000. The cost of producing a bushel of wheat, or of any grain, is much greater today than it was when the ceiling was set at $6,000.

The second reason for the increase to $15,000 is that the western producer has the option to deliver his grain through the Canadian Wheat Board on a quota system or

to offboard sales without the quota system. If he delivers his grain to the country elevator and sells it to the Canadian Wheat Board, he receives an initial payment, and the initial payment varies in its amount. But it is a long way from what the Canadian Wheat Board hopes to realize as a final price when that grain is disposed of either on the domestic or on the world market. In some instances a further payment, known as an interim payment, is made during the year. This happens when the initial payment has been very low and the demand on the world market has been high and at a much better price than was anticipated when the initial payment was set. In those cases there is often an interim payment of from 10 cents to 50 cents per bushel, paid some time between August 1 and July 31 of the crop year.

● (1420)

This final payment is made when the books have been closed on the different grades and varieties of grain which have been handled by the Canadian Wheat Board. The difference between the initial payment, together with the interim payment and the final realized price that the board has received on closing its pool for that year on wheat or barley, whatever the case may be, is paid in the final payment.

I notice that sometimes when these final payments are made, references in the press and media generally would lead one to think that this money, which sometimes is in the hundreds of millions of dollars, paid to our Prairie producers, is a subsidy from the Government of Canada. I wish to point out that the final payment contains not one nickel that is not the farmers to begin with.

**Senator Flynn:** Who would be interested in leading the farmers to believe it was coming from the government?

**Senator McDonald:** It escapes me, as many items I read or view on the television screen today escape me. In my opinion, it is unfair. It is wise for all Canadians to recognize that this is the farmers' own money.

**Senator Flynn:** Agreed.

**Senator McDonald:** The second proposal in Bill C-10 makes provision for corporate farms, partnerships, cooperatives, or any farming enterprise in which there is more than one individual making his chief source of income out of a farm. Up until this year and the introduction of Bill C-10, it has been possible for a cooperative in which, for instance, there may be three, four, five or six members involved, to receive only one cash advance. Under the present legislation they can receive a maximum of only $6,000. If they are a corporate farm or partnership, they have only one permit book and can only obtain a cash advance payment up to $6,000. This bill makes provision for situations in which there is an association—whether a partnership, corporation or cooperative—to obtain two or three cash advances. In other words, it is possible under this legislation for a corporation, partnership or cooperative to obtain a cash advance up to $45,000. This is a step in the right direction. Undoubtedly there are companies with more than three shareholders, and cooperatives with more than three members. However, $45,000 is a considerable amount of money and will meet the needs of the majority of corporate or cooperative farms in the Prairie region.

[Senator McDonald.]

I note that the elevator companies on the Prairies who are involved in administering the cash advance payment system—incidentally, they are responsible for part of the losses that may accrue—feel that they should be paid some commission for carrying out this work. There is no provision in the bill for this. I simply draw this fact to your attention. There has been some representation made, I presume on behalf of the elevator companies, bringing this to the attention of Parliament. I pass it on to you for what it is worth.

I also note that with some people, who are perhaps not as aware of this program, how it is administered, and the need for it, as are most of us who come from the Prairies, there seems to be some misunderstanding of how an individual can get an interest-free loan of up to $15,000, or a group of individuals can get loans up to a maximum of $45,000. There are considerable restrictions.

One will see from the repayment of these loans that they have an excellent record. I want to point out why I think that the repayment of the loans has been as high as it has been over the years, and the reason for it. Over the years farmers, on the average, have paid about 99.9 per cent of their loans, which is an excellent record.

When one looks at the security which the government has in advancing these loans, we can dispel any worry from our minds that the loans will not be repaid in the future, even when they are increased, as I hope they will be when this legislation is passed. For instance, the quantity of grain per quota acre on which a cash advance can be made appears in the regulations under the present act, and similarly will be in the regulations under Bill C-10 when it is passed.

The quantity of wheat on which one can get a cash advance is 10 bushels per quota acre. That is not a very big profit. The quantity of oats and barley for which one can obtain a loan is 20 bushels per quota acre. I suggest that is a small portion of the total average crop.

In the year 1974, the amount of money, as a cash advance, that one can get per quota acre for wheat is $1.50 per bushel. For barley it is $1 a bushel, and for oats it is 70 cents a bushel. This means that the maximum payment per quota acre for wheat is $15; for barley, $20; and for oats, $20.

If we look at the various sizes of farms on the Prairies, we see how much an individual farmer will receive under this legislation. Some people think that every farmer in the West will receive $15,000. That is not so. If a farmer on the Prairies has an excellent half section of land, of which 300 acres are cultivated—that is nowhere near the average, which would be much less; however, I shall take the best land—he will have 100 acres in summer fallow, 100 acres in wheat and 100 acres in barley. His land will have disappeared and he will have qualified for a $3,500 maximum cash advance.

Using the same arithmetic, a farmer having one section of land would qualify for a cash advance of approximately $7,000; a farmer having a section and a half of land—that is, 960 acres—would qualify for $10,500; and a farmer with two sections of land—that is, 1,280 acres—would qualify for the maximum cash advance.

But how much has been invested by a farmer who has a two-section operation? I suggest that his land today is worth about $250,000. He probably has buildings valued at $100,000, he has at least $100,000 invested in equipment, and a total investment of at least $500,000. He can get a cash advance of $15,000, which is 3 per cent of his total investment. Is it any wonder that there is an excellent record of repayment?

This legislation has been good legislation in the past, and it is good legislation today. I believe the amendment for which we are asking meets the needs and the times in 1975, and I recommend it for the approval of honourable senators. If the bill receives second reading, it is my intention to refer it to the Standing Senate Committee on Agriculture.

**Hon. Hazen Argue:** Honourable senators, I wish to say a few words at this time. Senator Yuzyk has suggested that I go ahead, and afterwards he will adjourn the debate.

● (1430)

Senator McDonald has certainly covered this subject very well and has given us an accurate history of the program and its accomplishments.

In introducing this bill in the other place, the minister in charge of the Canadian Wheat Board, the Honourable Otto Lang, not only explained the benefits of this legislation but went somewhat farther afield and put on record some of the other programs and accomplishments of the government in relation to the general grain industry. Bill C-10, to amend the Prairie Grain Advance Payments Act, is a further indication that the Honourable Otto Lang is putting forward programs that are definitely in the economic interests of Western Canada, and this bill in itself is an important advance in that direction.

When it comes to a stabilization program, Mr. Lang has made marked progress. The bill before us fits in with a stabilization program. We have seen the development of special care for the hauling of grain, hopper cars, and that, too, is a good development. When one is considering innovation in the grain business, one should look at the system as it exists today to determine what is valuable in that system and what has been accomplished.

Senator McNamara was Chairman of the Canadian Wheat Board for many years. He was Chief Commissioner of the Canadian Wheat Board when it implemented the system of providing and administering cash advances, and it is my view that the general pattern of administering those cash advances that he developed in those days should be continued. Some people may say the elevator companies are doing a lot of paperwork in providing cash advances without being paid for it, but it is my opinion that this is a service they are very well able to render to the producers in the normal course of business, and for which they should not look for an additional fee.

Senator McDonald knows, as other honourable senators who have knowledge of the grain business know, that when farmers are lining up for cash advances, grain is not being moved, and neither the elevator companies nor the farmers are busy hauling grain. In those circumstances, it is no hardship for the elevator companies to take a few minutes in order to provide the cash advances. I should think the paperwork involved at the time of application would probably take 15 minutes. I am sure there is much more paperwork involved at other stages, but the initial paperwork of getting the information from the farmer as to the number of bins, and so forth, is a matter of simple multiplication, filling out the cash ticket for the grain and handing it to the farmer. That, surely, is a service that elevator companies can well afford to provide without the necessity of imposing a fixed cost in relation to it.

We have in Canada something of a mixed system for the handling of grain. We have the Canadian Wheat Board itself, the farmer-owned local elevators, and the privately owned system in the grain gathering business. Farmer-owned producer systems are becoming more and more powerful. The Canadian Wheat Board is supported by the producers. On any occasion when there has been a vote on the question of handling wheat, it has been demonstrated that 90 per cent of the farmers vote in favour of the Canadian Wheat Board system, with not more than 10 per cent opposing it.

I think we are very fortunate in Canada in having been able to develop this kind of system. I have in my hand today's Montreal *Gazette* which shows the Canadian Wheat Board export price for No. 1 Canadian wheat, 13.5 per cent protein, is $5.13 a bushel; in the United States, the price for No. 2 soft red wheat at Chicago is $3.49 a bushel.

I had occasion to meet with the Secretary of Agriculture of the United States about a year ago in Washington, at which time we discussed the prices of wheat in the United States. At about that time, or shortly after, the price of wheat in the United States was approximately $6 a bushel. The Canadian Wheat Board export price compared favourably at around $5.60 or $5.70 a bushel. But since that time the speculative market, the open exchange market in the United States, which is the only market they have, has had a speculative field day. Some of the speculative field days resulted in the commodity market going up; others resulted in it going down.

I should think that while supply and demand is obviously a very important factor, one of the most important factors in the huge increase in commodity prices a year or two ago was that speculative money, not finding it possible to realize a profit in the general stock market, was directed into the commodity markets. Such speculators had a wonderful time while the prices went up. I do not know whether they had as good a time when prices began to go down, but for those who were knowledgeable enough and knew what they were doing, there was just as much money to be made on the way down. The grain producer, however, is in a very difficult position. If he is lucky enough to haul his grain at $6 a bushel, obviously he will do very well; if, on the other hand, he holds it back or is unable to move it, and the price drops to $3 or $3.50 a bushel, then he will obviously lose a lot of money.

So, I am confident that the system we now have, supported by the majority of producers, will continue to be supported by the Canadian government in the interests of Canadian grain producers. It has been built up by some effort and much care. Today it is proving its worth.

I seeded flax last spring. I was able to get my seed flax at a fairly reasonable price in relation to the market at the time. I paid $14 a bushel for it, and today the price of flax is around $7 a bushel. There is simply no way any farmer

can stay in business with that kind of wild fluctuation in prices. If we have a Canadian Wheat Board that is able to continue to get good prices for our grains in the export market in relation to prevailing conditions, as well as providing a system of cash advances and some stability, I think that is a good system and one which we should continue.

● (1440)

Honourable senators, there is much afoot in the grain business in Canada today. Much has been accomplished with the building of our elevator system, the establishment of railway branch lines, a network on the Prairies, the establishment of the Canadian Wheat Board system, terminal elevators and so on. But there are those around who say that system is antiquated, that it is out of date, that we should scrap it.

There are those who say that we should get rid of the Crowsnest Pass agreement. I want to say from my position in the Senate that I am 100 per cent in favour of the Crowsnest Pass rates on grain, and 100 per cent in favour of keeping them. I hope that no farmer in Western Canada, and that none of the so-called farm organizations in Western Canada, will ever suggest that these rates should be removed. They argue that it may help the cattle producers. I do not know how it will help the cattle producer in my part of the country, who sells perhaps 5,000 bushels of wheat and 100 head of cattle in a year, if you take $1 a bushel off his price for wheat and tell him, "You can make money from your cattle; you can feed your wheat to your cattle." What would happen would be that he would lose $5,000; that would be the total result. I think the first thing to support is the Crowsnest Pass rates on grain.

**Senator Flynn:** How do you relate that to the bill?

**Senator Argue:** It is not too directly related to the bill.

**Senator Grosart:** Let us keep to the rules.

**Senator Argue:** I know Senator Grosart gets very worried about the rules, but I have watched him operate in this house and he is not always strictly in order. He may say he is, but I have heard him refer to things that have gone on in the other place; I have heard him say that something has been happening in the government lobby. I think, therefore, that on an important bill such as this, on which the debate in the other place was completely wide-ranging, it is a service to the Senate to bring out some of the important problems that affect the grain business.

**Senator McDonald:** Keep on going.

**Senator Argue:** The second thing a lot of people are out to do is to remove the branch lines, the branch lines on which elevators are situated, and where managers operate and pay cash advances to the farmers. They want to abandon them. They say, "We are going to allow so many to remain, but we are not going to protect them on another 4,000 miles." So everybody gets excited, and they should get excited, along these lines, and they start putting pressure on the government to keep the lines. Then the government says, "We really do not intend to have that many abandoned and we are going to protect them all for a year."

[Senator Argue.]

**Senator Sparrow:** Could I ask the honourable senator a question?

**Senator Argue:** Surely.

**Senator Sparrow:** When you refer to "a lot of people", to whom are you referring? You say a lot of people are interested in tearing up branch lines. Would you mind being specific and name these organizations or people?

**Senator Argue:** The railways would like to get the branch lines torn up. There is a group in Western Canada called the Palliser Wheat Growers' Association who say there should be centralization, and they have come out in favour of terminals, which means that branch lines obviously are coming up.

**Senator Langlois:** They are producers, are they not?

**Senator Argue:** Oh, yes. They are a group of producers, some 2,000 to 3,000 members out of a total of 160,000 producers on the Prairies. However, if a vote were taken I am sure that 90 or 95 per cent of the farmers would be opposed to any wholesale branch line abandonment, as I am opposed to it.

**Senator Sparrow:** Are you talking about government policy or federal government representatives who may be interested in doing that? Are you talking of specific government representatives who may be interested in doing away with the Crowsnest Pass rates? This is, I think, a very important discussion, and I appreciate what you are saying. I think it is a very crucial issue in Western Canada. However, if criticism is due, then I think we should know the positions of those who are interested in doing away with those branch lines to which you refer and the Crowsnest Pass rates.

**Senator Argue:** That is what I am trying to do.

**Senator Flynn:** Are you coming back to the bill now?

**Senator Argue:** I thank the honourable senator for his interruption, but I make no apology for what I am doing.

**Senator Langlois:** You have been side-tracked.

**Senator Flynn:** You are really branching.

**Senator Argue:** I am branching, but I am trying to protect these branches.

There are organizations, the railway companies and others, who would like to get rid of all the branch lines. There are many organizations, including the wheat pools, that would like to reduce the number of branch lines. What I am saying is that a very substantial number of those branch lines that appear on the map for removal should not be removed, and my forecast is that history will show in the coming years that they are not going to be removed.

They want to remove all branch lines from where I farm to the United States border, a distance of 54 miles. It makes no sense whatsoever. The member of Parliament for that constituency, Mr. Ralph Goodale, has said that it makes no sense, so the people who want to get rid of those branch lines will, I think, fail. We should be careful, too, that we do not blindly follow the road of centralization—and big centralization.

There is a group that wants to put together a terminal in the city of Weyburn. They have gotten quite a bit of

support, and they have travelled around. They got a grant from the federal government of $42,000.

**Senator Flynn:** Is that a point in favour of the bill, or are you intending to move an amendment?

**Senator Argue:** Perhaps we should move an amendment at some time. This organization has received a grant from the government.

**Senator Benidickson:** From what department of government?

**Senator Argue:** I think the first grant came from the Grains Council—from a department of the federal government in any case. There were two grants; there was a second grant that was given.

**Senator Sparrow:** I would suggest that perhaps the honourable senator is talking about a loan through DREE, not a grant. Are you talking about the Weyburn terminal loan, which any industry would be entitled to receive and which is not specifically a grant? They are entitled to it under the DREE program and it happens to be a loan, not a grant. Would you agree with that?

**Senator Argue:** No, I do not agree with that. It was a subsidy of $42,000. That was a grant, a gift. That is the way it was.

**Senator Sparrow:** A loan?

**Senator Argue:** Not a loan, a gift; a free gift without any strings attached and without any repayment being due or called to be made.

**Senator Benidickson:** Under what legislation?

**Senator Argue:** I am not an authority on that. I did not bring in all the statutes. I am just telling you it is a fact that these grants and subsidies have been made. I am willing to take that question as notice, and bring the name of the precise department to my honourable friend. Nevertheless, it is still a fact. Senator Sparrow infers that they want something from DREE. As I understand it, they want a guarantee from DREE, the Department of Regional Economic Expansion.

**Senator Flynn:** If the honourable senator is going to conclude his speech soon I will let him go on. But I do not like the idea of dealing with all the problems of Western Canada, having Senator Sparrow and Senator Benidickson jump in, too, discussing rail transportation, branch lines and everything else imaginable under the guise of a debate on this bill. I think it is unfair to the Senate as a whole to exaggerate in the way Senator Argue has in this particular instance. He has wandered very far from the subject matter of the bill, and it is unfair. Generally we are not too strict about our rules, but I think in this particular instance he is going a little too far, and I suggest that he closes his speech pretty soon.

**Senator Langlois:** Or get back to the subject.

● (1450)

**Senator Argue:** I like my honourable friend Senator Flynn. I think he is one of the best senators we have. He is most logical. He is nearly always right. When he spoke just now he was almost entirely right, but not entirely, because I do not think anything I have said is, in fact, exaggerated.

**Senator Flynn:** I meant that you were going far beyond the scope of the bill, not that you were exaggerating the facts.

**Senator Argue:** The facts are not exaggerated. In making this kind of statement, which I hope I will draw to a conclusion soon, I am on the side of the evolutionist and I am opposed to the revolutionist in the grain business.

I believe we have a good, sound grain business now. It will evolve. It is evolving. There will be some consolidation. There will be some abandonment of certain branch lines. But my plea is that these things be done gradually, that they be done in consultation with the existing farm organizations. I suggest that a guarantee by DREE to put forward a terminal elevator sponsored by a minority group—an elevator which, if it is successful, will do untold damage to surrounding communities within 50 or 60 miles—would not be economic expansion, which DREE and its guarantees are designed to accomplish. I suggest with sincerity that for each job produced in Weyburn by the establishment of this elevator, four jobs within the surrounding area will be removed. If this elevator is built and is successful, it will be on the basis of government money, which will cause economic contraction in that area and will help bring about a withering away of the communities within the area. That would be nothing more than a misappropriation of government effort.

I certainly hope that DREE does not take sides, because that terminal will not be there—will never be there as I see it—without the initial grant and gift of $42,000 and without a DREE guarantee with which they can go to the bank and get millions of dollars.

I am hopeful that in evolving today's grain policy and in bringing about this important, necessary and unanimously supported increase in cash advances, those in authority will consult with those who have been established in the grain business for many years. I suggest that the best people to work with are the cooperatives, the wheat producers' own organizations, the wheat pools, United Grain Growers, and others in the grain business. In my opinion, the concern of government should be to evolve, in consultation with these people, a policy that will result in efficient and improved elevator facilities and improved transportation facilities. But that will not be brought about by undoing the accomplishments of the past, or by tearing down the many things which producers have for two generations struggled to build.

**Senator Flynn:** Shades of Paul Martin's irrelevancies in the House of Commons.

**Hon. Sidney L. Buckwold:** Honourable senators, this afternoon would seem to be Saskatchewan's afternoon. It is almost like the MacDonald Brier in curling—the Saskatchewan rink usually ends up on top.

**Senator Flynn:** Are you speaking to the bill?

**Senator Buckwold:** I hope the Leader of the Opposition will allow me to speak briefly on the importance of the bill.

**Senator Flynn:** If it is on the bill, I have no objection. However, if you wish to follow along the lines of the speech just made by Senator Argue, you will be completely out of order.

**Senator Buckwold:** The honourable Leader of the Opposition can tell me if I am out of order, but I should like to draw to the attention of the Senate that the importance of this bill, and the reason for my support of it, is that it relates to the current labour problems in Vancouver and their effect on the wheat industry and the farm industry. I believe my remarks will be relevant to the importance of improving these farm advances, because we will need them in that part of the world as a result of what is going on in the labour front there.

Am I being denied the right to speak?

**Senator Flynn:** I will not object, but I should point out that you are doing exactly what Senator Argue was doing.

**Senator Buckwold:** Well—

**Senator Flynn:** Let me finish and then you can reply. I remember when I was in the other place—and I alluded to this a moment ago—that Mr. Paul Martin's remarks used to be exactly like those of Senator Argue—irrelevant. One can always say, "Well, what I am saying is related to the bill because, as I see it, it's related." With that kind of logic, you can speak of the moon when you are dealing with an arithmetic problem and there is an obvious relationship. That is what Senator Argue has been doing, and I see that you intend to emulate him by talking about the strike at the Vancouver Harbour, a subject entirely outside the scope of this bill. If I heard the sponsor correctly, the real purpose of this bill is to increase the amount of the advance payments from $6,000 to $15,000. It is quite an accomplishment, if you can relate that to the strike at Vancouver Harbour.

**Senator Argue:** Honourable senators, may I add just one remark?

**Senator Grosart:** No. You have said quite enough.

**Senator Buckwold:** May I be allowed to speak, honourable senators? If we cannot move grain, then we certainly need these advances. That is why I am supporting this bill. We are faced with a particular crisis right now which is a dramatic illustration of the plight of western farmers owing to the vagaries of the market and, in this particular case, to the labour position on the West Coast. I feel it is important that this body should have these facts drawn to its attention, not only in relation to this bill but in relation to the entire farm economy.

**Senator Flynn:** If it is the wish of the Senate to allow you to speak on that subject, I shall not object.

**Senator Buckwold:** But I should like to have your approval. I should like to have the approval of the Leader of the Opposition, because I know that he is such a friend of the western farmers.

**Senator Flynn:** I am probably more of a friend to these people than some of you are. I am suggesting that senators should deal with the subject before us, and stop dealing in irrelevancies so we can get on with the bill and pass it if it deserves being passed.

**Senator Buckwold:** I would not doubt for one minute that you are a friend of the western farmers, in spite of the opposition which you seem to be putting up. In any event, I should like to draw to the attention of the Senate the problems created by the unrest, the strikes, and the turmoil in the labour front on the West Coast. There are over 30 vessels—

[Senator Flynn.]

**Senator Flynn:** What has that to do with this bill?

**Senator Buckwold:** I suggest it does have something to do with it, because it is an indication of why we need this bill. There is a major crisis in Western Canada in the farm economy today. I do think the people who sit here enjoying the prosperity of Eastern Canada are able to appreciate fully what is going on in the farm front today. The problems they are having are, as I have said, related directly to this bill.

I just want to express on behalf of the people in the areas which I represent, my home, that as soon as possible the government will, if necessary, move in and settle this strike. I want to stress that some order must be brought out of the present chaos. At the moment it is an impossible situation. The farmers are now unable to sell grain through their elevator companies. They are unable to dispose of their product. The whole system is backing up. There are tens of thousands of boxcars uselessly tied up. There are dozens of ocean-going vessels standing idly by in Vancouver Harbour. Because the grain weighers—just a handful of people, relatively speaking—are out on strike, the entire waterfront of Vancouver is closed. And I say that we cannot sit idly by heedless of this situation, especially as it relates to this bill. I draw this to the attention of honourable senators because it is a major Canadian crisis.

Just this past year alone the Saskatchewan farmers produced $2 billion worth of wealth from their agricultural products. That was not from a depleting resource. They did not take out of the ground oil, which is consumed; they did not take out of the ground minerals, which disappear; and they did not chop down trees. They produced new wealth, which went into the economy of this country, and it is a very important contribution to the prosperity of Canada.

● (1500)

I suggest it is important that all of us, in every way we can, should do whatever is possible to get these strikes settled and get some kind of peace on the labour front, or we will be losing our markets. The prices that Senator Argue mentioned, and which, thanks to the Wheat Board, are being easily maintained—although they are dropping, too, because of the problems of the world economy—will in fact disappear at the high levels if we lose our best customers because we cannot deliver the goods as, traditionally, we have been able to do.

I say that this is of prime importance. I urge the members of this house to support this bill, and to do whatever they can to get the people involved in these disputes, which have played havoc with the agricultural economy, back to work.

**Senator Argue:** On the point of order that has been raised—

**Senator Flynn:** It is not disposed of.

**Senator Argue:** I think one can speak on the whole question of procedure. Another senator could also speak on the question of procedure.

**Senator Flynn:** It was abandoned.

**Senator Argue:** I want to point out to honourable senators that the rules that govern the Senate are the rules that are in the Senate rule book, plus the usages and practices of the other place and the parliamentary system. I noticed that when this very bill was debated in the other place, where the rules are quite similar to ours, the debate was far more wide-ranging than it has been here today. They talked about the Crowsnest Pass rates; they talked about stabilization; they talked about the two price system; they talked about farm machinery prices; they talked about the federal budget; and they talked about the new hopper cars. They went, in fact, very far afield. I think Senator Buckwold did a service this afternoon in pointing out to the Senate and to the country one of our big problems, namely, that of moving our grain now so that we may keep our customers, and so that the farmers may get some money rather than having to use the provisions of this bill to the extent that they might otherwise have to do.

All I am pointing out is that in the other place prominent members of each of the political parties, including the Hamiltons of the Conservative Party, ranged widely in the debate, and I think wisely, so that they made a contribution to their constituencies and to the country. As far as I can tell—and Senator McDonald, I know, has the record in front of him—no point of order was raised in the other place.

**Senator Choquette:** They have to be re-elected.

**Senator Yuzyk:** Honourable senators, following this battery of agricultural experts from Saskatchewan—and we still have to hear from Senator Sparrow—as is expected now on both sides of the house, I move that the debate on Bill C-10 be adjourned. I will try to keep on the main track.

On motion of Senator Yuzyk, debate adjourned.

## ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL C-228 (BRUCE)—SECOND READING

**Hon. A. Hamilton McDonald** moved the second reading of Bill C-228, respecting the Electoral Boundaries Readjustment Act.

He said: Honourable senators, I do not know whether I should do this again or not.

**Senator Flynn:** Oh, yes. You were relevant before, and I know you are going to be so again.

**Senator McDonald:** I can certainly be relevant as far as Bill C-228 is concerned. I think it would be safe to call it a simple bill, since all it does is change the name of a federal electoral constituency in the province of Ontario from Bruce to Bruce-Grey.

The reason for this change, as I understand it, is that 50 per cent of the constituency is located in the county of Bruce, and the other 50 per cent in the county of Grey. It is the feeling of the sitting member, Mr. C. Douglas, and also, I understand, of his constituents, that they would like the name to be double-barrelled in the future, and for the constituency to be known as Bruce-Grey rather than Bruce.

[*Translation*]

**Hon. Paul C. Lafond:** Honourable senators, with all due respect to the mover and seconder of this bill and the others that follow, I shall not speak at length on this matter.

It seems to me these bills are becoming increasingly frivolous the closer we get to the readjustment of electoral boundaries. In fact, the commissions assigned this readjustment are now at work so that the purpose of these bills is totally useless, inefficient—the commissions are in no way bound to take them into account, nor will they, in all probability. Therefore, if the Senate deems it advisable to pass this bill, let it do so, but on division.

**Hon. Jacques Flynn:** Senator Lafond has just expressed my own views on the matter. However, there is one point he made when similar bills were brought before us: he pointed out that we are going against the rule adopted by the commissions whereby single names should be adopted instead of hyphenated ones such as "Bruce-Grey" and others. This seems absolutely pointless, to my mind, seen from here. But if the House of Commons has deemed it proper to pass these bills, I feel all we can do is protest and say that they are in bad taste.

[*English*]

Motion agreed to and bill read second time, on division.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator McDonald** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BILL C-229 (LAFONTAINE)—SECOND READING

**Hon. Azellus Denis** moved the second reading of Bill C-229, respecting the Electoral Boundaries Readjustment Act.

He said:

[*Translation*]

Honourable senators, it is a nice opportunity for us to pay tribute and please an important group in this country; I am talking about people in the ward of Rosemont in the beautiful city of Montreal.

**Senator Langlois:** In la belle province!

**Senator Denis:** The ward of Rosemont includes about half the ward of Lafontaine, and being proud of their name and their identity I think it would please them if we added the name of Rosemont to that of Lafontaine, which is the name of the riding.

With all due respect to the honourable Leader of the Opposition in the Senate, I think it is a nice thing to please those who are proud of their place and want its name to appear in the title.

As to my honourable friend, Senator Lafond, I think that whatever happens or if by chance there should be an election we would always be prepared to proceed under the new name. I think it is a very good thing, and on behalf of the people of Rosemont I submit it to honourable senators.

**Senator Flynn:** Honourable senators, I want the record to show that the remarks made by Senator Lafond as well as mine on the previous bill also apply to this one.

**Senator Denis:** Honourable senators, it is as nice and interesting to bear the name "Lafontaine-Rosemont" as the name "Progressive Conservative".

**Senator Langlois:** I would like to know from the sponsor of this bill which Lafontaine he is talking about? Is he talking about the former Prime Minister, or the current member of the other place?

**Senator Denis:** It is not the fountain of youth, Senator Langlois!

**Senator Langlois:** Thank you very much for the compliment.

● (1510)

[*English*]

Motion agreed to and bill read second time, on division.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Flynn:** After the next election!

**Senator Denis:** At the next sitting.

**Senator Denis** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BILL C-365 (BERTHIER)—SECOND READING

**Hon. Sarto Fournier** moved the second reading of Bill C-365, respecting the Electoral Boundaries Readjustment Act.

He said:

[*Translation*]

Honourable senators, I feel there is very little to say on such a trivial matter. However, I think it is the wish of the people of Quebec in this area known as "Maskinongé", as expressed to their member of Parliament, that the geographic expression be included in the definition of this electoral body. In order to comply with the wishes of the people and the law, the law being as it is and as long as it is the law, so be it.

However, I feel that the Senate should be pleased to comply, not with the will, but with the wishes of the people of one of the most beautiful areas of the province of Quebec.

**Hon. Jacques Flynn:** Honourable senators, the comments I made also apply to this bill, but I should like to add something.

Senator Fournier suggested that this bill results from the will of the people of the county of Berthier.

I dispute this statement for, unless I am mistaken, there has not been any referendum or request in that county. It is only a habit of old to try and describe every area of a constituency, habit which the last review of electoral boundaries tried, apparently in vain, to get rid of.

I understand the reaction of members in the other place who want to please every little community. The practice detracts in no way from the present names, and to those whose names they wish to see appear, they say. "We will mention your county as well as the other."

However, I would like to make another comment on this bill.

Formerly, that riding was named "Berthier-Maskinongé", as they are now proposing to do. At a given time, the very nice name of "de Lanaudière" was added, which is the name of the area represented here by our great friend, Senator Sarto Fournier, the co-dean of Parliament and co-dean of the Senate, with Senator Denis.

**Senator Langlois:** Both in the same corner!

**Senator Flynn:** So, this is small-scale history; we are told that it was the representative at that time who, to get rid of the returning officer, proposed this bill, replacing the name of "Berthier" by "Berthier-Maskinongé"; when "de Lanaudière" was added, we got the longest name of all ridings in Canada. At the last review of electoral boundaries, the nice name "de Lanaudière" and the name "Maskinongé" were dropped to leave only "Berthier".

If I had had my say in the matter, I would have suggested to simply keep the name "de Lanaudière", which covers more or less the district represented by our excellent friend Senator Fournier. The name "Berthier" was preferred.

However, here we are doing the same thing again; we are lapsing back into the same mistake, by adding "Maskinongé". Perhaps next year, or after the next election, we shall revert to the previous choice and say that because the people in a part of the constituency like the name "de Lanaudière", it will be better to add "de Lanaudière", with the result that we shall have the longest description of a constituency in all Canada, "Berthier-Maskinongé-de Lanaudière", and perhaps shall we add "Fournier"!

**Senator Lafond:** Honourable senators, Senator Flynn brought to our attention the fact that at some time the name "de Lanaudière" had been added to the name of the constituency, probably because they wanted to change the returning officer, as the act requires.

**Senator Flynn:** At that time.

**Senator Lafond:** That may be so, but I must point out that changing the name of an electoral district should not necessarily mean changing the returning officer of that constituency.

So, if that is the purpose of the bill, as I said earlier, it is still inefficient, useless and has no effect whatsoever.

**Senator Flynn:** Agreed.

**Senator Fournier (de Lanaudière):** If you allow me, honourable senators, I do not wish to miss this opportunity.

**Senator Langlois:** Is the honourable senator closing the debate?

**Senator Fournier (de Lanaudière):** I hope so.

I do not wish to let the opportunity pass without gratefully thanking my honourable friend, the Leader of the Opposition, for his almost affectionate and very flattering remarks about me.

In connection with the change of name, the following occurred: the member for Berthier informed me that he

had received representations from distinguished persons and citizens of that area of his constituency called Maskinongé who would like to have that name appear in the traditional definition. He has complied with their request. He cannot be blamed; he has to do it. We do not need a referendum as suggested by the Leader of the Opposition. We do not have to consult everybody when we are sure that those who made the representations are making a reasonable and sensible request about something to which they are entitled. It rests with Parliament and especially the Senate—we so seldom have the opportunity—to be agreeable to the people. We should not miss this opportunity of satisfying a legitimate need of a very large group of Canadians.

**Senator Denis:** Very well.

● (1520)

[*English*]

Motion agreed to and bill read second time, on division.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Flynn** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## QUEBEC PROVINCIAL POLICE

### FINANCIAL COMPENSATION FOR MAINTENANCE—DEBATE CONTINUED

The Senate resumed from Tuesday, February 25, the debate on the inquiry of Senator Deschatelets, P.C., calling the attention of the Senate to the claim made by the Minister of Justice of the Province of Quebec for financial compensation from the federal government with respect to the Quebec Provincial Police Force and to the ever-increasing costs of maintaining the various police forces in Canada.

[*Translation*]

**Hon. Jacques Flynn:** Honourable senators, when I spoke today it was not for very long. I might have spoken often, but not to any length and I have no intention of doing so now either.

I simply want to say that I have found this debate on financial compensation for maintaining a police force in Quebec interesting and that, in a way and to a degree, I have found it useful. I therefore congratulate Senator Deschatelets and those who have taken part in this debate, especially Senator Asselin and Senator Desruisseaux, who supported the views of Senator Deschatelets. I also congratulate Senator Manning and Senator Hicks, two former provincial premiers, who expressed their doubts about the validity of the claim made by Quebec and even of that made by Ontario, which was not directly involved in the debate but is concerned with this issue.

I certainly do not take the floor in an effort to take a stand between the opposing viewpoints which have been expressed. I simply want to indicate that if this debate were to end as debates of this nature often do, it would not be of much use. It seems to me that if the Senate must really study this issue, it must do so a bit more realistically. For this reason, at the first opportunity, once the debate is over and when Madam Speaker has stated that the issue is deemed to have been discussed, I intend to suggest that this same issue, as well as the problem of the claim of Ontario, be referred to the Committee on Legal and Constitutional Affairs. Without looking at him, I know that Senator Goldenberg is happy at the thought that he will have something else to do.

**Senator Lamontagne:** On French television.

**Senator Flynn:** On French television. Such debate might be televised and might perhaps stir up a bit more interest than the sittings of the committee on cannabis seem to do. They don't seem to work out so well. I think that it is a subject which is a bit too complex for television. It is said generally that television viewers are interested in programs suitable for the eleven-year-old age group on the average. We would think that at that age cannabis is not yet a problem, and that later on, once on it, the complexity of the problem is of no interest anymore.

[*English*]

So, for the reasons I have just explained, I submit, when the discussion is terminated, that this matter should not be simply left as a subject that has been debated. If we are to do something useful with respect to this problem, the matter should be referred to the Standing Senate Committee on Legal and Constitutional Affairs. I have been informed that the Minister of Justice for the Province of Quebec, Mr. Jérôme Choquette, would be willing to appear before the committee headed by Senator Goldenberg. I have received the same sort of information with regard to the Honourable John T. Clement, the Attorney General for the Province of Ontario. I do not doubt for a moment that the Solicitor General, the Honourable Warren Allmand, would similarly be extremely pleased to appear before this committee of the Senate to express his viewpoint. We would also have the advantage of the experience and knowledge of Senator Hicks and Senator Manning, two former premiers of provinces which were parties to the agreement—which the provinces of Quebec and Ontario were not—with regard to the maintenance of police forces.

For that reason, I give notice that when this debate is concluded I will move that the Standing Senate Committee on Legal and Constitutional Affairs be authorized to consider the question of financial compensation by the federal government for the maintenance by the provinces of Ontario and Quebec of their own police forces. I hope that in due course that motion will receive the favourable consideration of the Senate.

[*Translation*]

**Senator Goldenberg:** Honorable senators, I have just one question for Senator Flynn. Would he be prepared to become deputy chairman of a subcommittee of my committee which could study this question?

**Senator Flynn:** If it is the only problem faced by the chairman of the committee, I would be pleased to accept and I would find someone to preside over such a subcommittee.

**Senator Goldenberg:** No, I offered you the position.

[*English*]

On motion of Senator Langlois, debate adjourned.

## BUSINESS OF THE SENATE

**Senator Langlois:** Honourable senators, before moving that the Senate do now adjourn, I should like to ask that the second reading of Bill C-49 be moved to the head of the Orders of the Day, after third readings, if any.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

The Senate adjourned until Monday, March 10, at 8 p.m.

# THE SENATE

Monday, March 10, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of News Release, dated March 6, 1975, relating to statement made by the Minister of Industry, Trade and Commerce on the primary textile industry.

Report of the Textile and Clothing Board, dated January 22, 1975, relative to an inquiry respecting sheets and pillowcases, pursuant to section 9 of the Textile and Clothing Board Act, Chapter 39, Statutes of Canada, 1970-71-72.

Report of the Textile and Clothing Board, dated February 6, 1975, to the Minister of Industry, Trade and Commerce, pursuant to section 19 of the Textile and Clothing Board Act, Chapter 39, Statutes of Canada, 1970-71-72, respecting broadwoven fabrics of filament nylon, broadwoven fabrics of filament polyester and double-knit and warp-knit fabrics.

Report of the Textile and Clothing Board, dated February 14, 1975, relative to an inquiry respecting polyester filament yarn, pursuant to section 9 of the Textile and Clothing Board Act, Chapter 39, Statutes of Canada, 1970-71-72.

Report of the Textile and Clothing Board, dated February 14, 1975, relative to an inquiry respecting worsted fabrics, pursuant to section 9 of the Textile and Clothing Board Act, Chapter 39, Statutes of Canada, 1970-71-72.

Report of the Textile and Clothing Board, dated February 14, 1975, relative to an inquiry respecting polyester-cotton fabrics, pursuant to section 9 of the Textile and Clothing Board Act, Chapter 39, Statutes of Canada, 1970-71-72.

Copies of a statement showing the proposed initial prices for wheat, barley and oats for the next crop year, issued by the Minister responsible for The Canadian Wheat Board.

## ENERGY

### INTERNATIONAL CONFERENCE OF OIL-PRODUCING AND OIL-CONSUMING COUNTRIES—QUESTION

**Senator Desruisseaux:** Honourable senators, I have read with some concern an item of news that appeared in the *Financial Times* of March 10. Before I go into this and put my questions, I want to say that I have had no opportunity to speak to the Leader of the Government about these questions that I wish to put, nor do I feel that there is any urgency in answering them.

The article is written by Peter Cook and it is entitled, "Canada left out—Crucial oil meeting next month." It reads as follows:

> In a major political rebuff, Canada has been excluded from crucial world meetings between the oil-producing and oil-consuming countries to open in Paris on April 7.
>
> External Affairs Department officials last week were pressing the Canadian case for a seat at the talks which are reckoned to be the most important international discussions to be held this year. They will cover not just future oil-pricing policies but also trade in key raw materials in which Canada is vitally interested.
>
> Canada had hoped that at least it could make its views known through the International Energy Agency (IEA), which represents the oil-consuming countries, by being awarded observer status at the talks.
>
> But the IEA has been kept out, too. Consumer countries invited to attend the first meeting by the French government include the U.S., Japan and nine European Economic Community (EEC) members.
>
> Canada is the only one among the big seven world economies not asked to attend.
>
> The meetings will be a face-off between the industrial world, the oil-producing countries represented by Saudi Arabia, Venezuela, Iran and Algeria, and the poorer developing countries, represented by Brazil, India and Zaire.
>
> External Affairs officials last week maintained Canada had "very strong claims indeed on individual representation." Says one spokesman: "We have made our views clear on this. We are a strong economic power in our own right and one of the most important trading countries in the world."

We do not have to emphasize these points here, but it seemed to me I should refer to this matter because a comparison is being made in the *U. S. News & World Report* between nations. As to total output of goods and services, of all the countries in the world Canada rates eighth. We are close to Italy. Among the oil-producing countries, according to the figures I have here, Canada rates ninth, preceded by Iraq and followed by Libya, who are represented at this conference.

In view of the importance of this situation, and the effect it may have on general trading for Canada with some of these countries, I would like to put to the leader the following questions, to enable us to air the subject as much as we can:

1. Is the published report of the *Financial Times* of March 10, 1975, by Peter Cook, to the effect that Canada has just received a major political rebuff by

being officially excluded "from crucial world-meetings between the oil-producing and oil-consuming countries to open in Paris on April 7", correct and true?

2. What official protest is intended by Canada?

3. Because of its importance to Canada, what counteraction can be taken by Canada so as to somehow also participate in the stabilizing of world trade in raw materials, and general trade?

Honourable senators, this is a subject of great concern to Canada. I do not want to go any further. These are simple questions. They are meant, really, to try to open up the minds of all of us on this subject. The article I referred to may have passed unnoticed by some. I believe that we should attach the greatest importance to this matter, which in my view transcends many other things we have to deal with.

● (2010)

**Senator Perrault:** Honourable senators, these questions are very important and they are complicated, as you can appreciate. I shall undertake to obtain a complete answer to the questions which Senator Desruisseaux has posed. There are some preliminary indications, however, that Canada, in fact, will be a participant in the full conference involving the major oil-producing and oil-consuming nations. The article to which the senator has referred may pertain to a preliminary meeting which, I understand, is to precede the full conference at which Canada is to be a participant. However, this is a speculation, and, as I stated earlier, I will undertake to obtain a full and factual reply.

**Senator Desruisseaux:** Would our leader know whether we have to take the published report by Peter Cook in the *Financial Times* as incorrect in some substance?

**Senator Perrault:** It is not for me to comment on the quality or accuracy of the article by Mr. Cook. However, it may be that the assumptions that appear to be drawn from the article may be incorrect. Perhaps its judgments are premature. That is all I am suggesting.

### LIGHTING OF FEDERAL GOVERNMENT BUILDINGS—QUESTION

**Senator Forsey:** Honourable senators, I would like to ask the Leader of the Government what progress the government is making with its program for the conservation of energy by cutting down lighting of government buildings. I notice that today the *Globe and Mail* made a very vainglorious announcement, illustrated, of the reduction made in the lighting of one of the buildings down on Booth Street. But when I passed the Department of External Affairs building the other night I felt that Solomon in all his glory could not have been more resplendent than it was. Every single floor of the building was brilliantly illuminated. I could not help wondering whether the announcement by the minister in the other house on the subject of conserving energy by cutting down lighting in government buildings had reached the exalted and rarefied heights of the Department of External Affairs.

**Senator Perrault:** Honourable senators, apart altogether from the fact that the Department of External Affairs and its personnel are working overtime these days—

[Senator Desruisseaux.]

**Some Hon. Senators:** Oh, oh.

**Senator Perrault:** —is the fact that there is a certain type of lighting which I am given to understand is more economic to leave on twenty-four hours a day than to turn on and off. But I shall make the appropriate inquiries.

**Senator Forsey:** Honourable senators, I read very carefully what the minister said in the other place. He strongly discounted that particular argument. As I recall it, he admitted that there were some of these buildings so constructed that there was apparently only one switch per floor, perhaps one switch per building, and said that this would have to be changed. This is why I am asking the question. Are they getting down to doing something about it, or is this something that is just going to go on, with pious hopes and exhortations and admonitions to the general public, with an occasional beautiful illustration of a building in almost total darkness, with just one floor lit up where the cleaning staff is at work? I hope this will be taken very seriously, because it seems to me a very important matter.

**Senator Perrault:** Honourable senators, may I suggest that the inquiry will be pursued with energy and I hope we can cast some light on it in a few days.

**Senator Argue:** Install some switches.

## ELECTORAL BOUNDARIES READJUSTMENT ACT

### BILL C-228 (BRUCE)—THIRD READING

**Senator McDonald** moved the third reading of Bill C-228, respecting the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read third time and passed.

### BILL C-229 (LAFONTAINE)—THIRD READING

**Senator Denis** moved the third reading of Bill C-229, respecting the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read third time and passed.

### BILL C-365 (BERTHIER)—THIRD READING

**Senator Fournier (de Lanaudière)** moved the third reading of Bill C-365, respecting the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read third time and passed.

## INCOME TAX ACT

### BILL TO AMEND SECOND READING—DEBATE ADJOURNED

**Hon. Salter A. Hayden** moved the second reading of Bill C-49, to amend the statute law relating to income tax.

He said: Honourable senators, Bill C-49, if you take even a quick look at it, is terrifying in its proportions, and when it is read it does not improve very much. The complexities are extraordinary. When we embarked on tax reform in 1970 we had a whole new world of taxation opened up before our eyes—an area in which everything would say what it meant, and mean everything it said.

Since that time many things have happened. The translation of the White Paper, the position paper of 1970, into

an income tax act, Bill C-259 in 1971, occupied 707 pages. Since that time the Department of National Revenue has been busy issuing interpretation bulletins, which have now reached quite substantial proportions. The length of each sheet is approximately a foolscap page, and as to volume they would easily outrival the bill presently before us. Of course, we have had regulations, we have had rulings, and now we have Bill C-49, consisting of 303 pages.

● (2020)

We are told, in this bill, that its purpose is mainly relieving and clarifying. There are some positive features where benefits are granted to individuals and penalties are imposed on corporations, but by and large the bill becomes more and more complex. I would defy any honourable senator to turn to any part of the bill, read two or three pages and then sit back and reflect on what he or she had read. You would certainly have read a lot of English words, but the big problem is how to put them together.

The *Financial Times* seems to be one of the most quotable sources this evening. In an article on the front page of the issue of March 3 entitled "Not so funny," it says:

> The complexity of Canada's tax system now verges on the ridiculous.

It goes on to cite about three different instances which have developed, reflections in the courts, and a studied analysis by some of the people on the staff of the *Financial Times*, and continues:

> Lawyers and tax collectors may delight in these complications, but for the rest of us the system is becoming a heavy burden. Too many people now have to spend too much time to figure out the financial consequences of what they do. It is high time we simplified the rules.

My comment in relation to that is that we have had a fair run at the complex system which was held out to us in 1970 and 1971 as being really the introduction to a simplified era of tax reform and simplicity in taxation. There was no undertaking that it would not be voluminous, but at least it was implied—there was even an undertaking—that it could be easily read. If one examines the amendments contained in Bill C-49, one will find that the majority of them arise from failure to put in Bill C-259—the bill of 1971—the real intent of that particular enactment in clear language and, therefore, we were faced with amendment after amendment.

If we reverted to a system that was more general in the enactment of tax legislation, we could not make any more mistakes than are apparently made in following this very complex system, and I am sure that more people would understand it. Whether any attention will be paid to this, I do not know. Perhaps the little drops of water will gradually produce enough erosion.

In the meantime, the Revenue Department goes on its way, issuing interpretation bulletins and rules, making regulations and amending regulations. So the story runs.

The trial and error method is not a good way to get good tax law. When we go into the field of legislating in a particular way and try to cover every point that may develop under the one subject matter, we are not likely to cover them all, no matter how we may anticipate problems which might develop. If we take a general approach, it may work out better. Perhaps I should be kind and say I wonder if it will work out less well than it does because, in the order of things, there are amendments each year. Having said that, realizing how complex and difficult this bill is, I propose to confine myself to certain subject matters in it.

I hope my judgment as to what subject matters might be of greatest interest to you will meet with your approval, and will be in line with what you are thinking about. One could not deal with all that is contained in this bill. First of all, a clause-by-clause review is not the purpose on second reading. This is when we discuss the principle of the bill. It is difficult to enunciate a principle in a tax bill, except that tax bills either give you money by way of rebates and refunds, or they take it away by way of heavier taxes. Those are principles that we understand. It may well be that the mineral resource taxation measure, being a policy decision, might have a principle, and I will discuss that a little later on.

I have worked out what I call an order of presentation. I am not really going formal on you, but I thought I would develop these points. I will watch the clock, and if at any time I think the clock has run its course as far as I am concerned and as far as your patience is concerned, why, I will just cut off the list and that will be the end of it for this evening.

In accordance with what I usually do, I should like to tell you about the carrots. "Carrots" is the expression I use for the goodies in the bill.

The first item is the reduction in taxes made available under this bill in respect of individual taxpayers. For instance, we know that in 1973 there was a 5 per cent reduction in tax payable as far as individuals were concerned, with a minimum reduction of $100 and a maximum of $500. In 1974, under this bill, the 5 per cent tax reduction will remain, but the minimum will be $150 and the maximum will remain at $500. In 1975 the tax reduction is increased from 5 per cent to 8 per cent, with the minimum reduction being $200 and the maximum $750.

I should tell you that in 1974, as a result of this change, Canadian taxpayers will save $380 million by the elevation in the minimum amount of the reduction from $100 to $150. Also, in 1975 Canadian taxpayers will save $615 million by the increase in the reduction from 5 per cent to 8 per cent, with the maximum being $750.

The next item of interest is clause 70 of the bill, at page 189, which deals with the deduction of interest and dividends in respect of individual taxpayers. In 1974 this deduction is restricted to net interest earned to a maximum of $1,000, but one could deduct only earned interest actually received up to $1,000. In 1975 this deduction will be extended to include grossed-up dividends, so that the taxpayer may use either interest or grossed-up dividend deduction from income, or both if they were of value to him. The use of this deduction—that is, the $1,000—in respect of dividend income does not affect the right of the taxpayer to claim a dividend tax credit.

It is interesting to note that in 1974 the provisions relate only to net interest. The effect of that is that if you borrowed money on which you had to pay interest, and

then used that borrowed money to acquire bonds or dividend paying shares, you could not in 1974 do an offset in respect of that interest. That is, you could not deduct the interest you paid on borrowed money to the bank and then use the $1,000 to reduce your income from the bonds or securities. That has not been carried through into 1975. I do not know what the reason for it is, but there would appear to be this exposed area, shall I call it, which may come into use to some extent. I should tell you that dividends received from your private company—and I am sure all senators will perk up when I say that!—are not subject to this interest exemption. It is estimated that taxpayers will save $230 million in 1974, and an additional $10 million in 1975.

● (2030)

Then, on what is called the bonus on Canada Savings Bonds, the taxpayer has a choice of treating the bonus either as income received during the year or as a capital gain. The advantages are that he may treat the $1,000 of bonus as exempt interest and balance his capital gain; that is, if his interest requirement or interest payment does not run to $1,000. The advantage of going the capital gain route may well be that only 50 per cent of that is taxable as a capital gain. He will have to decide which course is preferable for him. Of course, he could take the whole thing by way of the capital gain route, if it is available to him and if it is to his interest to do so.

The next is the pension deduction. An allowance of $1,000 may be deducted at age 65 from a pension payment that is received by a person in that age group. There are certain exclusions—old age security and supplemental payments, federal or Quebec pensions, retirement allowances received—so that this right to deduct this $1,000, which is called a deduction from pension income, is really confined to private pension plans or to pensions received from an employer's plan. In other words, a superannuated pensioner can deduct up to $1,000 from income in addition to the $1,000 interest exemption.

All private and government pension plans, except the ones I have mentioned—that is, old age security payments, the guaranteed income supplement, benefits under the Canada Pension Plan and the Quebec Pension Plan—will be treated as pension income eligible for deduction. These include payments from a deferred profit-sharing plan, the taxable portion of annuity payments, and payments from a registered retirement savings plan received by a person 65 years of age or over.

It should be noted, too, that a pension received in consequence of the death of a spouse will be reduced by a maximum amount of $1,000 to arrive at taxable income. On that particular item there is no age limitation. In 1975 it is estimated that the taxpayers' savings will be at least $55 million.

Then there is what they call an age exemption for the benefit of older married couples, beginning in 1975. At present each taxpayer 65 years or over may use this only to reduce his own income for tax purposes. But the bill proposes that to the extent that an individual of 65 or over does not use the exemption, it may be transferred to his or her spouse. In 1975 the estimated saving by the ability to transfer to the spouse the unused portion of this age exemption is estimated at $35 million.

[Senator Hayden]

Now we come to a very interesting subject matter, and in order to be accurate about it I have made an enumeration of the qualifications for entitlement to a registered home ownership savings plan. Since we are great for the alphabetical descriptions of these things, you will find this called in many places the RHOP.

The date for the coming into force was 60 days after the end of the taxation year 1974. That date has now been extended to April 1. If you qualify by that time, your plan will bear date January 1, 1975. Here is an enumeration of your entitlement if you decide to have such a plan . It allows a deduction of $1,000 in a taxation year, or actual contribution up to $1,000 in a taxation year, or if you pay it within 60 days after that. The maximum that may be contributed is $1,000. If the maximum of $10,000 is not reached in ten years, you may continue your contributions until the maximum of $10,000 is reached. It is available only to residents of Canada 18 years old or over, and it applies only to those Canadians who do not own a home in Canada. If a resident of Canada owns a home outside Canada he could still use the plan.

The contributions in the plan, when they are being paid up, must be applied on the purchase of a home and/or furnishings. Thus, a wife could use this plan if she does not own a home or furnishings. Withdrawals from the fund are taxable unless used to purchase a home.

While the trust administers the plan, no tax is payable. That means the accumulation of interest in the plan is not taxable. If money in trust is not used for the permitted purposes, it is taxable but subject to roll-overs. That means a method by which you can defer the payment or the incidence of tax. You can pay into other plans, like a registered retirement savings plan, or you can purchase an income averaging annuity. If the fund receives a gift it must divest itself of that right away, and while the income is in the fund all that income is subject to tax. Loans to the fund must be repaid, and there is a time limit, but while the loans are in the fund the income is subject to tax. As I said before, appreciation of the fund is not taxable.

An amount of contribution in excess of $1,000 a year must be reimbursed within 120 days from the end of the year or be taxable in the hands of the contributor, plus any earnings thereon.

The husband and wife may each have a plan. At death any fund not transferred to the wife within 15 months from the date of death of a spouse is taxable in the hands of the deceased. I had better add some more words to that in a hurry, because you will wonder how you can do that. It says, he shall be deemed to have received that money immediately prior to his death. On transfer to the wife, the roll-overs available to deferred tax are the same as I indicated before. If the beneficiary of a trust, or a contributor, ceases to be a resident while contributing, he is subject to a withholding tax of 15 per cent. The money will be deemed to be a pension. The United States would appear to be a favourite country for any person who enjoys such a plan and was going to move away, because he could escape tax, even withholding tax, by virtue of the Canada-U.S.A. Tax Convention. If you pick on another country you would not be so fortunate.

The husband and wife can get together and jointly buy a home, and they can pool their contributions. Each one can have a plan. So in that way they could have up to $20,000 plus the income earnings from that money to make use of as and when they decide to buy a home. It should be noted that they would not have to buy a home, because there is no limit as to the length of time within which this money may run, but until they used it to buy a home the only comfort and consolation they could enjoy would be in contemplation of the fund and the increasing size of it each year as the earnings accumulated, because if they were to take any part of it out they would have to pay income tax on it.

● (2040)

The next series I should like to refer to is that of mineral resources taxation. This is one of the principal aspects of the bill. It may take me a few minutes to deal with this subject, but I want to proceed very carefully because it has to do with the subject matter described as "Taxation of production income of petroleum and mining industries," and it is a subject which has occupied public attention and the public press over a long period of time. It is a subject matter which has created many strong differences of opinion as to the actions taken by the provincial authorities and the actions taken by the federal authorities. But in the last analysis the thing really boils down to a matter of dollars. The real issue, as I see it, is what constitutes a fair sharing of revenue from petroleum and mining as between industry, the provinces and the federal government.

I will now tell you what the relevant provisions in this bill are. In particular, clause 7(1) of Bill C-49 would amend section 18 of the act so as to prevent taxpayers in the petroleum, natural gas and mining industry from deducting from their income—and now listen to this enumeration: any royalty, tax, rental, bonus, levy or other payment made by them to the Crown in the right of Canada or a province or to a Crown corporation or body in relation to the acquisition, development or ownership of a Canadian resource property or to the production in Canada of petroleum, natural gas or minerals from a well or mine in which the taxpayer had a right to remove petroleum, natural gas or minerals.

While in ordinary discussion the subject has been discussed as "royalties," nevertheless, it is really much broader in its aspects, as you can see from the enumeration which I have given you.

As a parallel measure, clause 4(2) of the bill would amend section 12 of the act so as to add to a taxpayer's income any amounts, other than those just mentioned, or the value of any property receivable by the Crown in the right of Canada or a province or by a Crown corporation or body as royalties, tax, rental, bonus, levy or otherwise in relation to the acquisition, development or ownership by a taxpayer of a Canadian resource property or to the production in Canada of petroleum, natural gas or minerals from a well or mine in which the taxpayer had a right to remove petroleum, natural gas or minerals.

Honourable senators, I have stuck quite close to the wording of the provisions of the bill in making this enumeration because even if I were to change a word or so it might change the intent or the interpretation.

In addition, clause 37 of the bill would amend section 69 of the act so as to deem sales of petroleum, natural gas or minerals between taxpayers and the Crown to have been made at fair market value.

The problems created by these provisions may well be illustrated as follows. First, where royalties are payable to a freeholder in Alberta, the additional royalty payable to the province will be that much less than on a Crown lease. Since the above provisions only affect Crown royalties, the taxpayer paying a royalty to a freeholder will be able to deduct that royalty and so will be less heavily taxed than other taxpayers holding Crown leases. This is a far cry from the ideal of equality as between taxpayers, which was a cornerstone of tax reform hardly three years ago.

Second, provincial royalties are sometimes paid in kind rather than in cash. In such a case a part of the production from an oil or gas well never actually belongs to the taxpayer-producer, but rather remains the property of the province. Nonetheless, the proposed legislation would include the value of this production in the taxpayer's income, thereby violating the principle likewise espoused by tax reform—that income tax should be levied in accordance with the taxpayer's ability to pay.

The object of these provisions was clearly expressed by the Minister of Finance in his budget speech which he delivered on November 18, 1974, and which is to be found at page 12. The minister stated that, traditionally, provincial royalties had been deductible as business expenses, but that with the tax reform in 1972 Canada had begun the process of cutting back the deductibility of these royalties and, at the same time, had begun increasing provincial abatements so that the provinces could enjoy a greater share of the taxation of resource profits through income taxes. However, with the dramatic increase in provincial royalties in 1973-74 in such provinces as Alberta, Saskatchewan and British Columbia, notably in connection with petroleum and natural gas but also in certain instances in connection with minerals, a direct challenge had been posed to the federal authorities over the sharing of the resource taxation field. The minister expressed the view that the royalties levied by the provinces—and again I would recall to your mind the enumeration which I gave a little while ago—had risen in certain instances to such a high level that they were in reality disguised income taxes.

Let me say a word with respect to just what the provinces had done. Alberta introduced an incremental royalty which averages 65 per cent of the increased price of oil; Saskatchewan introduced a royalty equivalent to 100 per cent of the increased price; British Columbia proposed new and heavy royalties on oil, and B.C. Petroleum, which I believe is a provincial Crown company, announced that it would appropriate most of any increase in the price of gas. In the last nine months of 1974, the federal share of petroleum was cut from about 13 per cent to 6 per cent; the provincial share went up from 36 per cent to 42 per cent.

What is fair? I suppose that is a judgment which has to be made. It is certainly a judgment of prime importance, and the prime importance is the fact that it is essential to Canada that we should maintain strong and viable resource industries.

While the minister conceded that the petroleum and mining industries would be overtaxed as a result of the government's proposals, he felt that the overtaxation was not the fault of the federal government but rather that of the provincial governments. Of course, that is the way most debates go when controversies develop at that level.

Notwithstanding this, the minister did estimate that, taken as a whole, the changes wrought by the budget in the field of resource taxation would increase federal revenues in 1974 by an estimated $335 million.

As part of the changes in resource taxation, clause 78 of the bill would add section 123.3 to the act, establishing the standard corporate rate of tax applicable to resource income at 50 per cent. Clause 79 would amend section 124 of the act so that, in addition to the present 10 per cent corporate tax abatement, further abatements would bring federal taxes on petroleum and natural gas profits down to 30 per cent in 1974, to 28 per cent in 1975 and 25 per cent in 1976 and following year, and on mining profits to 25 per cent in 1974 and subsequent years.

I suppose the switch from the abatement method in disallowing the royalty deductions was part of a plan to increase the participation of the provinces in the equalization payments, or something of that kind. The end result is that the resources industries are being made to bear an intolerable fiscal burden as a result of the failure of the federal and provincial governments to reach a sensible compromise in this field.

● (2050)

I have some figures which show the division of the income from an existing barrel of domestic oil in Alberta, based on figures provided by the Canadian Petroleum Association. There are four checks in connection with these figures. The item in question is the retention per barrel of oil by the industry, existing before the prices were raised, of 53 cents. When the price was raised under the existing tax system it was $1.17. Before the Alberta offsets in the November 18 budget, it was 13 cents; after the Alberta offsets it was 47 cents.

I have a few observations of my own that I would like to add. The measures which are proposed in clauses 4(2) and 7(1) of the bill appear to be predicated on the assumption that whereas in the past provincial royalties were levied at a reasonable level, so that their deduction as an ordinary cost of doing business could be allowed, they have now reached such proportions as to be a disguised form of income tax. It appears that the point in time at which provincial royalties may have risen above a reasonable level was December 31, 1973, after which royalty rates payable to the Crown in the right of Alberta rose from an industry average of 22.8 per cent, as compared to customary freehold royalty of up to 16 per cent, to their present level—of approximately 65 per cent—that is, during the year 1974.

It therefore appears that in the interests of preserving a viable oil and gas industry in Canada, as a matter of simple justice and equity, and as a step towards a compromise with the provinces in this area, the proposed legislation might either be changed so as to restrict the add-back to Crown royalties levied in excess of the royalty rates prevailing at December 31, 1973, or suspended in its application until after April 15, 1975, at which time further federal-provincial talks are scheduled.



I am putting forward only my own thoughts and views, as sponsor of the bill, because overall the advantages of having the bill are greater than the disadvantages of some of the provisions in it, although these provisions with respect to resource industries are very serious, and are vital to the contingent prosperity, I would say, of Canada.

There is something more I want to add. In the late fall of last year Alberta, as a concession to producers, reduced the royalty payable to it by the producers in Alberta by 25 cents per barrel. The second thing they did was to state that they would not, in respect of tax payments under the Alberta Income Tax Act, follow Ottawa and disallow deductions as to royalties disallowed by Ottawa. I do not know whether they had their tongues in their cheeks when they made that provision but, in any event, it was a gesture of some kind. Thirdly—and this is more important—they said that they would compensate small explorers for taxes paid to Ottawa by reason of non-deductibility of royalties paid to Alberta, to a maximum of $1 million.

Under this bill we have a change in the depletion allowances. They have been changed from 33⅓ per cent automatic, as it is called, to 25 per cent earned depletion. To get earned depletion the explorer has to spend money so there is income from which to deduct depletion or, indeed, to reimburse himself for exploration expenses. At the present time there is a great demand in the United States for drilling rigs and equipment, and the prices for new oil are much higher than in Canada. Hence the exodus of drillers.

New oil in the United States, contrary to a definition we have in Canada, simply means that if you drill a well in a proven area it is a new well, and therefore it is new oil. We take a different view of this in Canada. The main problem of the industry is that it must earn the money and spend it on drilling in order to get the benefit of these write-offs. The sources from which the industry may get the money are its own operations, or the market place, where it may borrow or engage in equity financing, but this requires that confidence must be generated in the investors. The climate must be made favourable; incentives to attract investors should be developed. The total deductions, both federal and provincial, are a heavy hand on the ability of companies to generate a good cash flow and retained earnings. The activities of both governments, federal and provincial, are not at all reassuring in the face of the situation as it exists at this time. I think that is a fair assessment of the situation.

It is true that the companies are given, as it were, depletion allowances, and I shall just mention what else they are given under this bill. They are given a write-off on exploration expenses of 100 per cent, and they are given a write-off on development expenses of 30 per cent, but the way in which they can use these is as a deduction from their income before it becomes taxable income—before what is left becomes taxable income. But if they do not have the earnings, although they have a right to a deduction, they have no way by which they can recover it. This is a problem that should be clear to everybody. It is a real difficulty in the way of giving the right to write off expenses.

The question of what is a development expense, as against what is an exploration expense, presents a problem too. The view most often expressed is that exploration will include certain expenses incurred in drilling oil or gas wells in Canada, building temporary access roads, and site preparation in respect to the well, but in that connection all this wording seems to be based on onshore drilling. What is the position with respect to offshore drilling, which is being tested, tried out and developed in a very extensive way, and if it is successful will be a great boon to Canada on the East Coast. You can imagine the East Coast, if there is a viable oil development through offshore drilling. The whole picture of the Maritime provinces will change completely.

I should say that in resource taxation there is an abatement of 15 points of federal tax for mining industry profits which, as applied to 1974, result in a net federal rate of 25 per cent. That is for the mining industry. The new ten-point abatement for petroleum profits was introduced in 1974, increased to 12 points in 1975, and to 15 points for 1976 and subsequent years. The exploration expenditures, after May 6, 1974, will be 100 per cent of the expenditures. The development expenditures, after May 6, 1974, will be 30 per cent of the expenditures.

I have tried to summarize as best I can. I can tell you, if you went through this bill and read it as I had to read it in order to extract this information, you would find it is not easily done.

The next thing I want to deal with is the deduction for incorporated small businesses. The bill proposes to increase the annual limits on profits taxed at the low small business rates from $50,000 to $100,000 and the cumulative limit—that is the maximum—from $400,000 to $500,000. You will find that in clause 81 of the bill at pages 219 and 220.

● (2100)

The entitlement: A corporation that throughout the year was a Canadian-controlled private corporation is allowed the lowest rate of tax so long as it does not accumulate surplus income any more than $500,000. This applies to 1974 and subsequent years. Such corporations will have the benefit of the special 25 per cent rate on the first $100,000 of annual business income, and 25 per cent is the deduction in rate. However, the corporation rates go down to 50 per cent in 1972 by one per cent per year up to and including 1976 and remain constant thereafter. This change will cause corporation tax payments in respect of taxation years ending in 1974 and subsequent years to be reduced by $95 million. This is an effort to appease the small business company, which certainly was not satisfied. They accepted the treatment which they received in 1971, but they were not satisfied with it. In my opinion it is a view that was generally accepted, so this change should be of some value.

I then come to a point in respect of which I may quickly have to make some decisions. I will deal with this subject and then exercise my elections. This is known as FAPI. You will remember that in 1970 and 1971 we discussed FAPI in a very learned manner. FAPI means Foreign Accrual Property Income, which is a situation in which a parent or senior company in Canada has operating subsidiaries or affiliates in various places in the world. These provisions of FAPI, as they were incorporated in Bill C-259 in 1971, included rules that were not intended to become effective until 1976. So, while we challenged the sufficiency and fairness of the rules at that time, the answer was obvious. It was that we would have a long time to catch up with it, until 1976. However, now the day approaches. This is the way in this bill, in clauses 55 to 58 inclusive, starting at page 152 and going through to page 158, Canada intends to start in 1976 to tax earnings of Canadian taxpayers offshore.

The original rules have been watered down a lot and also tightened up a lot. Changes in the May, 1974, budget were significant. To summarize the FAPI rules as they are now: first, FAPI means income other than income from an active business, which would include investment income or income from anything other than a really active business. Accordingly, in the case of a Canadian taxpayer, whether an individual or a corporation, if he or the corporation has an interest in a company or a trust resident outside Canada, it must first be determined whether it is a controlled foreign affiliate. In the case of a company, is there a 51 per cent or more share ownership? Therefore, in cases in which there is that controlled foreign affiliate its investment type income will be attributed to the Canadian taxpayer and deemed to have been income of that Canadian taxpayer in the year in which it was earned by the foreign affiliate.

There are an infinite variety of ways in which that can be done, using different companies in different parts of the world. First, however, we have what is known as a *de minimis* rule. I do not know how you would rate the generosity of those who drafted this *de minimis* rule, but if the income is under $5,000, FAPI does not apply.

Next, if the foreign affiliate has earned dividends from other affiliates, if in turn these other affiliates own a number of operating companies around the world, the payment of dividends by the operating companies to the holding company of such affiliate will not generate income or FAPI which would be attributable to the top corporation in Canada so as to be taxable in Canada. In such circumstances FAPI will not include inter-affiliate dividends.

FAPI will not include dividends received from taxable Canadian corporations. This could happen if a foreign company were used to earn income in Canada, or in the case of an inherited estate, which may be deemed to be a foreign affiliate, from a father, for instance, living in another country and having Canadian investments.

FAPI will not include active business income pertaining to an active business, such as a refinery abroad. FAPI will not include amounts deductible by other affiliates from their active business income. FAPI will not include capital gains from disposition of property used principally in an active business.

Now, that is the good side of the coin. There is another side to the coin. FAPI will be deemed to arise where a taxpayer has income from property—which means rent, to illustrate—or has income from a business other than an active business, or has capital gains other than from dispositions of properties used principally in an active business. As an illustration, for one holding securities all his capital gains would be subject to FAPI rules.

Payment for services which are deductible by related Canadian taxpayers are subject to FAPI. Service income for services performed by a related individual resident in Canada are subject to FAPI. FAPI rules are designed to give appropriate relief to any foreign tax suffered by an affiliate. It applies to 1972 and subsequent taxation years.

One problem I perceive in this respect is the ability to obtain all the accounting and reporting necessary from all these operations abroad and to obtain it within time limits provided for making returns and filing them. In my opinion this would develop so quickly when these particular provisions are applicable that we would immediately have more amendments, if we were still pursuing the same form of legislation for income tax.

The next item I wish to discuss is registered retirement savings plans, which we discussed extensively in 1970 and 1971. This is only one angle of it. Clause 99(3) has been amended in this respect to permit a taxpayer in respect of his 1974 and subsequent taxation years to make contributions not exceeding his annual limit to either his own plan, or that of his spouse, or both. So this is relieving.

I developed one section, which I believe I could exclude tonight. It is in relation to the provision for partnerships and is highly technical, clarifying and, I would say, relieving. Therefore I would propose not to proceed with that.

I wish to make a brief comment when I speak of another group of sections. With respect to the White Paper report and in our consideration of the tax bill in 1971 implementing the White Paper proposals, our committee raised strenuous objection to the proposals and to the bill, in that roll-over provisions were too restrictive on share-for-share exchanges, and section 85, transfer of properties and take-over bids and statutory amalgamations, which also widen roll-over provisions, are all consistent with our earlier recommendation. These were aspects of the legislation to which we forcefully called attention at that time. There has been a development of the extension of the roll-over provisions. Now, those are mysterious-sounding words but all they mean is that a transaction may be carried out without attracting tax. Up to the present time when two corporations amalgamated, only if the shareholders of the particular predecessor corporation obtained 25 per cent of the shares of the amalgamated company was the roll-over available. This bill removes the 25 per cent limitation.

● (2110)

With respect to the transfer of all property to a Canadian corporation by a shareholder, clause 48, section 85, is one of those roll-over and transfer of property clauses, and has been repealed in part. This enables a taxpayer to transfer property under the tax-free roll-over provisions.

The limitations which are in the act as it now stands—which require that a taxpayer, after the disposition had been made, must have not less than 80 per cent of the issued shares of each class of stock in the corporation—have been done away with. The list of property has also been extended to include inventory.

I come now to the elections which one has to make in order to be able to operate under these provisions for roll-over—in other words, the ability to pay dividends without attracting tax. Section 83 of the act deals with an election in order to declare a non-taxable dividend out of 1971 capital surplus or tax paid undistributed income on hand. Section 85 deals with election for roll-over treatment on transfer of property to a corporation.

As I have said, the limitations which exist in order to qualify for entitlement have been altered substantially. There was a very substantial penalty if one did not make this election within a certain limited period. Due time for filing this election is before the dividend becomes payable. That is being substantially reduced. If one is late in filing, it is a very small percentage figure.

In the transfer to a Canadian corporation from a partnership, the treatment is the same as if the taxpayer, resident in Canada, had disposed of all his property to a corporation. He also enjoys a roll-over or transfer from a partnership to a corporation.

In the winding up of a Canadian corporation, there is the distribution of substantially all property to shareholders deemed to have been disposed of by the corporation immediately before the end of the taxation year so deemed to have ended for proceeds equal to the fair market value thereof immediately before that particular time. Shareholders are deemed to have acquired the property at an amount equal to its fair market value, which is exactly the same figure as the corporation is deemed to have received on the winding up. So no tax problem is presented by this.

I am beginning to realize that I have talked long enough. However, there are one or two points that I should touch on briefly. One is the question of fast write-offs.

Tax cuts effective January 1, 1973 reduced the prevailing general corporate tax rate on Canadian manufacturing and processing income from 49 per cent to 40 per cent, and on small businesses from 25 per cent to 20 per cent. Assets—being manufacturing and processing machinery and equipment acquired for use in Canada after May 8, 1972, and before the end of 1974—can be written off in two years. There is a proposal in the bill to remove the December 31, 1974 deadline.

I have figures to show how these changes will affect corporations. It would be a fair comment to make that in many of the provisions which relate to corporations there is an increase in the corporate tax recoveries by the government as a result of the changes which have been made, and to that extent there is an offsetting of some of the concessions which they have made to individuals.

Notwithstanding that, there is a substantial amount of benefit, over what the situation was before, to individuals, and there is a substantial benefit to the provinces. Under the equalization payments, allocations proceed on a higher base and therefore produce more money for the provinces.

Heretofore financial companies were entitled to report their interest income on a cash or accrual basis. In 1975 and thereafter they will have to report on an accrual basis.

There are other provisions, but I shall not go into them at this time. I shall refer to only one, which is the aid to the construction industry. The November budget permits a loss created by the claiming of capital cost allowances to be deductible against other income. Heretofore loss had to be added to the capital cost of the property. The period applicable, November 18, 1974 to December 31, 1975, applies only to construction commenced during that period, and further, it applies only in respect to multiple-unit residen-

tial buildings for rent or unit housing. No other type of loss is allowed arising from depreciation.

That pretty well covers the area on which I had planned to speak. Although there may be other points which might contribute to my providing information for honourable senators, I should like to close by saying—and I may be in order in saying this—that the Banking, Trade and Commerce Committee held hearings in connection with the subject matter of Bill C-49, and heard witnesses. The committee reached some conclusions, and formulated them under headings. However, since the bill was on its way to us, it was felt that the committee could not properly make an interim report to the Senate on the subject matter. I discussed the matter—and advised the committee of my action—with officials of the Department of Finance. I arranged an appointment so that our staff and the senior members of the Finance Department who work in the field would have an opportunity of seeing what we were proposing, and to study it. The appointment was made for 10 a.m. I thought the meeting would last about an hour. I was unable to attend, but our chartered accountant and legal counsel were present, and the conference continued until approximately 5 p.m. Therefore, there was complete understanding on what the proposals were. It appeared from that discussion that some of the proposals were certainly clarifying, and the question would be one of what risk there would be if we did not deal with those clarifications right away and say, "This is on our platter for dealing with technical matters in the next series of amendments." Some of them could have been dealt with administratively.

The question I was concerned about and which I shall be concerned with when officials appear before the committee and we obtain their views, is whether any hurt is sustained by any person in the period before that clarification fully develops by way of amendment.

What is the best way of dealing with the matter? If administratively they can deal with these as matters of interpretation, it would appear to me, at least—this is in the hands of the committee—that there is not a real or substantial basis for saying, "No, you must do it now," as long as the net result produces a result which is very close. I think if we are going to have differences, the differences should be substantial.

● (2120)

Honourable senators, I am sorry I have taken so long. I have been an hour at this, but I did not feel I could shorten it any more than I have. I hope you have picked up something from what I have said.

**Senator Grosart:** Honourable senators, I wonder if I could ask the sponsor of the bill one question? It rises out of the latter part of his remarks when he was referring to the recommendations, if there are recommendations, that the committee felt it should pass on to the officials.

Is it the intention of the committee to report these to the Senate in due course so that we will know exactly what it is that the committee had in mind to propose if there had been time?

**Senator Hayden:** I think it will work out in this fashion: once the bill is referred to committee and the departmental officials are in attendance—they have all this material and have had an opportunity to study it—we will question them. Our course of action thereafter will depend on whether or not we are satisfied with their explanations.

Certainly, if we are not satisfied it may mean a report with amendments. If we are satisfied, I would certainly support the position that in the report there should be a recital, such as we have had in the past, to indicate those matters which were developed and the answers which were given and any undertakings as to how they would be handled. All of that should be recited in the report of the committee, even though it is a report without amendment. Those observations would not be recommendations. In my view, to have them as recommendations would be tantamount to a report with amendments.

The value I see in exploring this area lies in being able to resolve the differences that exist, if they are non-substantial and simply of a clarifying nature. The incidence of tax is not such that there is likely to be any great hurt if they are not done right away, particularly if methods are suggested when these things are brought to the notice of the department and undertakings are given to find a way to deal with them.

**Senator Benidickson:** Honourable senators, may I ask a question of the sponsor of the bill? First of all, I want to compliment Senator Hayden for his well-known, unique and admirable way of explaining a very complicated piece of legislation. I am not one who has been able to take his preliminary course respecting this bill, as the powers that be have not seen fit to grant my request, made several times over the last few years, to be a member of this committee. However, I did hear the Minister of Finance deliver his budget speech upon which this bill is founded.

My recollection is that when he compared his proposals of November 18 with the proposals contained in the May 6 budget, which was defeated, he said he had backed off with respect to taxation of petroleum resources to the extent, I think, of about 20 per cent. I believe he said that if the provinces were to do something along similar lines there would be considerable relief to that industry. My recollection is that Alberta also did something subsequent to the November 18, 1974, revised federal budget. Perhaps Senator Hayden could explain in percentage points, or in some way, just how less onerous the taxation on petroleum resource industries is now as compared to what it might have been had the provisions of the May 6 budget prevailed.

**Senator Hayden:** I did give some figures. While I do not have additional figures here, they are readily available. I discussed the industry retention as it is under the existing tax system, which would be prior to the budget of November 18 and prior to the time Alberta made any change or reduction in its position, but after it raised the royalty rate to 65 per cent. I said that under the existing tax system, the industry retention was 53 cents per barrel prior to the November budget, and in November, before Alberta introduced certain offsets, the industry retention was 13 cents per barrel. After the Alberta offsets, the industry retention was 47 cents.

There is a further calculation. If the December 31, 1973 figure of the average of royalty payments is taken as an acceptable figure—and that would be the traditional figure based on the position of the government over the

years in allowing royalty deductions—that being 22.8 per cent, it would produce another 39 cents per barrel. Taking into account the Alberta and federal positions, the industry retention would be 86 cents per barrel. You also have other factors by way of expense allowances, but you have to spend money. First you have to find it in order to have something that you may deduct from.

**Senator Benidickson:** That is not really my question, Senator Hayden. I did hear you compare the rates of taxation as of December 31, 1973, and as of today and under this bill. I am wondering whether your committee has any figures to indicate what the taxation will be under this bill as compared with the rates proposed in the May 6 budget and as a result of some further adjustments which I believe were made by Alberta, for example, after the November 18 federal budget.

**Senator Hayden:** We have those figures, but I do not have them here tonight.

**Senator Buckwold:** May I ask the honourable senator a question? You have quoted some adjustments in the Alberta rate which indicate a cooperation on the part of that province to meet the problems that have been created. Have there been similar adjustments on the part of Saskatchewan, which is also a major producer?

**Senator Hayden:** I am not aware of any.

On motion of Senator Flynn, debate adjourned.

## PRAIRIE GRAIN ADVANCE PAYMENTS ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, March 6, the debate on the motion of Senator McDonald, for second reading of Bill C-10, to amend the Prairie Grain Advance Payments Act.

**Hon. Paul Yuzyk:** Honourable senators, the government has given low priority to this bill. Bill C-10 was introduced and given first reading in the other house on October 4, 1974. Second reading and debate took place on November 18 and 19, and it was discussed in committee for about a half an hour on Febraury 4 of this year, with the Honourable Otto Lang, the minister responsible for the Canadian Wheat Board, as the sole witness.

Third reading with a short debate took place a month later on March 3. It took five months for the minister to process this short bill, which had received the approval of all parties. I am sure that the Senate will give the bill much faster passage after full consideration of the terms and implications.

● (2130)

I should like to commend Senator McDonald for his lucid presentation of this bill in this chamber on March 6. The main clauses were adequately explained and the arguments for their implementation were convincing. This makes my task, therefore, rather an easy one, particularly because we on this side of the house support the bill in principle.

I am glad that Senator McDonald mentioned that this legislation has been in effect for about 17 years and amended only once, in 1968, when the maximum was raised to $6,000. In this respect he was much fairer than the Honourable Otto Lang who, as the minister responsible for this act, made no reference at all to the original legislation. Since the minister must have been aware that this bill was an amendment of the earlier act, it appears that he must have political motives for not referring to the original legislation. Apparently he is so partisan that he cannot give credit to his opponents, even when their measures are good.

The first cash advance legislation was drafted in the fall of 1957 by the Honourable Alvin Hamilton of Saskatchewan, minister in the Diefenbaker government. At that time farmers all across the country were in a desperate situation. Large reserves of grain were piled in the elevators and on the farms. Many hunger-stricken regions throughout the world were in need of our grain, but the market arrangements were slow. The Diefenbaker government decided that it was not the fault of the farmers that the grain could not be sold rapidly. The farmer had the right to get cash advances on the grain that he produced, obligating himself to pay back these advances, without burdening the federal taxpayer. The Liberal opposition of the day, however, vehemently opposed this measure and voted against it.

In the meantime, the Liberals have undergone a conversion, a change of heart. The world is going through another cycle of great food shortages and suddenly the government becomes interested in the world food problem. Realizing that grain shipments may be slow in the wake of strikes, and that farmers were reasonably happy with the legislation of the former Diefenbaker administration, the present government turns full cycle. It now is sponsoring cash advance payments to farmers, making necessary changes to meet the current needs by taking into account the rapidly rising costs of production and spiralling inflation, which are undermining the agriculture industry and the living standards of the Canadian people.

The Conservatives welcome this change of heart on the part of the Liberals. Experience is a great teacher, and we want to believe that the Liberal government is learning from experience.

We in the opposition believe that Bill C-10 is in the best interests of the grain producers and the country. This is a good piece of legislation, the principle of which we fully endorse, and we shall have carefully to take into consideration the changes that have taken place in agriculture in the last 20 years.

Let us review the main thrust of Bill C-10. The maximum amount paid to a producer as advance payments in respect of grain to be delivered under a permit book would increase, first from $6,000 per farm to $15,000; secondly, where the producer under the permit book is a corporation, partnership or a cooperative, to $30,000, where two shareholder partners or members of 18 years or over are principally occupied in the farming operations of the actual producer; and thirdly, to $45,000 for three or more shareholder partners or members.

I agree with Senator McDonald and Senator Argue that this is a step in he right direction, and that it will temporarily meet the needs of the vast majority of farmers and the corporate or cooperative farms on the Prairies. The prices of grain are at a high peak now but the costs of

production are rising very rapidly. The prices may fall drastically in the future, but production costs seldom go down. This situation would be catastrophic to agriculture. To avoid such an undesirable conjuncture of circumstances, the government must take measures to stabilize the farm industry very soon.

It has been emphasized that these loans are not a handout by the federal taxpayer to the western farmer. The record to date of the repayment of these loans has indeed been an excellent one. We learn that the farmers have paid about 99.9 per cent average of cash advances throughout the past years. Honourable senators can see from this outstanding record that farmers can be fully trusted to cooperate in plans which they regard to be of benefit to themselves.

It should be noted that the sponsor of this bill in the other house is Mr. Otto Lang, the minister responsible for the Canadian Wheat Board. Under this bill the government wishes to encourage farmers to sell through the Wheat Board and not on the open market. It is apparent that many farmers are not delivering their grain to the Wheat Board. There are probably many reasons for farmers to behave in this manner. It may be that they are seeking a better price on the open market because they are unable to get sufficient cash from the Wheat Board, or they are considering income tax benefits.

With the proposed cash advances, the farmer can now probably make a sounder judgment with respect to these alternatives, as this would offset the cash pressure in time of his greatest need, if he still desired to deliver to the Canadian Wheat Board. If, according to Senator Argue, it is true that at least 90 per cent of the farmers vote for the Wheat Board system, then this legislation goes a long way to strengthening the advantages of this system for the benefit of the farmer.

It is the Canadian Wheat Board that has been assigned the responsibility of administering this act, now in existence for 18 years. The grain companies act as agents of the government. These elevator agents must have considerable paperwork in handling the administration involved in these cash advances to farmers. I would like to know how and how much these agents are compensated for their time and work in administering these transactions for the government. I would like to know more about the responsibilities of these agents in assessing the amounts of the cash advances to the farmer as well as their liabilities in the collection of accounts. I think that an agent is in a very difficult position, trying to satisfy the government through the Wheat Board on the one hand, and the customers with whom he lives in the community on the other hand. Since the agent performs the most important role in administering the act, I would suggest that one or two of these functionaries appear before the Standing Senate Committee on Agriculture when it will be dealing with this bill.

It is difficult to forecast the real effect of this legislation on the economic situation in the Prairie provinces. In 1969 farmers borrowed some $272 million in cash advances, a very high amount, but that was the year of operation LIFT, when there was plenty of grain in the bins but the producer was short of cash. In the crop year 1972-73, however, only $20 million was borrowed under this legislation and this is a low figure. It appears obvious that cash advances are not the solution to the problem of marketing but only a factor.

• (2140)

I am wondering about the possible abuses that could be practised under this legislation. What would prevent farmers from taking interest-free cash advances and investing them for a short term at a high rate and thus make money on the deal? This would be good business, if it could be done.

**Senator Argue:** Some do it.

**Senator Yuzyk:** Could not a farm corporation or large partnership borrow the maximum of $45,000 interest-free and then invest this sum for a year, and at today's rates reap a profit of at least $4,500? Have there been any such cases in the past?

I am glad that the sponsor of Bill C-10 in the Senate intends to refer it to committee. In that case the minister responsible for the Canadian Wheat Board should appear as a witness. I should like the minister to explain the advantages of elevator agents acting on behalf of the government, and also to show that farmers would get better returns if they delivered to the Wheat Board for export purposes rather than selling on the open market.

**Senator McDonald:** Honourable senators—

**The Hon. the Speaker:** I wish to inform the Senate that if the Honourable Senator McDonald speaks now his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Benidickson:** Honourable senators, I may be completely wrong and misleading the house in what I am about to say—if so, I will apologize tomorrow—but I think I heard on the radio during the supper hour that today bill number two, to amend the Prairie Grain Advance Payments Act, was introduced in the other place. It was described as bill number two because the bill presently before us is bill number one. If I am right in what I think I heard, I do not think we should proceed with this debate.

**Senator Grosart:** It is a separate bill.

**Senator Benidickson:** Yes, but it might have a bearing on our study of this bill. I would, therefore, move the adjournment of the debate.

**Senator Grosart:** Perhaps the sponsor of the bill, who was about to speak, could deal with that point. Can we conclude our debate on this bill without waiting for another bill to come before us?

**Senator McDonald:** Honourable senators, I have no information about a bill in the other place. The honourable senator mentioned this to me earlier in the evening, but I have not been able to obtain any information.

Perhaps I might be allowed to answer one question that was put by Senator Yuzyk. Senator Yuzyk wanted to know if it was possible for a farmer to borrow $15,000, or for a corporate farm to borrow $45,000, and invest that money.

**Senator Choquette:** Excuse me, but is the debate adjourned or is it not adjourned?

**Senator Grosart:** Senator McDonald is only answering a question.

**Senator McDonald:** I am not closing the debate; I am just answering a question.

On motion of Senator Benidickson, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Tuesday, March 11, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of Report on Uranium Enrichment, dated September 3, 1971, issued by the Department of Energy, Mines and Resources.

Report of the Department of Regional Economic Expansion for the fiscal year ended March 31, 1974, pursuant to section 22 of the Department of Regional Economic Expansion Act, Chapter R-4, R.S.C., 1970.

Report on operations under the Regional Development Incentives Act for the month of December 1974, pursuant to section 16 of the said Act, Chapter R-3, R.S.C., 1970.

## HEALTH AND WELFARE

CONNAUGHT LABORATORIES LTD.—QUESTION ANSWERED

**Senator Perrault:** Honourable senators, I am pleased to bring to the attention of this house information regarding the activities of Connaught Laboratories Ltd. in reply to the questions raised by the Honourable Senator Sullivan last week.

Connaught Laboratories Limited is owned by Connlab Holdings Limited which hold the different interests of the Canada Development Corporation in the health care field. The CDC in turn is owned by the Government of Canada. Connaught, Connlab and the CDC all have their own boards of directors, which have full responsibility for the operation of these companies. Two senior government officials are *ex officio* members of the CDC board of directors, and the Minister of Finance currently elects the balance of the board at the annual shareholders' meeting. As can be seen, although the government has the ability to ensure that longer term policy objectives are adhered to, it has deliberately placed itself in the position of not having to be responsible for the day-to-day operations of the CDC and its subsidiaries. This allows the CDC to operate like a private sector company, in line with the provisions of the CDC Act.

The Honourable Senator Sullivan asked a question about a proposed land sale by Connaught Laboratories. The question was:

> Does the government approve of the proposed sale for a housing development?

I have to say that this is a matter which, because of the explanation I have given, does not come under the purview of the Department of National Health and Welfare.

The honourable senator's other questions related to the possible danger of micro-organisms and infected animals being kept at the laboratory for the production and testing of vaccines and antisera. Dangerous micro-organisms are handled in many institutions, such as hospitals and universities, which are located in residential areas. The types of facilities and methods employed in these institutions to control the spread of micro-organisms are well established and, I have been informed, have been proven not to present a health hazard. The procedures employed by Connaught Laboratories Ltd., and the precautions taken to segregate potentially dangerous micro-organisms and infected animals, are such that there is no cause for concern by local residents.

## INCOME TAX ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Hayden, seconded by the Honourable Senator Bourget, P.C., for the second reading of the Bill C-49, intituled: "An Act to amend the statute law relating to income tax".—(*Honourable Senator Flynn, P.C.*).

**Hon. J. Harper Prowse:** Honourable senators—

**The Hon. the Speaker:** Has the Honourable Senator Prowse leave to proceed in the place of the Honourable Senator Flynn?

**Hon. Senators:** Agreed.

**Senator Prowse:** Honourable senators, I notice that you look a little worried, but it is not my intention to speak for four hours without notes. It is my intention, however, to say a few things which I think should be said and which have not been said up to this time by anybody. It looked for a while as though there might be an opportunity to do so on an inquiry placed on the Order Paper by Senator Manning, but he has not proceeded with it, and I understand he may not proceed with it.

I think it is time that certain information is placed before this house and, it is to be hoped, before many of those Canadians who have been just as confused about the current oil situation and government action as they ever have been with regard to anything that has happened in this country. I do not think anyone is particularly to blame, but neither do I think that anyone is blameless. I believe that all levels of government—the Government of Canada, the Government of Alberta, and the other provincial governments—were acting in what they each believed to be the best interests of the Canadian people. That they happened to come into conflict merely results from the fact that if you try to serve the interests of one province it

is not unusual to find yourself in conflict with the interests of another province.

One of the bases for our continuing complaint in western Canada arises from the simple fact that if a political party hopes to form the government of this country, its platform must be designed to attract the majority vote in the central provinces. Otherwise, it will not form the government. But if the platform is so designed, it ought not to surprise anyone if it does not suit as well as we might like the extremities of this large and diversified dominion of ours. This applies to our oil policy as well as to anything else.

Another problem we faced in my province of Alberta is that our premier and the other provincial premiers and the Prime Minister of Canada agreed to a price of $6.50 per barrel for oil last year, and they all thought they were acting in a statesman-like way. But there is no way in the world that the Premier of Alberta or the Prime Minister of Canada or myself or anyone else, or any combination of us, could convince the people of Alberta, or of any western province for that matter, that if it had been Ontario or Quebec oil, we in Alberta would be getting only $6.50 for our oil when the world price was $11. There is just no way that westerners could be convinced of that. I am not criticizing Ontario and I am not suggesting that they would not have done it; I am simply saying that that is one of the facts of life that we have to live with out there.

To go beyond that, I think that as far as Alberta is concerned—in spite of all the things that have been said by the media generally and by a whole lot of people who do not have too much information and background on the subject—the producing companies are reasonably well satisfied with the arrangement that now has been reached between the oil companies and Alberta and with the legislation which we hope to pass at the present time.

● (1410)

One action on the part of the Government of Canada which resulted in a great deal of misunderstanding was that all of a sudden they changed what everyone had considered to be the basic rules of oil development financing arrangements for the last 50 years or so. It has certainly been so since 1947, when it became important in this country that royalties be approximately 12½ per cent. That was the original figure suggested by our friends in the oil companies, who undertook to advise us, I must admit, to our advantage. This amount increased and has always been a deductible expense, together with depletion allowances and other items. I must admit that I could never quite figure out why an oil company using up Alberta's oil should be given special tax concessions and then be allowed to take that money to go and obtain oil from elsewhere in the world when all we would have left would be empty holes. It seems to me that the government and the property owners, rather than the exploiters of the property, should have been receiving the depletion allowances.

At the time of the change of that rule, as obviously it was a bargaining point, I am sure the government did not take the oil companies into their confidence. It would have been wrong for them to do so when discussing budgetary matters. However, with the change the oil companies and those involved in the oil investment business suddenly found themselves with a whole new set of rules. They simply felt helpless, exposed and naked to an unkind chance, without a star to guide them or anything to float on, not even waterwings. This caused a great deal of the problem.

At first it looked as though the Province of Alberta would receive approximately 60 per cent of the oil profits, with the federal government, through its export tax and proposed income tax, receiving approximately 30 per cent, leaving the oil companies with approximately 20 per cent. As a matter of fact, in the application of this arrangement, Alberta has reduced its take and allowed the oil companies room to live, because the cost of producing Alberta oil is not all that great. They were making money on oil at less than $3 per barrel, so it is pretty hard to explain to the public that the oil companies are hard done by when allowed $6.50 per barrel.

In Saskatchewan the oil companies under existing combined federal and provincial taxes are producing at a loss of eight cents per barrel on the average. That situation will continue for I do not know how long. It may be that Saskatchewan, in its particular philosophy, wishes the companies to abandon their leases and go out of business. It could be. I do not intend to comment on the situation in British Columbia, because I do not think even the premier of that province could explain what they are doing there.

Now we have a basis for operating in Alberta, but one of the points still misunderstood is the export tax applied by the federal government. It is not a tax on Alberta oil, but a tax applied by the federal government on oil which has been collected in and separated from Alberta and now is the property of oil companies, or those in the oil business. Government really has no interest in that at all. It applies not only to oil companies which originally paid tax to the federal and provincial governments under a related system, but also to people who paid practically no tax at all because they were getting their oil from land acquired on a freehold basis, which brings in another situation.

The biggest thing of all—this is something which this chamber should look at—is that as we watch this play go on it becomes obvious, when we talk about a fair division of the spoils, fair shares and reasonable profit, that we are talking in terms of the public utility principle. Everyone in this country, from government officials—by that I mean elected government officials—to public servants, members of all political parties, newspaper columnists and the publishers of newspapers, and certainly editorial writers, seem to have taken for granted the fact that oil is now a public utility. If we want to make it a public utility, I would be inclined to go along with that, and consider it a good idea. But there is something wrong, particularly when government proceeds as though a decision has been made when the subject matter of the decision has never been the subject of public discussion, as is the case here.

I had the opportunity of being the Leader of the Opposition in the Alberta Legislature for much of the time that Senator Manning was premier of that province. Someone in another place has been described as being the secret weapon of the Liberal Party and the basic cause of their success at the polls. I suppose I might be described as Senator Manning's great weapon and the basis of his success at the polls, because I helped him to establish his

record of remaining in power longer than any other premier of any government in the history of the British Empire. While he did not always take my advice—sometimes he did not take it at all—from time to time he did take some of it after he had figured that the people had forgotten that I had offered it. I told him that it was all right, that none of it was patented, and if it worked out to everyone's benefit that would be fine.

If I ask honourable senators, "What is the purpose, the function, of an oil company?" you would answer, "The same as that of any other business corporation," and you would follow that up by saying, "To maximize profits." You would be wrong, but you do not have to take my word for it.

I have a sneaky idea that some members of this honourable house might like to have something better than my word for some of these statements, which they might not have heard before. I have here a book which I obtained from the Library of Parliament. It came into the possession of the library on May 1, 1974, but no one borrowed it until I did on September 6, 1974. I have had my hot little hands on it ever since. It costs $22.50, but this way I get to keep it for nothing. It is called *The Pricing of Crude Oil: Economic and Strategic Guidelines for an International Energy Policy.*

I would have thought that someone on Parliament Hill would have been looking for this book. I was surprised to find that my curiosity seemed to have exceeded that of others. I also received a shock when I looked for one or two other books, and found that they had not been borrowed.

This book is written by a man named Taki Rafaï, and I shall give honourable senators an idea of his qualifications. If I did not offer to do so, I am sure that Senator Croll would want to know. I shall not read the whole of his qualifications, but simply say that Dr. Rafaï worked for over eight years with the Institut Français du Pétrole, and the book represents his ideas on oil research and development. The views and opinions expressed in the book are strictly personal, and do not affect the formal thinking of the institute.

The book has some bearing on the discussion we have had involving producing countries and consuming countries. The author has made some statements regarding the purposes of oil companies. This is the type of thing I think you will be interested in, and about which I started out to tell you. He writes:

● (1420)

> The basic strategy governing the international petroleum industry and commanding the plans and action of the majors is a strategy of power, not of profit. It is obvious that once you have acquired power, you not only get profits but also the assurance of their permanence and continuity. The strategy of the majors is articulated upon long-term universal objectives, and within such a framework partial, short-term plans are drawn up and optimized through the multitude of affiliates making up the group. Should any conflict of interest arise between strategic objectives and occasional short-term plans or objectives, the latter are generally sacrificed.

[Senator Prowse.]

And he goes on.

The oil companies have been managing for many years the international price of oil and the price we actually pay for the gasoline and petroleum products we use, not only here, but in all parts of the world. In fairness, it has to be said that they have exercised this power with almost incomprehensible reasonableness. That might arise out of the fact that they had their properties taken away from them in Mexico, and they got into trouble with the government of the United States as well.

But they do it pretty well. Their operations in the Middle East have been tied in closely with the external affairs departments of all the major powers in the world, except Russia. At times, it has been impossible to be sure whether the Department of the Secretary of State of the United States was a branch of one of the major oil companies, or whether the oil companies were branches of the Department of the Secretary of State. They were that close. Who actually made the decisions, I do not know, but I would bet on the oil companies.

The Province of Alberta set up an oil and gas conservation board. From where does that board get its information? From the oil companies. We have a National Energy Board in Canada. From where does that board get its information? The only place where it is available—the oil companies.

How do they handle things, and how do they work? They don't hit people over the head. I was giving them a bad time in Alberta, and I got a phone call one day from a fellow with whom I went to school. He was enrolled in engineering at the time I first met him, and I was enrolled in an arts program. In any event, he called me one day and asked whether I was willing to meet with him and a couple of other chaps. I was. When we met I found out he was one of the vice-presidents of Imperial Oil. He explained the situation to me. At that time I was trying to persuade people that we in Canada would be well advised to have a pipeline to Montreal so that we would not be dependent on oil from foreign sources being shipped via tankers—a supply that could be easily cut off by a submarine fleet in the event of hostilities. I was trying to persuade people that we should be a self-contained unit. We had a market in Canada. All we had to do was drop the price of oil by 10 cents a barrel in Alberta, thereby making us competitive in the Quebec market. In other words, we could have done it without petroleum products costing a cent more in the province of Quebec.

In any event, this chap's reply to that was, "Well, the trouble is, Harper, we can go down 10 cents here, but the fellows on the other side of the ocean can go down 60 cents." But guess who owns the oil that could go down by 60 cents? The same company that owns the oil in western Canada which could go down by only 10 cents. In other words, a different branch of the same company was manipulating the prices to the benefit of the company.

I found this a reasonable explanation, and this chap is a nice guy. I am sure he is not a crook. If any person told me that man is a crook, I would say he was lying. He may have been a little overcome by his continual exposure to a particular line of thought, but he is certainly no crook.

We increased our production in the province of Alberta to the point I am talking about now. The reason I say we would have been able to afford to reduce the price by 10 cents a barrel is because our conservation board was only allowing the producers to produce about 50 per cent of what would have been the safe geologically determined capacity. Why was that? Because that was the amount of oil necessary to meet the nominations for oil from the pipelines that carried it from Alberta and from local sources. Who controlled those local sources? There were a lot of independents. This was felt to be a good thing, this kind of arrangement, where the pricing was arranged, set and agreed to, because you cannot say how much of anything you can sell until you have agreed what the price will be. If you change the price you are going to vary the demand for the quantity.

This sounded like a reasonable deal, and it was explained to the independent oil men that this was a really good thing for them, because it assured them that there would be a market for the products of their wells in the major refineries, and even down into the States, where we went, because this allowance would be allocated between the fields and pools and down into individual wells; the little guy would get the same chance to sell it as the big guy.

There was only one thing I did not like about that kind of arrangement; there was no competition. There was no way there could be competition for a market. It gave the little guy just enough to keep him quiet, and it ensured that he could never get enough to become sufficiently large to get his own refinery so that he could get into competition with the big boys.

Those are the kinds of things that were going on, and God help us all if the governments of Alberta and Canada, and the people who are representing us in all of their arrangements, do not keep this in mind in what they are doing.

We are told that with the tar sands business right now we are getting a really good deal from the two companies there. I will not bother naming them. Between the different levels of governments involved we are going to put up about $600 million. The other fellows will presumably put in $1 billion. Could be. They, it is said, have the know-how. To hell they have the know-how. The only body that comes close to having a little bit of know-how is the Great Canadian Oil Sands, who have now been operating for six, seven or eight years. They are operating on a process that was developed during the war by Abasands under C. D. Howe. At that time the oil that was produced from the sands was put on tank cars at Fort McMurray, and by the time it got to the closest refinery they could not get enough for it to pay the cost of taking it that far.

These fellows in Great Canadian Oil Sands have got the best piece of the sands, because they have got the least overlay. The one with the next best has got a little more overlay. Great Canadian Oil Sands are having a lot of trouble with the sand, but they have pretty well got hold of that; they know what it costs them, and at present prices they can break about even and perhaps make a little money. I am sure they could have expanded or doubled their process for less than $1.5 billion. After all, they do know how to do it because they have been doing it. If the other companies happen to run into some clay with the stuff they are working with, heaven alone knows how long it will be before we get production from whatever it is they are after.

It has been said that eventually we will have to depend on *in situ*, which means leaving the oil in the ground and producing it that way. This could be the answer. These fellows have been working on this for 14 years. They have the know-how, and the know-how they have is that they don't know how to do it! To date all their experiments have indicated that there is no way they have yet come up with that enables them to recover, with the super-heated steam injection method, oil from the oil sands on a basis that stands any chance of being commercially feasible.

Going on from there, let me tell you something else, because there are things we ought to be thinking about. When everybody starts to talk about oil, saying that we are going to be short of oil, I remember that when I went to school I was told we had a lot of coal in this country. I come from the southern part of Alberta. I was born and brought up in a little town, which was part mining town. It was actually a dried-out district until they brought irrigation along. However, I did learn a little bit about coal and a little bit about oil.

It was thought that Hitler would not be able to wage war at all because he had no oil, but he did wage a war pretty successfully for five years without any particular supplies of oil, because he did not get all that much out of Rumania even when he over-ran it. He used substitutes made from coal, and our planes had trouble keeping up with the Focke-Wulf fighters.

● (1430)

Now they say, "Well, there are one or two things to be worked out yet." Sure there are. There will always be one or two things to be worked out until all of the conventional wells have been drained dry. But I will tell you this: a report went out from the federal government 18 months ago pointing out that if oil should ever rise to the astronomical height of somewhere between $5 and $6, it would then become reasonable to expect to provide refinery liquified feed stock from coal and competitive prices—somewhere between $5 and $6. At 65 cents per m.c.f. for methane, which is $CH_4$, which is the gas you put into the pipe line, you can make it out of coal and get all of the by-products as well.

If you think I am "whistling *Dixie*," and that this is still just an innovator's dream, you can do what I did: a little research. I looked through some of the literature from South Africa one day and discovered they had something going with coal. I suggest that you have a look at the South African Coal, Oil and Gas Corporation's *Annual Report, 1974*. In 1955 they started to produce petrol from coal. That was at a time when they were competing with Iranian oil which they were getting for about $1.80 a barrel f.o.b. the Gulf. And that involves far less transportation than for Iranian oil to go to northwest Europe or to come here. By the end of this year they hope to be providing about 30 per cent of their needs of petrol. Then they are going on to natural gas.

I will not bore you with all the details, but I am telling you that the processes have been worked out. They are German processes which have been worked on there. They

have done some refining. Certainly, the processes are there and can be used.

My guess is that all these fellows at the top, who are giving the government advice, have been oil oriented, because either we had to borrow them or we rented them from an oil company or we let an oil company give them to us for $1 a year or we got them from geological departments which hoped that there would be jobs in oil companies for all their students. They are all completely petroleum oriented.

I certainly think someone should have been looking at coal before this, because I have an idea that for the amount of money which is going to be put into that second tar sands plant we could build four plants able to produce probably one million barrels of oil per day, or sufficient gas to meet a year's supply—certainly into the export market. Whether we ought to be doing the oil first or the tar sands first, I do not know, but I think we should be discussing it on that basis. We should be discussing this whole business of energy, to see if it has not become too big to be run under the public utility principle, whether it becomes publicly owned or not. These are the types of problems which I think we owe it to the people of Canada to become informed about. There has been no way we could be informed up until now.

There will be some research going on. The big problem between Alberta and the government officials here—with the two young ministers and the young Premier of Alberta, who have all been suspected of having had ambitions in respect of becoming the Prime Minister of Canada—the big problem is that they were in competition with one another. The Premier of Alberta, Mr. Lougheed, felt that it was his responsibility to get the best possible deal he could for Alberta. I cannot fault him for that. I remember that I took the stand—and I did not win any elections on the stand, which probably speaks more for the Canadian outlook of Albertans than it does for me—that if anyone wanted to use our gas and oil all he had to do was come to Alberta and use it. I took that stand because, in looking at history, I found that the basis for Britain's becoming the greatest trading nation in the world was that she used cheap coal, which was power. What was all the fighting in the Saar Basin in Europe for? Cheap coal, which was power. What have we now in Alberta? We have the only power that is left.

Let me tell you something about the tar sands about which nobody else has bothered to say anything. The supposition is that two barrels of tar sands have to be burned to provide the necessary energy to produce one barrel of the synthetic product which they finish up with. Maybe what we should do is build our next atomic plant right up next to the tar sands and use that cheap power to provide the necessary energy so that we can use all three barrels, because the tar sands are useful not only as a source of energy but as the basis of all the chemicals in the petro-chemical industry, producing all of the things you could want or could dream of.

Honourable senators, I have abused your patience long enough. I hope you will agree with me that I have brought to your attention, perhaps in a manner not too well organized, a number of questions which are of the utmost importance to the people of Canada and which ought to be a matter for deep and careful study and consideration by all of us to whom the people of Canada look for leadership, guidance and care.

[Senator Prowse.]

**Hon. Harry Hays:** Honourable senators, I should like to make a small contribution to this debate. First, I should like to commend the mover of the bill on the excellent job he did last night in explaining a most complicated bill.

The few observations I have to make are the result of my experience, and I make my remarks because I think it will be well to know exactly what oil companies are going through now. I speak as one sitting on the executive of one of the largest independent oil companies of Canada.

Today we sold oil in Chicago at $12.65 a barrel. That is what we were paid. Of that, 65 cents was used for transportation, which left $12. The federal government took off the top $5.50 plus $1.64 for income tax. The Government of Alberta—because most of our production is in Alberta—received $2.34 for royalties and 39 cents for income tax. Our operating costs were 65 cents to produce one barrel, to get it from the well head to the pipe line. This left us with $1.48 per barrel out of the $12.65. Out of the $1.48 it is expected that we will look after all of our administration costs. In addition to that we are supposed to find new oil.

Since 1969 our company has spent over $100 million looking for oil. Not all but a great part of it has been in Canada. Almost every month I have sat at a table and watched our geologists, young, brilliant men, grow old bringing back reports on their findings. I believe these people are competent and efficient. Certainly their work in finding structures is competent.

● (1440)

Often we had partners. Sometimes our partners were large oil companies, sometimes they were small; sometimes we had 10 per cent of the action, sometimes we had 60 per cent; sometimes we had all of the action. In any event, we were generally associated with good companies but, in spite of that, we did not find enough oil with that amount of $100 million to grease Senator Forsey's car. That is how difficult it is to find oil.

My colleague from Alberta spoke about coal. At the time he was arguing with Senator Manning about things in the legislature, I owned a piece of a coal mine under the city of Edmonton. We were down there shovelling it, so I really know what coal is all about. My best friend drilled the Leduc well that opened the Leduc field. This was a great breakthrough insofar as oil is concerned. One of our contracts was to supply the University of Alberta with coal. I remember that famous well. I was there several days after it was discovered. It was drilled by General Petroleums, and the friend I mentioned was Cody Spencer. I remember that he was instructed to put 600 feet of casing in the well. When the well blew, it blew the casing out and twisted it like a wire. There was so much pressure. A million barrels of oil were on the ground, but fortunately it did not catch fire. They were able to pick up the oil and Senator Manning, who was the premier at the time, permitted the people who owned it to go ahead and sell it. They had all the wells screwed down to the extent that they would only produce about 30 per cent, but they made something over $1 million by selling the oil. That was the beginning of the Leduc field. These people did the offsetting of this field.

After that I remember that we kept shipping coal, although it was not long before they had a pipeline to Edmonton. Then we had a strike at our mine. The miners decided that they wanted coffee down in the mine. At this time we were losing a considerable amount of money, and we never opened up the mine after the strike. We pulled down the tipple, and filled in the hole. I remember very well that we left two cutters that cost $15,000 in the ground, and they are still in there. I hope Senator Prowse is right about coal. We can soon open up the hole and use the cutters again, because the mine was dry when we covered them up.

It matters little whether it is a question of an American company or a Canadian company. If all you are going to leave these people to enable them to produce and find new oil is $1.48 a barrel, then they have an impossible task.

We have been drilling wells in the United States, on the gulf coast, in the North Sea, and in the Mediterranean. If we drill a well in the United States, and it is new oil—of course, it is touch and go, as Senator Hayden said last night, as to whether it is a new field or an old field, insofar as old and new oil are concerned—we get $12 a barrel for that oil, but only $1.48 in Canada. People say, "Well, you go to the United States to drill your wells." But what else can the oil people do?

I think Canada is exporting something like 814,000 barrels a day, and we import about the same amount. We pay about the same amount for a barrel of imported oil as we receive for a barrel of exported oil. Remember that for the last five years we have not been finding as much oil as we have been using. We are losing ground every day. People say, "Well, perhaps all of the fields have been drilled out." I cannot subscribe to this.

I remember the Turner Valley field well. I do not remember the dates too well, but I think it was in 1912 or 1914 that they drilled the first well in the Turner Valley. They got down to within 400 feet of oil and they could no longer finance it, so they abandoned the well. This was in the old days of tool equipment. Ten, or possibly 15 years later they came back, the Royal Bank having put up the money, and they went down another 400 feet and got oil. That was the beginning of the Turner Valley field, which extended from there all the way to the American border. You never know where these structures are; you may find them anywhere. However, you have to keep looking for them.

Certainly, when we consider this bill in committee, we should look at it very closely, and I do not think we should be in all that big a hurry to pass it, because it is very important. After all, the government was defeated on the budget. It is almost a year since it was first introduced, and I think we should take a long look at it. I think the oil people really have a point when they say, "We cannot find oil with this sort of money." Indeed, I do not think they can.

Honourable senators, I thought you would be interested in knowing the breakdown of the expense of producing a barrel of oil.

**Senator Grosart:** Honourable senators, on behalf of Senator Flynn, I move that the debate be adjourned until later this day.

Motion agreed to.

## PRAIRIE GRAIN ADVANCE PAYMENTS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator McDonald for second reading of Bill C-10, to amend the Prairie Grain Advance Payments Act.

**Hon. W. M. Benidickson:** Honourable senators will recall that I adjourned this debate, not being certain that I had heard correctly that there had been introduced in the House of Commons yesterday a "Mark II" bill, or a second version of an amendment to the Prairie Grain Advance Payments Act. I have ascertained that that is correct, so I do not make the apology that I said I might have to make to the house today. Perhaps the sponsor of the bill has something to say with respect to this second bill.

**Hon. A. Hamilton McDonald:** Honourable senators—

**The Hon. the Speaker:** I wish to inform the Senate that if the Honourable Senator McDonald speaks now his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator McDonald:** Honourable senators, last night when Senator Benidickson adjourned the debate and made the remarks he did, he was referring to the Prairie Grain Advance Payments Act, No. 2, which will be presented to this house as Bill C-53 at some later date. The bill was given first reading last night, it will be printed, and will eventually come to this chamber. In reality, however, it has nothing to do with Bill C-10 that is before us at the moment.

The only comment that I want to make is in answer to a question that Senator Yuzyk asked last night. If I understood his inquiry properly, he was wondering if it was possible for a farmer, or a group of farmers, to take advance payments, or to take the opportunity of advance payments, under this act, and to use that money as an investment. The answer to that question is yes. There is nothing to prevent an individual or group of individuals from taking a loan under this act and, if they are fortunate enough not to have any debts, they may invest that money in Canada Savings Bonds or any other security. However, I am sure Senator Yuzyk is already aware, although other members of this house may not be, that the number of farmers in western Canada who would be in that position is very limited. Very few farmers are going to take a cash advance, which is interest free, invest it even at 10 per cent interest, and continue to pay up to 24 per cent in interest on their debts. And I can assure you that the vast majority of prairie farmers today have debts incurred by reason of land, equipment, livestock or some other purpose.

● (1450)

Apart from that the only reason for cash advances is that on some occasions the Canadian Wheat Board has not found it possible to sell the farmer's product, namely, grain, on the markets of the world in order to give the

farmer some income. I suggest to you that on those occasions when the farmer is not able to sell sufficient grain to meet his operating costs and to continue his activities as a grain farmer, then this legislation is desperately needed. To those people who have been fortunate enough to be able to take a loan and invest it, I say God bless them.

Motion agreed and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator McDonald, bill referred to the Standing Senate Committee on Agriculture.

## NORTHWEST TERRITORIES REPRESENTATION BILL

SECOND READING

The Senate resumed from Thursday, March 6, the debate on the motion of Senator Prowse, for the second reading of Bill C-51, to increase the representation of the Northwest Territories in the House of Commons and to establish a commission to readjust the electoral boundaries of the Northwest Territories.

**Hon. Allister Grosart:** Honourable senators, Senator Prowse, the sponsor of the bill, did not say this was a simple bill, but on the other hand its passage through the other house, and up until now, through this house, has certainly been very speedy. There is an understandable reason for this in that I am quite sure the purpose of this bill is agreed to by all members of both houses, that purpose being, as was indicated by Senator Prowse, to provide for an additional member of the House of Commons from the Northwest Territories.

At the outset of my remarks I should like once again to draw the attention of the Senate to the difference between bills as they come to us, that is to say, the printed bills as passed by the House of Commons, compared to the same bills when presented for first reading in the House of Commons. I feel that this is a pity because we are all aware that for some reason, which has never been explained to me, we do not find carried through in the bills when they come to the Senate the draftsman's comments, and in this bill the draftsman's comments would probably amount to about half as much as the bill itself and would be very useful. I am going to suggest to the Leader of the Government that, unless there is some good reason why it should not be our practice, we should include the draftsman's comments on the bill when it comes to us from the other place. I know it is always possible to go back and get the bill as it was presented to the House of Commons, but it would be much easier and much simpler to follow a debate if the draftsman's notations were still in the bill when it is presented to us.

The bill we are discussing is in two parts: the first part deals with the addition of one Commons member for the Northwest Territories, and the second part deals with the necessary arrangements to set up boundaries for what would be the two new constituencies in the Northwest Territories.

Part I, of course, is an amendment to the British North America Act. Constitutionally it is rather interesting for the reason that it amends the act of 1867 as amended by



subsection 51.(2) as enacted by the British North America Act, 1952. The reason this amendment is necessary is that section 51.(2) of the act of 1952 provided for the first member from the Northwest Territories and described the boundaries of the Yukon and then said:

> —and such other part of Canada not comprised within a province as may from time to time be defined by the Parliament of Canada shall be entitled to one member.

So the entitlement in that act was as "a part of Canada not comprised within a province." It is significant, of course, that the Northwest Territories have moved along from that rather indefinite definition to the status today where they are now entitled, or will be when this bill is passed, to two members in the House of Commons. Of course, this means that the British North America Act will now be cited as the British North America Acts, 1867 to 1975.

It is a bit difficult to understand the delay in bringing this reform about. A similar bill was before the House of Commons in 1963 but died on the Order Paper when the election was called in that year, and the incoming government did not pick it up again. Now, some 12 years later, we are finally coming around to it.

**Senator Lamontagne:** It did not fall within the 60 days of decision.

**Senator Grosart:** I do not think it was included in the program for the 60 days.

Instead of the definitive measure proposed in 1963, I believe the decision was then to appoint a commission, which may be typical of the differences between the two administrations. In that connection it is perhaps worth pointing out that Senator Prowse omitted—and he tells me it was a lapse of memory, and I am sure it was—he omitted to say that our native Indians received the federal franchise for the first time in 1959, and our Eskimo population for the first time in 1962. It is sometimes well to remember some of the achievements of those days because there is a tendency to forget them in the subsequent era of much less achievement.

**Senator Prowse:** I can assure the honourable senator that I did not forget it just because it was Mr. Diefenbaker's government which did it.

**Senator Grosart:** I am quite sure that if Senator Prowse did forget, then that fact would be the last reason to make him forget.

Perhaps I should also refer to another delay that I find difficult to understand. It relates to representation of the Northwest Territories in the Senate. There is a bill, C-3, printed, but it has not come before us and I do not think it has even come before the other place on second reading yet. It deals with the summoning of a senator from the Territories. I hope I will not be accused of being immodest if I recall that two years ago I introduced a bill in this chamber, Bill S-3, which would have provided for the appointment of a senator from the Northwest Territories. One would hope that there would be more speed in dealing with that matter now that we are granting the Northwest Territories a second member in the House of Commons.

Mention was made of the population covered by this measure. Senator Prowse worked from a basic 38,000 but felt that it might possibly be 50,000. I think it is rather less

than that, somewhere in the region of 40,000, with the result that we will have two new constituencies, each with a population of approximately 20,000 people. This will make them, of course, possibly the smallest constituencies in Canada, although the Yukon has about the same population as either one of these new constituencies will have.

● (1500)

There has been some question of the names of the new constituencies. Mackenzie has been suggested, which of course was the old name of the constituency before it became the Northwest Territories. It has been suggested that one constituency be Mackenzie and the other Franklin. On second thought, Mr. Wally Firth, M.P., who is, if I may use the term, a native Canadian and the member for the Northwest Territories, suggested that East Arctic and West Arctic might be appropriate designations for the constituencies. Personally, I would hope that it might be a little more romantic than East Arctic and West Arctic. The Eskimo name Innusiaq has been suggested for one of the constituencies, and certainly we can look forward to a little more imagination than might be indicated by such designations as East Arctic and West Arctic. After all, we have done rather well in Canada by using our native names, such as Quebec, Toronto, Saskatchewan, et cetera, which in my opinion are rather more typical of Canada than some of the other names which refer to cities elsewhere in the world.

Part II, which amends the Electoral Boundaries Readjustment Act, as Senator Prowse pointed out, has the useful distinction of making it fairly certain that the commission to be appointed will be fully representative of the Territories or of people who have a first-hand knowledge of the Territories. The appointment of the chairman will be at the discretion of the Chief Justice of the Northwest Territories from judges of the territorial courts. Appointments will also be made from among persons resident in the Northwest Territories. As to the other members, I was a little confused at first by clause 6, which provides that:

> The chairman of the commission for a province other than the Northwest Territories shall be appointed by the chief justice of that province from among the judges—

And so on. Clause 6.(3) provides that:

> The two members of the commission for a province other than the chairman and the Representation Commissioner shall be appointed by the Speaker of the House of Commons from among such persons resident in that province as he deems suitable.

I wondered how that could apply to the Northwest Territories, because it says distinctly "The two members of the commission for a *province* other than . . ." Then I find, interestingly, that in clause 4.(2) it is provided that:

> In this Act, a reference to a province or to provinces does not include the Yukon Territory but does, unless otherwise provided, include the Northwest Territories.

It is a rather strange way to my mind of enacting this, but it might give some hope to the people of the Northwest Territories that they are now finally approaching provincial status. Here, for the first time in any legislation that I know of, it is said that the word *provinces* now applies to the Northwest Territories. Many of us are aware of the unhappy situation in which we Canadians find ourselves in holding two territories (the Yukon and the Northwest Territories), actually close to half of our whole land area, under what is "neo-colonialism". We have this large number of Canadians and this large area, perhaps a half of the total land area of Canada, without the benefits of representative responsible government as enjoyed by Canadians in the provinces.

The reason given, of course, is the usual one, that it is a very small population. However, the real reason is that this small population has the largest share of Canadian resources. We are therefore reluctant to advance them, for this and other reasons, including the historical reason of all colonial powers, that of having a vested financial interest in keeping them as they are. Of course, this is perhaps emphasized by the situation in the matter of resources, of which Senator Prowse and Senator Hays have just spoken, that, in fact, it is in these areas that many of our resources of the future are to be found. If this reference means that slowly, and I am not suggesting that it should happen tomorrow, both these territories, the Yukon and the Northwest Territories, are moving towards the full citizenship rights enjoyed by other Canadians, it will be welcome.

There has been discussion here from time to time with regard to the Electoral Boundaries Act and continual revisions, certainly of names and suggested revisions of boundaries. It is interesting that contained in this bill, again for the first time, is a definition of the considerations to be taken into account by the Boundary Commission. It has been suggested that it would be an excellent thing and would satisfy a great many members of Parliament if the same conditions were applied to the boundary commissioners who will decide the new boundaries of House of Commons constituencies. They are:

> (i) ease of transportation and communication within the electoral districts;
>
> (ii) geographical size and shape of the electoral districts relative to one another; and
>
> (iii) any community or diversity of interests of the inhabitants of various regions of the Northwest Territories.

We have heard members of the House of Commons complain on many occasions that these basic considerations are often ignored by commissioners in delineating boundaries.

Finally, honourable senators, clause 10 might be predictive in another respect. It sets the date when the boundary commissioners must report. It was said in the other place that this legislation will apply only to the next Parliament. The deadline for the report is the first day of March, 1976, which may or may not have some other significance.

Motion agreed to and bill read second time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Prowse** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

● (1510)

## LAW REFORM COMMISSION ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. W. M. Benidickson** moved the second reading of Bill C-43, to amend the Law Reform Commission Act.

He said: Honourable senators, the Law Reform Commission of Canada was established about four or five years ago. The Minister of Justice at that time was the Honourable John Turner, who spoke very enthusiastically on the rights and future use of this commission. This bill proposes a slight change in the format of the personnel which compose the commission.

The act provides for a commission consisting of a chairman, vice-chairman, two other full-time members, plus two part-time members appointed by the Governor in Council. I am told that based on actual experience the concept of part-time membership has not worked very effectively. While the part-time members have regularly attended meetings and have kept abreast of proceedings, they are, however, limited during periods between meetings because of other activities associated with their private professions and commitments. Those activities and commitments have hindered their effectiveness, particularly in their contribution to the ongoing research of the commission.

Consequently, the purpose of this amending bill is to eliminate the positions of the two part-time members of the commission, and to increase the number of full-time members by one.

The term of one of the part-time members expired last November, and the term of the second will expire in May. However, clause 7 of the amending bill provides for the continuation in office of that second member.

The present members of the commission are Mr. Justice Patrick Hartt of Ontario, chairman; Mr. Justice Lamer, vice-chairman; Mr. Gerald Laforest and Dr. Hans Mohr, full-time members. The continuing part-time member is Madam Claire Joncas.

It is interesting to note that while the work of this commission has not received the public interest which I think it deserves, the front pages of the local press last night reported on the latest working paper to emanate from the commission. It is most appropriate that this working paper has been presented in International Women's Year, because it deals with the controversial subject of family property and, in particular, the sharing of marital assets in the event of separation and divorce.

While there is a recommendation in respect of joint property for spouses of both sexes, it is anticipated that in most instances, if this recommendation eventually becomes law, it will be of particular benefit to wives. As honourable senators know, there have been vigorous protests against recent judgments under which wives, who had worked on farms, say, all their lives and had made a tremendous contribution to the development and improvement of the farm property, were adjudged, on separation, to have no claim to that wealth which in a practical way most of us would conclude had been achieved by joint effort.

Then again, while the work of this commission during its four years of existence has not attracted the public attention which I think it deserves, it is interesting to note that within the past week the Montreal *Gazette* carried two very interesting stories relating to the work of the commission, written by Professor Philip Slayton of McGill University. I commend the reading of those articles to members of the Senate, because they review and praise the work undertaken so far by this commission.

I did not come here with one of those black books, but I did ask the commission to give me an indication of some of the work it had done in the past four years.

I read the proceedings of the committee of the other place to which the bill was referred after it passed second reading. During the debate on second reading, a member of the Opposition challenged the Minister of Justice, and said:

> This has been operating for four years. What law has been changed in consequence of the setting up of this reform commission?

The Minister of Justice, when examined in committee, reported that so far everything that had come from the Law Reform Commission had been by way of a working paper without recommendations, which it was hoped would be circulated and result in a fair amount of public comment.

For some members of the commission this has been rather slender hope and disappointing results. On the other hand, when I asked for some of this material, I was presented with a carton of publications which I would estimate to be roughly two feet square, and one and a half feet high.

The topics on which the commission has been working are varied and exceedingly interesting. I asked what their program is for the current fiscal year, and was informed that they would continue with their working papers—not the ones published, but those which they will continue to work on and hopefully present to the public—on such subjects of the law as maintenance, divorce, imprisonment, mental illness, limits of criminal law, corporate criminal responsibility, code of evidence—they have already produced several expansive volumes on evidence, which I have seen—pre-trial procedure, the Criminal Code, principles, guidelines and structures thereof, et cetera.

We then reach the point of asking when we are going to have recommendations which will place some additional onus and responsibility on legislators to act in amending laws which have become antiquated. I am told that for the forthcoming year their objective is to make recommendations in the field of substantive criminal law, family law, code of sentencing, and expropriation. In addition there would be the continuing study of 11 papers and background papers which are of great interest, and the publication of an informative annual report.

Honourable senators, while I have not been an active practising lawyer, I keep clippings and other material on subjects in which I have a personal interest. When I was asked to sponsor this bill, I looked up my file on the

subject of law and lawyers, and was quite shocked to be reminded that I had put aside for an appropriate inquiry an article headlined: "Over Half Fail Quebec's Final Bar Examinations," which was written in 1972. I thought that surely the basis of law reform would be an adequate basic law educational system. The situation has probably improved in the province of Quebec, but certainly as of now some findings respecting law education would be of interest. I repeat, surely an adequate educational system in law is the basis of good law.

● (1520)

Members of the legal profession in the province of Ontario now total about 10,000. That gives a ratio of one lawyer to roughly 860 persons; ten years ago the ratio was one to 1,170. In 1964 there were 233 students serving under articles in Ontario, whereas in 1974-75 there were 850 entering articles pending bar admission courses.In 1963-64 the bar admission course in Ontario cost $833. It does not cost much more now; in 1974-75 the cost is $1,083.

I referred earlier to the surprising number of failures a few years ago in the province of Quebec. I find that in 1973-74, out of a class of 719, only 15 failed. Either the teaching is appropriate to the taxpayers' expenditures on schools, or we have far better application on the part of the students to take advantage of the opportunities offered.

**Senator Langlois:** Or fewer strikes.

**Senator Grosart:** Perhaps the lawyers are getting worse.

**Senator Benidickson:** To point out some of the difficulties of those seeking entrance to professional schools, of 1,800 applicants for the law course offered at the University of Ottawa last year only 180 were accepted. This, I imagine, is applicable to other areas.

Another subject which has given me cause for concern, and one which I thought should be drawn to the attention of my colleagues at an appropriate time, concerns the governing bodies of our professions. The governing bodies of the medical and legal professions control, to a very large extent, the education, recruitment, income, discipline, and so forth, of members of those professions. That, again, has improved in the last few years. There are now representatives of the public at large on those boards. This change came about, of course, as a result of provincial legislation, and I think it is a healthy step.

Before I take my seat, I would suggest to the Minister of Justice that in respect of this particular commission lawyers should not occupy as many as seven seats out of eight. We have thinkers and people qualified in various other walks of life who have opinions on the operation of our laws, which should be considered as well as those of legally trained people who are inclined to "clubbiness" and self-protection, or a little bit of elitism. As I have already said, there is one non-lawyer on this commission, a sociologist, and he is making a contribution of consequence to its work.

In effect, honourable senators, this bill increases the number of board members by one, and eliminates the part-time members. We have the assurance that during the course of the coming fiscal year a good many of these valuable working papers which have been widely circulated will be put in the form of formal recommendations to the Minister of Justice. It will then be up to parliamentarians to act on such recommendations.

On motion of Senator Choquette, debate adjourned.

## POVERTY

### REPORT BY THE NATIONAL COUNCIL OF WELFARE ON CHILDREN IN POVERTY IN CANADA

**Hon. David A. Croll:** Honourable senators, if you can spare me ten minutes, I should like to bring a document to your attention. I think you will find it of interest. May I have your permission to proceed?

**Hon. Senators:** Agreed.

**Senator Croll:** This document is entitled, *Poor Kids,* and is a report by the National Council of Welfare on Children in Poverty in Canada.

The National Council of Welfare is a national body, on which all provinces are represented. It has an office in Ottawa, and has operated over a period of time.

What struck me in this report was the introduction, and some of the particulars which normally would not be brought to your attention. I think you will be interested in hearing them. I liked what I read, and thought you ought to share it. I quote from the introduction as follows:

> Canadians like to believe that ours is a society in which all children are born with equal chance to rise as far as their abilities will carry them. Though they begin their lives in very disparate circumstances, we comfort ourselves with the belief that success is as attainable for the child of humblest origins as the most affluent. The facts, however, are otherwise. To be born poor in Canada does not make it a certainty that you will live poor and die poor—but it makes it very likely.
>
> To be born poor is to face a greater likelihood of ill health—in infancy, in childhood and throughout your adult life. To be born poor is to face a lesser likelihood that you will finish high school; lesser still that you will attend university. To be born poor is to face a greater likelihood that you will be judged a delinquent in adolescence and, if so, a greater likelihood that you will be sent to a "correctional institution." To be born poor is to have the deck stacked against you at birth, to find life an uphill struggle ever after. To be born poor is unfair to kids.
>
> Of the 6.76 million kids under the age of 16 in Canada at the time of the 1971 census, 1.66 million were poor. This report is about those kids. It is about the lives they are living today and the prospects for the years that lie ahead of them. It is about growing up without—without as much food as other kids get, without the toys, the clothes and the outings that other kids get. And it is about growing up marked with the stigma of poverty instead.

● (1530)

> It is important that we, as Canadians, understand the effects of the present inequitable distribution of national income on those who suffer the misfortune of being born to families living below the poverty line. It is important that we understand as well that the

thousand cruelties that poverty visits on the children of the poor can be ended. Children need not grow up in poverty in Canada because there need not be poverty in Canada.

Then it makes a very interesting point:

> The tax system and the income security system together determine the patterns of income redistribution in this country. The changes that are made in these systems as a result of the present federal-provincial review will affect the lives of every one of Canada's poor kids. New programs that are adequate to raise Canada's poverty families out of poverty will transform the futures of these poor kids. Inadequate programs will leave them facing the grim prospects that mark the landscape of their lives today.

There are a few facts in this report that will interest you, such as these:

> The census found substantial numbers of children living in poverty in every region and province in Canada. The highest proportion was in Newfoundland where almost half of the province's children (45.3 per cent) were in families with incomes below the poverty line. More than a third of the children in Saskatchewan (38.4 per cent), Prince Edward Island (37.3 per cent) and New Brunswick (34.9 per cent) were likewise living in poverty. Even in the "rich" provinces of Ontario and British Columbia . . . more than one child in six was living in a family with less than a poverty level income.

The poverty level income that they speak of is the poverty level that I would ask honourable senators to allow me to put on the record, a copy of which was sent to you a few days ago. May I have permission to do that?

**The Hon. the Speaker:** Is that agreed, honourable senators?

**Hon. Senators:** Agreed.

Senate Report on Poverty

Poverty Line Updated—1974

| Family Size | Poverty Line 1971 | Poverty Line 1972 | Poverty Line 1973 | Poverty Line 1974 | Statistics Canada Poverty Line 1974 |
|---|---|---|---|---|---|
| | | (nearest $10) | (nearest $10) | (nearest $10) | |
| 1 | $ 2,430 | $ 2,700 | $ 2,990 | $ 3,100 | $ 2,518 |
| 2 | 4,040 | 4,500 | 4,990 | 5,130 | 4,196 |
| 3 | 4,860 | 5,390 | 5,990 | 6,145 | 5,034 |
| 4 | 5,660 | 6,290 | 6,990 | 7,200 | 5,872 |
| 5 | 6,470 | 7,190 | 7,970 | 8,200 | 6,713 |
| 6 | 7,270 | 8,090 | 8,970 | 9,970 | |
| 7 | 8,090 | 8,990 | 9,970 | 10,970 | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | 10,510 | 11,690 | 12,960 | 14,000 | |

Senate Report: Poverty level set at 50% of average Canadian family income adjusted to family size, making provision for inflation and gross national product.

Statistics Canada: Minimum income needed by a family which has to spend 62% or more of its income on basic necessities: food, shelter and clothing.



**Senator Croll:** These are interesting statistics:

> Among children in two-parent families across Canada, 21.2 per cent were in poverty; among those in male-headed single-parent families, 33.7 per cent were in poverty; among those in female-headed single-parent families, an incredible 69.1 per cent were in poverty.

That is the kind of deal some of the women get.

There is just one other point they make that I think is well worth repeating. Talking about welfare, they say:

> After almost two years of working parties and task forces the federal-provincial social security review has reached the point where the value choices must now be made. This was spelled out quite clearly by the Minister of National Health and Welfare in a recent speech: "Income Redistribution: A Question of Community Ethics". The politicians will make their choices based on what they believe to be the community's choices.
>
> There can be no hiding behind myths that we can't afford to ensure income adequacy to all Canadians. The recent federal budget proved that. The Minister of Finance redistributed $1.75 billion for the 1975-76 fiscal year through reductions in the personal income tax alone. He redistributed another $885 million of the 1975-76 national income by changes in sales tax and tariff provisions, more than half of this—$450 million—through reduction of the sales tax on building materials.
>
> All of this $2.6 billion that the government has chosen not to collect represents a redistribution in the national income. But in what direction? The personal income tax cuts range from $200 for those in the lowest tax bracket to $750 for those in the highest. In other words, if you were too poor to pay taxes you got nothing; if you were a low-income taxpayer you got $200; but if you were already rich enough to be in the top tax bracket you got $750. The rich got most, presumably because they needed it least. Are these our values?

What brought me to this, and what bothered me a great deal, was the fact that we were talking about $2.5 billion. I will not take an oath that these figures are accurate, but yesterday I sat down to work something out. If you took into account the wildcat and illegal strikes, and the consequent loss of production and wages in Canada this year, you would have enough to finance the basic guaranteed income for one year at the present time.

These people, of course, again recommend the guaranteed income. We did not invent it. What we in this chamber did was to get it off the ground as a social and political movement. We made the idea of it respected, practical and acceptable.

I ask honourable senators to take the opportunity to read this booklet. It was carefully done; it was done in a humane fashion; it is well written. It will give you an insight into Canada that you do not get at the present time.

Thank you very much for giving me your attention.

**Senator Benidickson:** May I ask the honourable senator a question? Two or three days ago I read a press report, presumably based on this publication of the National Council of Welfare. I believe the National Council of Welfare is funded by governments, and the appointments are mostly made by governments. Has the honourable senator made any inquiries as to why we as parliamentarians did not get this report, when we get so many other publications that we do not need in our mail?

**Senator Croll:** All I can say is that when I heard about this report I called the department and asked them to send me over some copies, and they sent me two copies. I cannot answer that question. Perhaps the Leader of the Government could answer it.

The Senate adjourned during pleasure.

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At 8.15 the sitting was resumed.

## IMMIGRATION POLICY

SPECIAL 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 Messrs. Alexander and Beaudoin, Miss Bégin, Messrs. Brewin, Daudlin, Epp, Friesen, Guay (St. Boniface), La Salle, Lee and MacDonald (Egmont), Miss Nicholson and Messrs. O'Connell, Prud'homme and Rompkey have been appointed a committee to act on behalf of this House as members of a Special Joint Committee of both Houses on Immigration Policy.
>
> Attest
>
> Alistair Fraser
> The Clerk of the House of Commons

## INCOME TAX ACT

BILL TO AMEND—SECOND READING

The Senate resumed from earlier this day the debate on on the motion of Senator Hayden for second reading of Bill C-49, to amend the statute law relating to income tax.

**Hon. Jacques Flynn:** Honourable senators, when I first read Bill C-49 my reaction was quite the same as Senator Hayden's. My memory went back to 1970 and to 1971 when we dealt with the White Paper on fiscal reform and the bill based on it. That bill was a tome of 700 pages, and it was meant to clarify, simplify, and substantially reform our income tax laws.

Three years have passed and we have acquired some experience. If they demonstrate anything, those years demonstrate irrefutably that, if we ever managed to get out, we are now back in the same jungle. In fact, I would say we are into an even worse jungle than that which we were supposed to be getting out of by means of this legislation. Three years have passed and we now have before us for consideration the fourth bill to amend that 1971 legislation. The three previous bills cover 180 pages in the statutes, and this Bill C-49 runs over 300 pages. And, as Senator Hayden mentioned, that does not in the least take into account the thousands of pages of regulations, directives, and opinions put out by the revenue department.

When we were considering the 1971 bill, if memory serves me correctly, I expressed grave doubts as to the value of the method which the government planned to use at the time; that is, an overall reform as compared to a step-by-step or subject-by-subject reform. It seems to me now that experience proves that we did not accomplish much, that the reform was less than a huge success. Of course, apart from clarifications and corrections in adjustments, the present bill deals with problems of substances, to which I will refer later. At this time I merely wish to fill in the background of this legislation which, after all, is merely intended to continue the so-called reform of 1971.

Now, I agree with what Senator Benidickson said yesterday about the sponsor of the bill. I think no one else in this place would be able to explain a bill of that complexity in as lucid a manner as Senator Hayden, and we are most grateful to him for that. For the sake of personal experience, I tried to read some of these provisions to see if I could understand what they meant. Quite frankly, I was not able to understand anything from reading them. The only way I can understand anything like this is when the department, or the minister, in the budget speech, says, "I want to amend the law in order to achieve such and such a thing." Of course, the draftsmen have to express the minister's opinion, or the views of the department, in matters of corrections and clarifications, but they certainly do not succeed in producing anything easily comprehensible. I very much doubt that anyone could understand this bill from simply reading it. You would have to have examples for each of the numerous clauses in this "brick," as Senator Hayden called it, if I am not mistaken.

This afternoon I was reading in *Maclean's* about Tommy Douglas, and about how Stanley Knowles used to boast of Mr. Douglas's being able to read an editorial twice and have it memorized word for word. He would probably be able to memorize any section of this bill after reading it twice, but I bet he wouldn't understand it or be able to explain it.

Honourable senators, the most important part of this bill is, of course, based on the budget speech the Minister of Finance made last November. At that time the minister claimed that the measures contained in this piece of legislation (a), would bring an end to both rampant inflation and slow economic growth by stimulating increased output and productive capacity; (b), would sustain economic growth by moderating the prices of certain products, maintaining real incomes and stemming the erosion

of the value of savings; and (c), would decrease personal income taxes by about 15 per cent.

That, of course, was before the minister was rudely awakened to the economic facts of life. Now, even he has been admitting for the past month that the assumptions upon which he based his November 18 budget are no longer valid. New realities are upon us. The November budget was based on the prediction of a four per cent real economic growth rate this year, and the creation of 250,000 new jobs. We know now that neither of these figures will be attained, and we know a few other things all of them equally pertinent and all equally depressing. Our economy has not been in worse shape since the recession of 1957. How is that for a statistical starter?

In the last quarter of 1974 the real growth in the GNP fell at an annual rate of 5.2 per cent. There was a slower rate of growth in labour income, a decline in corporate profits, a record trade deficit, and a serious slowdown in the growth of consumer expenditures. Real growth in the GNP was not what had been anticipated. It was far from the six to seven per cent once predicted by the government. It was not even the revised four per cent prediction of late 1974. In fact, it was 3.7 per cent. Worse than that, if anything could be worse than that, is the fact that economists are now expecting a real advance in the GNP in 1975 of no more than 3.5 per cent.

From November 1974 to February 1975, the seasonally adjusted unemployment rate jumped from 5.5 per cent to 6.8 per cent. The unadjusted figure rose from 6.1 per cent to 8.6 per cent. In the month of February alone the total number of Canadians out of work rose from 817,000 to 893,000. I am not imitating Paul Martin now, I am basing these facts on real verifiable statistics.

Even though he admits—and I am now speaking of the minister, not Paul Martin—that the November budget is no longer valid, the minister still wants this bill passed. He realizes that the measures contained in it are insufficient, but he wants them anyway. His department brought in a whole carload of amendments when this bill was in the other place but none of them was of any great substance. So we are placed in the ludicrous position of having to discuss legislation that the minister admits will be ineffective in achieving the goals which he has set out. The arguments suggested for not making significant and fundamental changes in this bill are that such changes should come in a new budget. But we have no commitment that a new budget will be brought down in the near future. This is orchestrated nonsense, and our efforts here will be of no value because there is nothing in the bill which will make any significant difference in the economic problems that presently beset us.

● (2000)

Our most serious problem remains—and I am sure everybody here will admit it—inflation. I feel that I must remind you of that because some Canadians are becoming so accustomed to having inflation around that they are learning to co-exist peacefully with it. The federal government's attitude continues to be that inflation is somebody else's fault, and with that sort of facile and spurious reasoning they have succeeded in anaesthetizing their consciences and justifying their scandalous inaction.

[Senator Flynn.]

Inflation is essentially the result of excessive government spending—not entirely, but mostly. The government becomes involved, for the sake of continued electoral support, I suggest, in all sorts of new hand-out programs which the country cannot really afford at this time. In order to finance these programs it, in effect, waters down the currency. It is as simple as that. It is an old practice—as old practically as recorded history.

Inflation is a tax—there is no doubt about that—and a very insidious tax which provides the government with the huge sums necessary to buy support without their having to add to the burden of direct taxes. It is sly and underhanded, but, apparently, successful.

One of the classical ways of fighting inflation is for governments to exercise restraint in their spending. So what does this government do? It preaches restraint, but then proceeds to set records for government spending. In the years since they came to power in 1968 this administration has increased government spending by close to 150 per cent. Using national accounts as a guide, we find that government expenditures will rise from $23.7 billion in the fiscal year 1973-74 to $34.9 billion in the fiscal year 1975-76. That is a 47 per cent increase. And this is done by a government that continues to claim that it exercises restraint in spending. National accounts figures differ from those contained in the estimates because they take into consideration money spent financing pension plans such as old age pensions and the Canada Pension Plan. Again, according to the national accounts figures, direct personal income taxes from the taxpayers of Canada will rise from the $11 billion that they were in 1973-74 to $15.9 billion in 1975-76, an increase of 44 per cent.

The minister also forecasts in his own budget that personal income taxes will skyrocket from the $7.9 billion they were in 1973-74 to $11.35 billion in 1975-76, an increase of 43 per cent over two years and an increase of 105 per cent as compared to the fiscal year 1972-73.

Senator Hayden spoke convincingly last night, but not convincingly enough. He spoke of reductions in taxes in this area amounting to hundreds of millions of dollars. But I should point out that he mentioned the figures not by way of praising the government or by way of supporting the reductions, but simply to inform the Senate.

● (2010)

However, what he did not say was that these reductions notwithstanding, the total amounts raised by the federal government in taxes have continued to rise unabated. Let us not try to snow the Canadian people. That is not what we are here for. The plain fact of the matter is that Canadians will be paying more taxes this year than last year, and will pay even more in 1976 than in 1975. The figures are there to prove it, and they are the government's own figures. Direct personal income taxes will rise from $7.9 billion, as I said, in 1973-74 to $11.35 billion in 1975-76—an increase of 43 per cent in only two years. So, in spite of what the government says, taxes are rising.

Now, what about the number of actual taxpayers? This government has in recent years made pious noises about how it is cutting all kinds of people from the tax rolls. Well, let us look at the figures. In 1971, 7,372,571 Canadians paid taxes; in 1972, 8,081,015; and in 1973, 8,495,000. This represents a constant increase—an increase, in fact, of

15.23 per cent in the number of people paying taxes while over the same period the population of Canada increased from 21,568,311 to 22,095,000, or only 2.44 per cent. So there you have it; not only are taxes rising, but the number of actual taxpayers has also increased.

This government claims it is trying to stimulate growth in the economy by reducing personal income and sales taxes, and cutting back on government spending. The facts tell a completely different and a very sad economic story. This bill certainly will not diminish the total amounts raised in taxes. Therefore a means must be found to force this spendthrift government to stop wasting. One of the easiest, and, of course, most effective, means would be to deny them tax dollars. The Progressive Conservative Party has suggested that personal income tax be lowered for a start. The 3 per cent provided in this bill is not sufficient. It should have been reduced by a further 5 per cent. That idea, however, was defeated in the other place.

The warnings by various responsible and objective bodies engaged in economic research are worrisome indeed. They predict that the 1975 growth in real GNP will be marginal, approximately 3.5 per cent, which is about half of our real capacity. Our economy needs a better tax break, but I do not see it in this bill. Tax monies should be returned, to a minor extent, to the individual taxpayer to generate demand. But to a major extent it must be returned to business. We must increase corporate spending power, and give back to producers more of the savings now being taxed away from them so that they can be re-invested in more efficient and expansive growth. The government did this for some manufacturers by reducing the rate they must pay on income and by increasing their capacity to write off new capital investment. Why not extend this, or equivalent relief, to other forms of production, more particularly resources production, when its benefits have been so clearly demonstrated in the new employment created?

Honourable senators, let me turn now to the problem of resource taxation. The Minister of Finance says that the crux of the problem is: What constitutes a fair sharing of revenue from petroleum and mining, as among industry, the provinces and the federal government?

All other considerations—for example, consultation instead of confrontation with the provinces; maintaining a viable oil and gas industry; security of oil supplies for Canadians; jobs for Canadians—all these factors, so far as the government is concerned, are of secondary importance, if one can believe the Minister of Energy, Mines and Resources, and the Minister of Finance.

All that this government is really interested in is how big a share it will get of the resource profits.

The government argues that in January 1974 it suggested sharing these revenues with the provincial governments of British Columbia, Alberta and Saskatchewan, and it was because the provinces refused that in May, and again in November, the government brought in budgets that would no longer permit royalties paid to provincial governments as deductions against federal income tax.

A document was presented at that January 1974 meeting of first ministers by the Minister of Energy, Mines and Resources. It suggested a percentage distribution of revenues. It stated that, with a wellhead price of $6 per barrel, it would be reasonable for the oil producing provinces to receive 28 per cent of the total revenues and the federal government 6.6 per cent. If the price were $7, the percentage suggested was 33.5 per cent for the provinces, and 8.9 per cent for itself. Remember, this was a breakdown suggested by the federal government itself, and these figures were to include export tax.

Finally, a wellhead price of $6.50 was agreed upon in March 1974. The government's figures from the January meeting would indicate that the province's share should have been 30.75 per cent.

The Alberta government introduced a royalty scheme which brought it 23 per cent of the total revenue from natural resource exploitation. This was 7.75 per cent less than the federal government felt in January the province was entitled to.

In May the budget came down and it called for the non-deductibility of royalties. The reason given was that the provinces had acted in bad faith, that they were being greedy. Alberta was taking less than had been offered, yet the federal government considered them greedy. It is unreal. That is the sort of nonsense which has the provinces up in arms.

The federal government brought in a budget in May, and repeated it in November, that would give it 23 per cent of the revenue from natural resources. This was 16 per cent more than the 7 per cent it was willing to accept in March. So who was being greedy?

All of this was done unilaterally. There was no consultation with the provinces about making royalties non-deductible. Suddenly, it was there, an arrogant provision in the federal budget—confiscation by executive fiat, confiscation without consultation or compensation. They confiscated not only a huge share of royalties belonging to the provinces, but the provinces' rights to develop their resources according to their own needs and priorities.

Without the right to deduct provincial royalties, resource companies may find themselves taxed at a rate of more than 100 per cent. In fact, if it is unlucky, a mining company might find that it has to pay taxes even when it incurs a loss in its financial year.

So the provinces were forced either to cut back on the royalties or sit back and watch while the resource industry pulled up stakes and rode out of the West at a gallop. Alberta immediately cut its share of the royalty take, and called for another increase in prices to help the companies. But the federal government made no concessions.

By the stance it has taken, the federal government has destroyed the royalty leverage by which the provinces could direct the industry's development. Unfortunately, it has supplied no new guidelines of its own.

● (2020)

I do not know precisely how the provisions of this bill will affect the mining industry, but that is a question I intend to put in committee.

Another matter that must be borne in mind in all of this is the constitutional positions of the parties involved. What does our Constitution say with regard to the taxing of profits raised as a result of the exploitation of our

natural resources? The British North America Act is perfectly clear on this subject. Section 109 states:

> All Lands, Mines, Minerals, and Royalties belonging to the several Provinces of Canada . . . and all Sums then due or payable for such Lands, Mines, Minerals, or Royalties, shall belong to the several Provinces—

In other words, it was decided at the time of Confederation that the provinces would be permitted to retain their resources and any income therefrom. The four western provinces were placed in the same position by a 1930 amendment to the BNA Act.

This federal government has been incredibly inept in dealing with the petroleum producing provinces. It has made all the mistakes of the vain individual who does not have a good grasp of the problem but who is too proud to admit it. The government seemingly has no idea where it is going; it has no well-defined energy policy. It is stumbling from one makeshift policy to another, trying to cope as best it can with events as they occur.

In September 1973 the federal government unilaterally, without consultation and as a result of pressure, imposed a price freeze on Canadian crude oil. Later, an export tax was imposed, again without consultation with the provinces. Then the freeze was going to be lifted on January 31; then it was the end of the heating season. Also, there was the business of how prices would be allowed to rise and then how they would not be allowed to rise.

It is small wonder that relations are now strained between Ottawa and the producing provinces. The federal government is no longer trusted.

The third party in this horrible mess, and one that must not be forgotten, is the industry itself. The position taken by the federal government with regard to the non-deductibility of royalties will cause serious hardship. It will drive capital flow, the personnel who have the know-how, the technology, and the tools and equipment out of Canada to explore and develop petroleum elsewhere. We will be forced to live on our proven reserves until those run out, which will be in about five or six years' time.

Unless something is done, the petroleum industry in Canada will die and we will be faced with having to import oil and gas which we could otherwise produce for ourselves, and this will cause even more serious economic hardship.

As far as the other provisions of this bill are concerned, I think I need not say anything at this time. Many of them were mentioned last evening by the sponsor of the bill. Most of them are of a technical nature and the committee will deal with them in due course.

To summarize, then, it is my view that this bill is totally inadequate as a measure to solve the problems besetting the petroleum industry and, in fact, creates other problems. It gives effect to a budget based on a number of misconceptions such as, for example, that the American recession would not be as deep or prolonged as it has been; that there would be a continuing strong rise in capital investment by business to take up the slack in consumer spending; and that we would experience significant real growth in our economy.

The measures contained in this bill are tailored to an expanding economy—which ours, sure as hell, is not. The incentives are all wrong. Consumer spending dropped in the last quarter of 1974 by 7 per cent. That was something to worry about. The tax relief provided in this bill will not do anything to reverse that. The relief is not substantial enough, nor is enough of it going to those who would use it to help reverse the economic tide.

The Progressive Conservative Opposition in the other place tried to amend this bill in a way that would provide some relief for the Canadian taxpayers, but without success.

In my view, this bill is very dangerous, especially with regard to the constitutional problem and the practical problems of royalties with regard to the petroleum-producing provinces.

Before I conclude in this matter, I want to refer to what Senator Hayden said as a personal opinion, as reported at page 610 of *Hansard* of yesterday:

> It therefore appears that in the interests of preserving a viable oil and gas industry in Canada, as a matter of simple justice and equity, and as a step towards a compromise with the provinces in this area, the proposed legislation might either be changed so as to restrict the add-back to Crown royalties levied in excess of the royalty rates prevailing at December 31, 1973, or suspended in its application until after April 15, 1975, at which time further federal-provincial talks are scheduled.

I think this alternative is an excellent one, and I hope that we will examine it in committee and do something about it.

**Hon. Ernest C. Manning:** Honourable senators, I did not have the privilege of being in the house when this bill was introduced, or this afternoon, and I have not had the benefit of the wisdom I know has been expressed by those who have participated in this debate thus far. I have carefully read the *Hansard* record of the speech made by Senator Hayden when he introduced the bill. I commend him on once more making an enlightening and intelligent presentation of a piece of legislation that, to say the least, is complicated and exhaustive.

We have 300 pages of amendments in the bill before us. A great deal could be said about many of its provisions. Certainly many of them are beneficial from the standpoint of the Canadian taxpayer. I should like to confine my remarks to some provisions which I am convinced will, in the long run, have a serious, detrimental effect on the people of this country. I am referring particularly to the impact of the change in the matter of royalties and other charges collected by provincial governments in the development of energy resources.

The amendments proposed prevent taxpayers in the petroleum, natural gas and mining industries from deducting from their income any royalty, tax, rental, bonus, levy, or other payment made by them to the Crown in right of Canada or a province or to a crown corporation or body in relation to the acquisition, development or ownership of a Canadian resource property, or to the production in Canada of petroleum, natural gas or minerals.

In discussing this issue, it is first necessary to dispel the widespread misinterpretation that is so often placed on

the remarks of anyone who warns of the danger of excessive taxation on corporations.

● (2030)

The socialistic mind, particularly, and a significant section of the media today, has as an obsession the idea that corporations are evil creations; that profit is evil, and that the more governments tax business enterprises the more they are to be commended. Anyone who speaks against excessive taxation on business enterprises is accused at once of being a champion of multinational corporations and, therefore, indifferent to the interests of the rank and file of Canadian taxpayers. That, honourable senators, is a serious and dangerous fallacy.

The points I want to discuss tonight I raise not out of concern for the multinational companies or for the Canadian oil companies. Certainly, they are going to be hurt financially, but they are not going to be put out of business. They have the capacity to look after themselves without any defence from honourable members of this house. What I am concerned about, and what every parliamentarian should be concerned about, is that down the road in another six, seven or eight years the average Canadian citizen, who may cheer today to see increased taxation levied on multinational corporations, is going to be paying a severe price for the folly that is being perpetrated by governments today.

We have a responsibility to try to help the Canadian people realize that in the long run the social and economic well-being of every citizen in some degree is bound up with the economic health of the industrial and commercial enterprises of this country.

It is business enterprise which produces over 80 per cent of the job opportunities in Canada, the payrolls on which our people depend for their livelihood. The production of the vast quantity and great variety of products, which make it possible for Canadians to enjoy one of the highest standards of living in the world, is the result of Canadian industrial and commercial enterprise. For this reason, anything done by governments to impair the economic health of business, particularly in the field of energy resource development, ultimately reacts against the best interests of the rank and file of citizens.

In Canada today we are faced with a most ironic situation. We are one of the few industrial nations of the modern world which could be self-sufficient for decades to come insofar as energy resources are concerned. Surely we do not have to argue that in an industrialized nation an adequate supply of energy resources is a matter of economic life or death. Yet here we are, one of the few countries with the potential to be self-sufficient in energy, heading into a serious shortfall within the next seven or eight years.

We need to address ourselves to the question: Why is this so? I offer for your consideration four reasons why this is so. One of these reasons is geographic and economic, but three are political, and, because they are political and created by governments, we can take some encouragement from the fact that it is therefore possible for governments to correct them, if they have the will and the initiative to do so.

Let us take a moment on the one cause of the problem which is geographic and economic. The governments of this country, provincial and federal, and for that matter the Canadian people, must be made to realize that from here on in the cost of developing energy resources in Canada is going to be very much higher than it has been in the past.

So many of the statistics used today, the assumptions that are made, are based on the fallacious idea that the production costs of the past ten or twenty years have some application to what is going to take place in the future. I submit that they have very little application.

Canada's three main sources of potential future oil supply are offshore drilling, development in the Canadian Arctic, and development of the Athabaska tar sands. In the matter of cost, not one of these can be compared with development in the plains of western Canada, where you could drill a producing well for $100,000 to $200,000. Compare that with wells being drilled in the Arctic today and on the north slope of Alaska which run as high as $6 million a well—and a great many of them dry holes. Arctic development is extremely costly, but it is an area in which we have to look for oil in the future. The same is true of offshore drilling.

The Athabaska tar sands are in the same category. We are fortunate in Canada to have a known oil reserve of at least 300 billion barrels which makes it the largest single known oil deposit in the world. But, honourable senators, you are not going to develop Athabaska tar sand oil at $6.50 a barrel. That development is going to be extremely costly.

For these reasons, from this point on those engaged in oil development must be assured of a far higher return on their production than anything we have known in the past, if we are going to make financially viable the development of oil from offshore drilling, from the Arctic or from the Athabaska tar sands.

It may be asked why that should be a problem, when world oil prices today are three times as much as they were less than two years ago. Surely this increase in the market value of the product is sufficient to offset the higher development costs in these three areas to which I have referred.

Such is not the case, because of the three political factors mentioned. The first of these was the introduction of political price determination.

There are four ways in which you can determine the market price of a product. One is the competition in the market place. That is the ideal situation. A second way of arriving at prices is the method used in the case of public utilities where regulatory bodies arrive at a cost of service plus a reasonable return on investment. I hope our oil industry never becomes a public utility, but that is one method of regulating prices.

● (2040)

A third way is by the action of monopolies. You will find many people who believe that multinational oil companies get together to connive and plan what the price of their products will be. I doubt if any of us are in a position to say if there is any truth to that assumption or not. I do call your attention to one fact that is pertinent. As long as

petroleum prices were fixed by the oil companies, we enjoyed prices which were relatively low. It was only when we moved, in the last 18 months, into political price determination, that we saw prices skyrocket, not only in this country and the United States but all over the world.

When OPEC—the oil producing nations of the Middle East—discovered the potency of economic blackmail as a means of attaining their political goals, they were the first to resort to political price determination. The $11 to $12 per barrel charged for Mid-East oil has nothing whatever to do with the cost of production or marketing. It is a price fixed entirely on the basis of political considerations.

We in Canada followed suit. The $6.50 a barrel crude oil price of today has nothing to do with the cost of production. It is a politically determined price. It was arrived at by a conference between the provinces and the Government of Canada. I have some doubts as to whether it can properly be called an agreement, because I am confident that the federal government held over the heads of the provinces what has now been translated into legislation, namely, a federal authorization to fix prices. The provinces had little or no alternative but to agree, in this case, to a price of $6.50 a barrel. That is political price determination and is one of the obstacles retarding further exploration and development of oil in Canada today. It is not merely a question of whether the $6.50 a barrel is a price that makes development from more costly areas financially viable but once you adopt political price determination, no investor, no development company, can know from one month to the next what oil prices are going to be three months or six months or a year from now. The price is no longer a matter of competition in the marketplace but is subject to the whims of parliaments and legislatures, and even may be decided by governments far beyond the borders of this country.

Once that element of uncertainty was interjected, it is no wonder many development companies have been drawing back and saying, "We are going to sit it out for a while and see what comes of this political price determination before we commit millions of dollars for further exploration and development."

This leads me to the second political factor, the problem of uncertainty, which I have already touched upon. Let me amplify. Canadian industry, especially during the last World War, demonstrated a tremendous capacity to adapt to adverse conditions once it knew the problems it had to face. Canadian business can do the same today, but one thing business cannot do is to adapt to conditions which it does not know. In the petroleum industry there is so much uncertainty because nobody knows what the governments of this country are going to do next.

To be fair, I must say that the provinces are as much to blame for this situation as the federal government. But let's take a moment to deal with the federal situation. Some years ago the Government of Canada produced regulations for oil and gas development in the Northwest Territories and the Canadian Arctic. Four years ago many of those regulations were suspended, largely as a result of pressures brought to bear on the government by conservationists and environmentalist groups. The regulations were suspended until environmental and other studies were made. Oil companies have been coming to Ottawa for the last four years, asking the Government of Canada to tell them what the ground rules are going to be for development in the Northwest Territories and the Arctic. The only answer they can get is that the matter is still under consideration. Some of these companies have spent millions of dollars without knowing what the final ground rules are going to be, and they are reaching the point now, with the tremendous inflation of costs, where they are saying, "Look! Until we know what the ground rules are going to be we simply cannot go on making these tremendous expenditures when down the road we may find ourselves faced with a set of government regulations or legislation with which we cannot live."



The same thing has happened in the provinces. In my own province, for many years at the time of the great development of our oil resources, we had a statutory limit on the amount of royalty that could be imposed. It was changed from time to time by the legislature. Three years ago, with the change of government, this statutory limit was wiped out. This means that during any session of the legislature, existing royalties can be increased. Put yourselves in the place of an oil company trying to raise $100, $200, $300 millions for development when you know that any month your royalty rates may be changed at the whim of a government.

In Alberta in the earlier days of development we had an understanding that the rate of oil royalties would be revised once every ten years. This was done to create the stability necessary to attract capital for development. Oil leases, which at one time ran for 21 years, were shortened to ten years, with a firm commitment to the developers that once they took out a lease with a fixed royalty rate embodied in it, even if a change was made in royalties, its terms would be respected. All of that is gone. I would like to come back to this in a few minutes, with respect to this legislation, because one of the serious obstacles in the way of oil and gas development is the element of uncertainty which now prevails and which this legislation will make worse.

This brings me to my third point, which is directly related to this particular bill. I refer to the excessive royalties and corporation taxes levied jointly by the provincial and federal governments on resource development companies.

Let me take the provincial situation first of all. In Alberta there have been three increases in royalties in the past 18 months. I am not saying that none of these increases were justified; I am pointing out that the royalties have been going up and up with no assurance that they are not going to go up again. When the $6.50 a barrel wellhead price was fixed, the Government of Alberta imposed a 65 per cent incremental royalty, which meant 65 per cent of the difference between the old selling price of $3.80 a barrel and the new selling price of $6.50. In Saskatchewan they imposed a 100 per cent incremental royalty. Then, the federal budget came out with the provision wiping out the right of producing companies to deduct the royalties they paid to the provinces before they computed their income for federal corporate tax purposes. The net result of these excessive provincial royalties plus the original federal budget proposals was that, if there had been an increase in crude oil prices in the western prov-

inces, for every dollar of additional income the oil companies took they would have had to pay out more than a dollar in royalties and provincial and federal corporation taxes. This was particularly true in Saskatchewan where the incremental royalty was 100 per cent of the difference between the old price of $3.80 and the new price of $6.50 a barrel. No wonder oil exploration in that region stopped almost completely.

● (2050)

In fairness I should point out something that was done by the Governments of Alberta and Saskatchewan, which undoubtedly was one reason why the federal government moved in the direction of this legislation. Up until the time of the incremental royalites the relationship between the provincial governments and oil developers was a relationship of landlord and tenant. In other words, when the provinces, as the landlord who owned the oil resources, leased them to a company for development, the province leased only a percentage of the resource. The balance was retained by the province as its royalty. It is true that they made an arrangement with the developer to develop the province's retained portion along with what had been leased and to pay it back to the province usually in cash, although there is a provision for the royalties to be paid in kind. The important point is that as long as the landlord-tenant relationship prevailed the developer never acquired the ownership of that percentage of the resource that was retained by the province as its share. As long as that position was maintained it would be almost impossible for the federal government to say, "You cannot deduct that royalty from your income when computing your federal corporation tax," because it never belonged to the developer. He never owned it. He never got a cent from it. He simply developed it under an agreement with the owner who had retained title to that portion of the resource. When the incremental royalty was introduced, it was not a percentage of the product retained by the Crown but a percentage of the difference between the $3.80 a barrel it was sold for before and the $6.50 a barrel that it was sold for after the new federal-provincial price arrangement. In the case of Alberta the province now collected 65 per cent of that price differential, and Saskatchewan collected 100 per cent. The important thing was that it shifted the basis of royalties from a percentage of the product retained by the province to a percentage of the selling price of the product, and it was at that stage that the federal Finance Department stepped in and said, "That is no longer a royalty; it is the equivalent of a sales tax," and so they wiped out the provision of many years' standing that afforded the developer the right to deduct royalty payments before he computed his federal corporation tax.

The federal government perhaps has a case in the matter of the incremental royalties, but I do not believe they have any case in respect of the basic royalties which are a percentage of the product retained by the owner. I hope that before this legislation is finally implemented there will be a recognition of this fundamental difference, and a proper amendment made to the act to correct the present injustice.

This provision respecting royalties combined with excessive royalty rates now imposed at provincial levels is imposing a financial burden on the resource development industries that is stifling further growth. Perhaps of even greater concern is the fact that it is inviting a very serious constitutional confrontation between Ottawa and the provinces. I only speak of Alberta, and to some extent of Saskatchewan, because they both became provinces in the same year, 1905. When they became provinces the federal government retained jurisdiction over the natural resources for 25 years. It was not until 1930, after long negotiations, that the Natural Resources Transfer Agreements between the Government of Canada and the Government of Saskatchewan and the Government of Alberta were finally implemented.

Under those agreements the federal government transferred to the Crown in the right of the provinces the complete ownership and control of natural resources. Alberta and Saskatchewan, therefore, have a valid constitutional argument not only under the British North America Act but particularly in the light of the Natural Resources Transfer Agreements of 1930. When the government of Canada now says, "The resources then transferred are no longer resources of the province, but belong to all of Canada," it is negating the terms of the Natural Resources Transfer Agreements, and in my view that will invite, and almost guarantee, a very serious constitutional confrontation between the provincial governments and the Government of Canada.

Constitutional issues of that magnitude are not settled overnight. If that kind of confrontation develops Canada will go through prolonged period of even worse uncertainty as to what the ultimate position will be in the matter of who is going to have control over royalty rates and the allocation of revenues from the resource development in the years ahead. Here we are, honourable senators, at a most crucial period in our history as far as resource development is concerned, when development should be at an all-time high but instead it is going down and down because of these political factors resulting from unwise government decisions.

In Alberta oil development today is at the lowest point in the last twelve years. In the last 18 months, 90 drilling rigs have left western Canada. Most have gone back to the United States and some have gone as far as the Middle East. Over 30 geophysical crews have left and gone to the United States. When you lose these highly trained technical men you do not get them back overnight. There is no way that you can measure the extent of that kind of loss to the country as a whole.

● (2100)

In considering the effects of these situations it is pertinent to say a word with respect to the tar sands. You have read a great deal recently about the Syncrude project. In my view the governments had to rescue the Syncrude project because it is essential to Canada's future energy supply that there be another major development of the tar sands, both for the oil produced and to gain the additional technological information necessary for still further and, hopefully, less costly development in the future. However, what happened was one of the most ironic situations we have had in this country in a long time. The Syncrude project could have been developed without one single dollar of taxpayers' money had it not been for the created problems to which I have referred which made it impos-

sible to finance the project in the private sector. After the governments, provincial and federal, created the situation that made it impossible to finance the project in the private sector, they then used the impasse as justification for moving in and saving the project by investing $600 million of the taxpayers' money.

Why do the people of Canada not rise up in indignation over this type of folly? Perhaps the answer is rather obvious. If the effect were immediate, they would, but the adverse effect of what is happening today will not be felt by the rank and file of Canadian people until six or seven years down the road, when we will have moved from the position in which we are exporters of some 800,000 barrels of oil per day, on which the Government of Canada collects $5 per barrel. We will have moved from that position to the place where we will be a large net importer of crude oil, and we will not be getting it for $6.50 per barrel but paying $11.50 or $12 per barrel.

Think what this will mean to Canada's balance of payments. Already we are in a severe deficit position. When we start importing one or two million barrels of oil per day at $11 or $12 per barrel, we will be piling up $22 million to $24 million a day of trade deficit, with no more export of oil from Western Canada to offset any part of it.

But that is not all. Once we become a net importer of oil at these higher world prices the cost of every single product produced in this country will be increased. Every product contains an energy factor. So often when people discuss this problem they talk about the price of gasoline for their cars. That is one of the minor factors. Far more serious to the standard of living of the Canadian people will be the net impact of higher energy costs throughout our entire Canadian industry, which will increase the price of every product bought in Canada.

I make so bold, honourable senators, as to predict that if this folly is permitted to continue much longer, six or seven years from now, perhaps sooner, the people of this country will realize the folly that was committed during this crucial period in our national history. I would not wish to be in the position of the people whose names will come to mind at that time, the political leaders, who will be blamed and held responsible for creating the situation for which the rank and file of Canadian people will then be paying, and paying dearly.

I see one ray of hope in this situation, and with this I close. The three political factors with which I have dealt—the element of uncertainty, the excessive taxes and royalties, and political price determination—are all problems created by governments. They, therefore, can be corrected by the governments which created them, if there is the will to do so. If ever this Senate had an opportunity to give leadership, it has it in this issue. I hope that when this bill is referred to committee it will return with a very clear and firm recommendation, if not actual amendments, that this royalty provision be removed before even more damage is done than has already been done.

Thank you for your attention.

**Senator Graham:** Will the honourable senator permit a question?

**Senator Manning:** Certainly.

[Senator Manning.]

**Senator Graham:** With respect to the control of natural resources, Senator Manning, you spoke of a 25-year agreement between the Government of Canada and the Provinces of Alberta and Saskatchewan, which I believe you said was entered into in 1905, when Alberta and Saskatchewan entered Confederation, and extended to 1930. Did that agreement also apply to the other provinces of Canada?

**Senator Manning:** First, allow me to correct your assumption. Perhaps I did not make the position clear. There was no 25-year agreement. Alberta and Saskatchewan were incorporated as provinces in 1905. The federal government retained the administration of the resources of both provinces until 1930. In 1930 the Natural Resources Transfer Agreements came into effect, which transferred all natural resources to those two provinces in perpetuity.

**Senator Flynn:** But at the same level as the other provinces.

**Senator Manning:** The other provinces were not in the same position, because they entered Confederation under the BNA Act, and Alberta and Saskatchewan were new provinces, incorporated in 1905.

**Senator Prowse:** The other provinces had the legal right.

**Senator Flynn:** That is right.

**Hon. Allister Grosart:** Honourable senators, I must say that I share with Senator Flynn and others some grave concerns with respect to the bill before us. I will say that when we hear a speech such as we have just heard from Senator Manning, one wonders what the Senate is to do in relation to this bill. Are we going to consider it in committee, and then report it without amendment, or is Senator Manning, for example, right or is he wrong? He has made a powerful speech, predicting dire consequences due to the legislation before us. I for one hope that in committee that position will be clearly put and that whatever cross-examination is necessary and available at that time will be put against it. It is essential that we have answers to the serious criticisms that have been levelled at this bill, not only by Senator Manning and Senator Flynn but by other speakers. For my part, I find it difficult, in fact impossible, to reconcile the stated objectives of the spokesmen for the government in the other place with the bill itself.

The Minister, Mr. Turner, has said that the purpose of this bill is "to deal simultaneously with the twin problems of inflation and slow growth." He also said, somewhat less than a year ago, that he would be proceeding in the budgets on which this bill is based by "cutting taxes rather than increasing government spending." That was the statement Mr. Turner made before the Canadian Club in Toronto on May 27, and for the life of me I cannot reconcile this bill or anything in it with those two stated objectives.

● (2110)

When I read carefully Senator Hayden's excellent explanation—and it was excellent—I was struck immediately by the fact that he had very serious doubts about certain aspects of this bill. He found the bill itself "terrifying" in its proportions and in contradiction with the earlier assurances that were given at the time of the predecessor bill that, if I may quote him, it would be:

> —an area in which everything would say what it meant, and mean everything it said.

He had serious doubts whether this bill accomplished that purpose, and I share those doubts.

In looking over the sponsor's speech, I added up a total of 13 major divisions in it. He selected 13 aspects of the bill which he felt should be drawn to the attention of the Senate, and he made it clear that there were others which, for time and other reasons, he was not dealing with. As I added up those 13 items, I reached the general conclusion that 10 of them offered some tax relief and three did not. The 10 were: reductions in the personal income tax, the clause relating to interest in dividend deductibility and pension deductibility, the new aspects of the RHOP—that is the housing bill—the extension of the limits for the low rate of income tax deduction for small businesses, the retirement saving plan improvements, and some relief in the partnership legislation, in the transfer roll-overs, in the fast write-offs, and for the construction industry.

In view of the general statement that the purpose of this legislation was to tackle the problems of inflation, unemployment, and slow growth, I began to wonder to myself if there was significant tax relief in this balance, taking Senator Hayden's main point, or whether this bill might eventually be increasing the tax load.

I do not know the answer, because the three areas in which there seems to be an increase in the tax burden are, of course, the petroleum and mineral resource productivity taxation—which has been the main subject of debate on this bill both here and elsewhere—the FAPI, which is the foreign accrual property income—I do not know why it is called "property." It seems to me to deal with more than property. I am speaking of FAPI. The "P" is for "property," but it seems to deal with more than property. Property is a rather incidental aspect of FAPI. There is also the compulsory reporting by corporations on an accrual basis.

I hope that Senator Hayden will add up the pluses and minuses. He hinted that he might be able to do this, when, on page 612, he said:

> I have figures to show how these changes will affect corporations. It would be a fair comment to make that in many of the provisions which relate to corporations there is an increase in the corporate tax recoveries by the government as a result of the changes which have been made, and to that extent there is an offsetting of some of the concessions which they have made to individuals.

It will be interesting to note what is the nature of the offsetting. Is the new tax burden higher than the tax relief? What generally is the relation between the two? One would hope that the numbers would come down on the side of tax relief rather than on the other side.

One wonders about the statement that in implementing the two budgets the government would go in the direction of cutting taxes rather than increasing expenditures. How do we reconcile this with the fact that again we are faced with the largest increase in federal government expenditures in history—a rise from $22 billion to $28 billion? How do we reconcile the emphasis on reduction in personal income taxes with the fact that personal income taxes are increasing? They have increased 40 per cent in two years. I am speaking now of the collective burden.

Will we have what I can only call the charade of saying that the government is actually cutting personal income tax? Clearly it is not. In four years the government take from personal income tax has gone up 100 per cent—slightly more in four years. Is this cutting taxes? Is there some criterion by which this should be judged other than by what I would call the government "take"? It seems to me that the government take is the important thing, as speakers have pointed out.

Senator Manning used the figure of 80 per cent of the productivity, or rather of employment, in Canada—it is almost the same thing—as the contribution of corporate expenditure and expansion. How do we reconcile those two? We were told also by Senator Hayden that the committee had spent some time examining the substance of the bill and had reached certain conclusions. I asked him last night if it was the intention of the committee in due course to let us have the benefit of those conclusions. I think his answer was that in general this would probably happen, because there would be a report depending on the subsequent hearings and the report might or might not suggest amendments. He said that we might have the report with amendments but not with recommendations, because he felt that recommendations were *de facto* amendments.

**Senator Hayden:** I know my honourable friend is interested in telling the house what I said. When I talked about recommendations, I indicated what the result would be. I was discussing the various courses that the committee might take. If the report reads differently, then I should say that it is not my policy to read the "blues." If I am not reported correctly, it is just too bad. I am not going to spend time rereading my speech. What I was saying, and I was reading from my notes, was what the effect would be if we made recommendations. On the question of the consideration which we had given the legislation, and possible amendments, I said that these would be considered in committee. It depends on what the committee decides, whether these are incorporated in any report that comes forward. It does not depend on something that I do. It is what the committee does. In the ordinary course of events, if the committee says, "These amendments should go forward as such," that will be the report of the committee. But do not attribute any of these things to me. I was explaining possible courses of action.

**Senator Grosart:** I am sure I was misunderstood, or perhaps I did not say what I meant to say. Certainly my intention was not to say that Senator Hayden himself was doing these things. Perhaps *Hansard* will show that I did say that the committee might take this action. In any case, I do not think that I attributed any prospective action to the chairman of the committee. If I did, it was certainly a slip of the tongue.

> I again quote Senator Hayden: The committee reached some conclusions, and formulated them under headings. However, since the bill was on its way to us, it was felt that the committee could not properly make an interim report to the Senate on the subject matter. I discussed the matter—and advised the committee of my action—with officials of the Department of

> Finance. I arranged an appointment so that our staff and the senior members of the Finance Department who work in the field would have an opportunity of seeing what we were proposing, and to study it.

He went on to say that the appointment was made for 10 o'clock and lasted all day. That is an obvious indication of the importance attached by the officials of the Department of Finance to the points put forward by the committee.

● (2120)

Senator Hayden went on to say:

> Therefore, there was complete understanding on what the proposals were. It appeared from that discussion that some of the proposals were certainly clarifying, and the question would be one of what risk there would be if we did not deal with those clarifications right away and say, "This is on our platter for dealing with technical matters in the next series of amendments." Some of them could have been dealt with administratively.

I raise this point because of some of the criticisms that have been made. Some of them are more telling, in my view, than those that have been made elsewhere. I would hope that the committee will not proceed on any assumption that the essential ways in which the Senate might amend this bill will be on mere technicalities. I believe it has been made clear that there are fundamental propositions in this bill that may be very definitely not in the public interest.

Having said that, I might say I have every confidence in the committee. I am one of those who have said on more than one occasion that in my time in this place nothing has been more to the credit of this house than the work of the Banking, Trade and Commerce Committee on Bill C-259. It is my view—and I believe Senator Hayden suggested this also—that had the government listened a little more carefully and taken more action in respect of the proposals and amendments put forward by the committee in respect of Bill C-259, we would not have as many amendments in this bill, and particularly as many amendments as there were while this bill was being considered in the other place. I doubt that there has been a bill containing so many amendments made by the government while it was being considered in the House of Commons than this one.

I was one to criticize the fact that the Senate, in respect of Bill C-259, at the last moment, in effect, abandoned the committee, the committee having actually made recommendations and proposed amendments, saying they were priority amendments. As honourable senators will recall, because of the time factor and the pressures to get the bill passed, the Senate, in effect, abandoned the committee in that it did not insist on those amendments going through.

I am certainly not competent to say whether or not the views which have been expressed during the course of this debate are correct, but certainly the fact that they have been raised with such emphasis would indicate to me that, as Senator Manning said in his concluding remarks, we might be on the eve of another great opportunity for the Senate.

**Hon. Paul Desruisseaux:** Honourable senators, I shall try to be as brief a possible, but I want to say a few things which I think should be said. My first words, of course, are to praise the sponsor of the bill for the clarity and brilliance with which it was presented.

This is a very confusing bill. It contains 303 pages in all. It received third reading in the other place in the late afternoon of Thursday, February 27, and was introduced in the Senate on Tuesday, March 4.

I have been informed of a news item delivered over radio and television blaming the Senate for sitting only three hours and some minutes last week. I have also read a Canadian press release in this morning's Montreal *Gazette*, following the opening of second reading debate in the Senate last evening headed, "Tax bill debate begins in Senate after week's delay." The article goes on to say:

> After more than a week's delay, the Senate started debate last night on the massive income tax bill which is holding up rebates to taxpayers.

It implies, of course, that we are not helping the taxpayers. This, to me, is as close as one can get to a dishonest statement made by people who would be expected to report the news exactly as it happens. The article could well have been prefaced with the fact that this bill was discussed in the other place over a period of months—I believe four months—at the end of which it was referred to the Senate, where it will be considered in an absurdly much shorter time. There is something wrong when people criticize the Senate freely without going into a deeper study in order to obtain the facts. Instead, the Senate is reported—and I say it quite frankly—as being lazy and indifferent for not dealing with this bill promptly. I believe the author of this news release should answer for his peculiar behaviour.

It is impossible, I believe, to comment on every clause of this voluminous bill. That will soon become the work of the Standing Senate Committee on Banking, Trade and Commerce. This is an important bill and one which will leave its imprint on commerce, the natural resource industry, oil research, producers, and all Canadians. It is of that amplitude.

There is an intent on the part of some to blame the Senate for any delay in the processing of the rebate cheques. Again, this appears to be unjust. The Senate has a job to do and, as in all other matters, it will do its job diligently. Bill C-49 will be referred to committee after honourable senators have expressed their views on it, and given their recommendations during debate on second reading.

● (2130)

If the Canadian public had been well informed of the content of this bill and its consequences, it would not want the committee to proceed lightly with some consequential amendments. We have no alternative in the Senate but to consider fully the objections and the reasons for them, and I am sure that those who take the time to read some clauses of this bill will agree that much of the confusion that exists must be clarified and made understandable.

There is much work to be done on this bill but, thanks to the "Hayden formula," considerable time has already been saved. But let no one be fooled. It is not a one-night, one-meeting job that is before the Senate and its Banking,

Trade and Commerce Committee. It is to be hoped that the media will properly inform the public if it wants to fulfil its ethical duty.

[*Translation*]

Honourable senators, a few of those who have had the floor before me—and here I shall take a few seconds to congratulate particularly the previous speakers for their speeches, and especially Senator Manning for his very relevant remarks—several speakers dealt with the matter of oil production and the amendments which will affect its price. I had the privilege to hear witnesses, and I was impressed by the relevance of some of the arguments put forward to the Committee.

In the last few years, a few federal and provincial departments have brought about through their actions some uncertainty, as Senator Manning said so well, and some difficulty into the consideration of the progress of many a development.

I will at once stress that I am quite at ease to talk about it, since I have no interest in oil production, except as a Canadian consumer like most of us here, and I am not the manager of any oil company, although I do not disregard them.

It has always surprised me to be able to buy in our supermarkets bottled spring water, on which there are no taxes, at 42½ cents to 49½ cents a gallon, and to buy gas at the gas station at between 68 cents and 72 cents a gallon, which amount includes a federal sales tax estimated at some 3½ cents to 3¾ cents, plus a provincial tax varying from 19 cents to 25 cents—taxes totalling between 23 cents and 30 cents per gallon—and to realize at the same time that the price of gas includes, in addition, a share of the cost of the federal and provincial royalties, plus some costs for its distribution and refining. Gas, without taxes and royalties, sells at roughly the price of spring water. I find it astonishing.

The oil must be extracted from the soil, then it must be refined. Considering that the price of two gallons of oil includes the federal sales tax, the provincial tax, that it includes provincial and federal royalties, considering the long distances it must travel to my tank, oil really does not cost much in Canada. Truly, we are privileged.

Is there anyone who does not know what the cost is in European countries which lie much closer than we do to oil producing countries? It might be well to remind ourselves that those amounts vary from $1.92 a gallon in Portugal, $1.60 a gallon in Morocco—which is an Arab country—$1.45 in France, $1.67 in Italy, $1.33 in Sweden to $1.43 in England. Those figures are dated February 10, 1975.

Our oil companies have done more for Canada than, unfortunately, we are willing to admit. For almost forty years, the stability of which Senator Manning spoke has been possible precisely because of the basic rules adopted in Canada. But the instability and the systematic harassment we witness in far too many cases—for success breeds envy—are gradually eroding the advantages the consumer, especially, enjoyed. I dare say we are unwittingly creating oil shortages.

We treat oil development companies badly. We have already seen, as stated by Senator Manning, some rigging outfits leave. I am told that in the past year, scores of them have left and others have announced their departure. Why? Development is more stable and more profitable elsewhere. Canada will perhaps allege that we must preserve our oil deposits. Well, since exploration is slowed down, our oil production will be reduced accordingly.

You may think that I am wandering from the object of Bill C-49. Not at all, since it is one of its aspects. There are others that are quite important. We cannot overlook its implications in such cases, even though we are being pressed to railroad the bill and give the taxpayers some hope that they will soon receive an income tax rebate which, unfortunately, will no doubt be recovered in a month or two.

I think I have said enough about that. I merely want the Senate Committee on Banking, Trade and Commerce to look fully into this bill so that the Senate may cooperate with the Canadian government and pass the best possible bill under the circumstances.

● (2140)

[*English*]

**Hon. Léopold Langlois:** Honourable senators, I shall take only a few minutes of your time to add a few comments to those of my honourable colleague, Senator Desruisseaux. One of the dispatches that he mentioned was a news item appearing this morning in the Montreal *Gazette*, in which my name was mentioned. Over last weekend I received two telephone calls from members of the Press Gallery inquiring as to the reason for the so-called delay in the handling of this bill in this house. I informed those callers that although the message from the House of Commons with this bill had been received in this house on Tuesday evening, the Senate had not been prepared to deal with it last week for several reasons, the first and most important being that this is a complex bill of over 300 pages containing important amendments to our present tax law which could not be dealt with on the spur of the moment; much preparatory work was necessary before we could refer it to the Committee on Banking, Trade and Commerce. I insisted that, although the Senate was not proceeding with second reading, it did not mean that the Senate was not dealing with the bill at all, since this preparatory work was done outside the chamber.

I also added that there was a second reason for the actions of the Senate, which was the fact that at least one important witness, who had taken an active part in the pre-study that had been carried out by the Banking, Trade and Commerce Committee prior to the bill's coming to us, was not available and would not likely be available to testify before Monday, March 17, and that therefore there would have been nothing to be gained by dealing with this bill in the house last week.

Before I made these remarks to members of the Press Gallery I had discussed the matter with the chairman of the committee, Senator Hayden, who had given me most of the information that I relayed to the press. I also called the Minister of Finance to explain the situation to him. I must say that although Mr. Turner was somewhat disappointed at the delay, he understood perfectly the situation with which we were faced in this chamber.

Unfortunately, in the press this morning no mention was made of this second reason, or any of the reasons that I had given, and it was a straight case of blame being laid on the Senate for not dealing with this bill as speedily as the Press Gallery would like.

I do not wish to use unparliamentary language, but this reminds me of the old saying, "You are 'blamed' if you do, and 'blamed' if you don't." I think that is the situation the Senate must face with regard to the Press Gallery. Not only do I have no apologies to voice in this respect, but I affirm that the Senate is doing its job as it feels it should be doing it, and will give good and due consideration to this important piece of legislation.

**Hon. Salter A. Hayden:** Honourable senators—

**The Hon. the Speaker:** I wish to inform the Senate that if the Honourable Senator Hayden speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Hayden:** Honourable senators, this has developed into a very interesting debate, with special emphasis on the mineral resources taxation provisions. In all, I do not expect to take very much time, but before I reply to that phase of the debate, and since it seems to be a time for relating experiences with reporters, I should like to mention one that I have had.

I had a telephone call from a CTV reporter last Friday, and his first question was, "When will the income tax bill go to the finance committee of the Senate?" My answer was very brief—"Never." I said, "It will go to the Banking, Trade and Commerce Committee. Perhaps you should keep more up to date." There were due apologies, and a very curt conversation.

I had a telephone call yesterday morning from a reporter in Ottawa asking me some questions, and I thought the language that I used in describing what I thought the progress might be was very simple. He asked me for an explanation, and said, "You know, I am not very familiar with the Ottawa situation because I have been here only three weeks." So, honourable senators, when you start measuring what you read in the papers, written by people who are alleged to be reporters, and which the papers accept and report as being quality material, you must always bear this in mind.

If I were ever to let myself become upset by the things that people have said about me, I think I would have been a nervous wreck a long time ago. I suppose the appropriate motto is, "Where ignorance is bliss it is folly to be wise," and it is easier to write about a subject when you know nothing about it than it is when you know something.

Having said that, my answer to Senator Grosart with respect to the reduction in personal income taxes is that I estimate the minus to the federal treasury for 1974-75 at $415 million, and for 1975-76 at $1,750 million. As far as corporations are concerned, the increase in tax revenues for the government in 1974-75 is $755 million, and in 1975-76 it is $425 million. It is obvious from the most casual glance at those figures that what I said as to there being some offsetting items is correct, and that on the whole the reduction in income tax payments by individuals is greater than the increase in amounts collected from corporations by the government. To that extent, if there is an argument on figures, you can draw your own conclusions.

[Senator Langlois.]

Then Senator Flynn enlarged the scope of the debate. I concede that my duty in sponsoring this bill on second reading was to explain it. I did that as shortly as I felt it could be dealt with, and gave clear explanations. Obviously—and I stated this—I did not intend to discuss every clause in the bill. I selected the headings which I thought might be interesting. As a matter of fact, in my index, which I still have before me and on which I tick off each item as I discuss it, I had 17 items, and last night I dealt with 14 of them. One of those which I did not deal with was the one about which Senator Grosart asked his question this evening. At that time I said to myself that I would not mention it because I was sure somebody would be bound to ask a question about it. Sure enough, Senator Grosart did.

Senator Flynn, in the course of his excellent discussion of this bill, said that the measure is totally inadequate. I have just one brief comment to make on that point. I would suggest that he ask the individuals who in the year 1974, by reason of the increase in the minimum deduction from tax from $100 to $150, will be saved $380 million, if they think that the bill as a whole can properly be described as totally inadequate.

● (2150)

**Senator Flynn:** Oh, yes, I would ask them.

**Senator Choquette:** He would still ask them.

**Senator Flynn:** They do not get as much for their money now as they did in former years.

**Senator Hayden:** I enjoy interjections, but when my friend was speaking, in order to keep his temperature from rising, I sat still and listened. Perhaps he will content himself for a few minutes until I finish the answer to that particular statement. That is only part of it.

**Senator Flynn:** You were putting a question to me.

**Senator Hayden:** The new deduction of up to $1,000 of interest income in 1974 will result in a saving of $230 million which individuals might otherwise pay. The taxpayers' tax advantage on the registered home ownership savings plan will be an estimated $100 million in 1974. In 1975 the increase in the federal tax cut from 5 per cent to 8 per cent, with a maximum of $750 and the increase in the minimum from $150 to $200, will save $615 million. The extension of the interest deduction to include dividend income will save taxpayers an additional $10 million. The new deduction of $1,000 of pension income will save persons in receipt of such income an estimated $55 million. The ability to transfer to a spouse the unused portion of the age exemption will result in a saving for taxpayers of $35 million.

I am sure if we were to ask all those concerned whether they would describe this bill as being totally inadequate, the answer would be a very vociferous no.

**Hon. Senators:** Hear, hear.

**Senator Flynn:** It is a good joke.

**Senator Hayden:** I wish that in the days when I was in closer touch with the people I had as strong a point to make to gain favour with them. If I were in that position

today, and had to meet an allegation that this bill is totally inadequate, I could not ask for a stronger point. I believe my honourable friend was referring to the manner in which the bill deals with mineral resources taxation, and the general discussion of the way in which the government is handling the budgets and spending increasing amounts of money on public business. However, so far as this bill is concerned, it is only one arm of the whole program of the business of government, for which the government obtains some of its revenue. Therefore, I conceive it to be my duty not to address myself to all the budgetary policies of the government, but to address myself to the policies indicated in this bill. In my opinion, that is the right position for me to take.

**Senator Flynn:** I do not blame you.

**Senator Hayden:** Having said that, I must commend Senator Manning on his excellent analysis of the whole position in relation to the oil industry in Canada. Much of it, but in a less informed and less emphatic manner, I stated last night. I said we must maintain a viable petroleum and oil industry, or Canada will suffer very materially. Senator Manning said the same thing in much better words tonight. Senator Manning also said that the mineral resource taxation provided by way of non-deductibility of royalties—which in the bill is described in very broad terms—at this time, and having regard to the course of action taken by the provinces, is the expected thing to do. When children become bold, rough and unreasoning, relevancy does not become very important. It is simply that one person makes a move on one side, as the provinces did, and then there is a counter move made by the federal authority that is affected.

This is the inevitable method, I suppose, that we have to accept in political bargaining. The persons who suffer in this method of bargaining are the people. In the middle of it all are the corporations, the oil companies, which are put in the position of determining whether it may be impracticable for them to make any reasonable exploration because they cannot develop enough cashflow and retain sufficient earnings to finance exploration. The money markets do not present any hopeful way by which they can raise money at this time. As Senator Hays said this afternoon, drillers from Canada are moving in large numbers to the United States because the price they can get there for oil, $10 per barrel, is much higher than anything they can get in Canada.

Also, the method of assessment of what is new oil is entirely different in the United States from what it is in Canada. You can develop new oil in the United States by moving into a proven oil field, whereas in Canada the oil which would be entitled to an exploration expense deduction must be in an area which has not been developed.

Honourable senators can therefore see that with all these disadvantages at this time, plus the unreasoning and unreasonable attitudes of the governments involved on this question, the market people who provide the money say, "This is a place which we should not go into until these problems are resolved."

That does not mean that we do not need these provisions disallowing royalty payments at this time. This may well be said to be part of the squeeze. But as part of the process of political bargaining I can only hope that the realization will come quickly as to where it is heading. I hope it will not be six or seven years, as Senator Manning indicated he thought it would be. I would hope that realism might take over much more quickly, and that there may come a time when the people will see the unreasonableness of the attitudes in relation to dealing with oil. If we are going to be prosperous in Canada, we must have a good, strong, viable petroleum and gas industry operating in this country.

It is all very well to rail at the corporations. I think that politicians, many of the people, and at least one political party, think that corporations have private gold mines tucked away in their backyards, and every time money is needed they simply dig some out; that there is an inhaustible supply. Sooner or later they will have to learn, and perhaps learn the hard way, that corporations have to have earnings, and the only way they can obtain earnings in this area is by exploration and development. Otherwise, we are faced with the prospect of reduced production, and substantially reduced production, each year; and the people of Canada, particularly in the Eastern provinces may well be forced into the situation where the government will have to provide subsidies substantially in excess of what it is able to get from the export tax imposed at the present time. We must remember that the export tax which the government imposes at this time is simply a levy on oil which is exported to the United States, and the transfer of that money to pay for the higher cost oil that is delivered to the Eastern provinces and certain portions of the province of Quebec. That is the way in which the level of cost of oil is maintained at a lower level than it would otherwise be. That is a benefit we should weigh for the people of Canada.

● (2200)

I am just as anxious as Senator Flynn, Senator Manning, Senator Grosart and others to know when the realism is going to come. I do not know how we can contribute to it, except by expressing our views in our report that it is now time that realism should take over. We can incorporate that in our report—the committee can, I should add, for the benefit of Senator Grosart. I am merely indicating the way it can be done. It does not form part of the bill, so we cannot make a recommendation in connection with it. We can make observations, which should have great public appeal and support. The present situation is utterly impossible. The provincial authorities and the federal government are like kids just let out of school. Suddenly they become wild and free and irrational, and one action begets a counteraction.

We are in a position of stalemate now. The provinces of Alberta and Saskatchewan and, to some extent, British Columbia, have moved in the area of upping very substantially their royalty payments on the incremental value of the oil—that is, on any price increase over the base figure. If they increase that more without the positions being resolved, nothing is going to be accomplished. There will be no deductibility in respect of royalties paid by corporations so far as the federal government is concerned. All that would be accomplished would be a hastening of the day when corporations engaged in this business will have to cut down their operations and employment, resulting in

a bad economic situation, and possibly at the same time more inflation.

In my view, the criticism of what is going on and the rivalry, or whatever you want to call it, between the attitudes of the provincial and federal authorities is justified. I hope that when the mineral resource taxation provision in this bill becomes law, it will have the effect of bringing realism to the fore.

As Senator Flynn and Senator Manning have said—and as I have said—there is some cost element in royalties. If I have to prove it, my first witness would be the government itself, because it has allowed it over a great many years. If we took that cost element as it was in 1973 before these various gyrations developed between the provincial and federal authorities—that is, 22.8 per cent—as being a deductible figure, that would improve the position of the oil companies somewhat. It would bring them up with the Alberta changes and reductions, and it would give them about 86 cents a barrel for oil. That is not a lot of money, but as was indicated in committee, a lot of exploration and development can be done with even that amount, with the expectation that as time goes on there may be light in a lot of places where it does not seem to exist at the present time.

Regardless of the criticisms of the bill, it has many excellent features, one of which, I think, is the treatment of mineral resource taxation, having regard to the end for which it was brought in, not in itself for the blanket disallowance in royalties. There should be some reason applied in that, but I suppose when you are resisting some person, whether it is a fight in a hockey game or anything else, you give your opponent everything you can, and it may be the beginning of a better relationship.

I intend that everybody be given an opportunity to express his views in committee, and whatever the committee decides is what will be reported back to the Senate.

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?

**Senator Hayden:** Honourable senators, I move that the bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

May I just make an announcement? The committee is meeting to consider this bill at 9.30 tomorrow morning, and we will have the departmental representatives present.

**Senator Langlois:** Honourable senators, may I add to that announcement? The Senate will meet tomorrow at 2 o'clock in the afternoon, but in view of the widespread interest of honourable senators in this piece of legislation, and in order not to cause any interference with the work of the committee and allow as many senators as possible to attend this important meeting, it is proposed to move the adjournment of the Senate early tomorrow afternoon.

**Senator Flynn:** At 2.30?

**Senator Langlois:** The Senate will adjourn at 2.30, or shortly after that.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, March 12, 1975

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

Prayers.

## PUBLISHING INDUSTRY

NEWSPAPER ARTICLE AND CORRESPONDENCE—FURTHER QUESTION OF PRIVILEGE

**Senator Davey:** Honourable senators, I rise on a question of privilege. I ask the indulgence of the Senate to return just for a moment or two to the matter I raised here last week. Honourable senators will recall that the *Globe and Mail* had published a letter to the editor from me which had been carefully edited to exclude this important sentence:

> Perhaps your about-face on the issue may have some connection with the arrival of *Globe* publisher Brigadier Richard Malone, who announced earlier this week that FP Publications had abandoned its attempt to negotiate a deal with *Time*.

Honourable senators will be interested to know how the press of Canada, particularly the *Globe and Mail*, followed up on that story. There was nothing in the *Globe and Mail* that I received here in Ottawa the next morning. However, there was a story in the Toronto *Star* of that evening. It was headed, "Globe didn't show conflict of interest Davey Charges"—that is presumably the *Star* heading, the story being by Canadian Press—and I would like to quote the statements attributed to Mr. Malone.

> Malone today called Davey's statements "crazy".

Then again Mr. Malone, in a quotation as it appeared in the Toronto *Star*—and I would ask you to mark his words carefully—said:

> First of all, we have never had any intentions or made any attempts to buy *Time* magazine or to buy into *Time*.

A further quotation from Mr. Malone:

> Davey is also well aware that the *Globe and Mail* is a member of the FP group. It is a matter of corporate record in Ottawa and it is stated in all our advertisements.

Then, further on in the same article:

> Malone said that the *Globe* deleted part of Davey's letter "because it was false."

Then two days after I raised my point of privilege here—this would be the Thursday after I spoke—the *Globe and Mail* finally got around, to the best of my knowledge, to dealing with the matter. The heading for this story is, "Davey remarks irresponsible, Malone says." This is not a CP story; this is presumably done by a writer at the *Globe and Mail*.

Again I want to give you a sample of the quotations. One was that I was "quite false and irresponsible." Then:

> Mr. Malone said in a statement—

And here I am quoting Mr. Malone in his own paper, the *Globe and Mail*.

> —We (FP Publications) have no plans and never had any plans for purchasing any interest in *Time* magazine.

Referring to me, Mr. Malone went on to say:

> He is fully aware that the *Globe and Mail* has been a member of the FP Publications group for many years.

The article goes on:

> Mr. Malone said this fact is shown on all FP letterheads, rate cards and brochures and is recorded in the report of Senator Davey's committee on the mass media.

Well, honourable senators, I should perhaps be gratified that my statement described as crazy one day had become simply irresponsible the next.

I want to repeat and underline two of Mr. Malone's quotations. The first is from the Toronto *Star*:

> —we have never had any intentions or made any attempts to buy *Time* magazine or buy into *Time*."

And then in the *Globe and Mail*:

> We (FP Publications) have no plans and never had any plans for purchasing any interest in *Time* magazine.

Honourable senators will appreciate that I want to be fair and I want to be reasonable and I also want to ask a series of questions of Mr. Malone.

First of all, did the *Globe and Mail*, or did it not, carry this article on February 25—that is, just three days before my letter appeared in the *Globe and Mail*? The heading on this article carried on February 25 in the Report on Business is: "FP abandons plans for *Time* share." Now I want to read it again and I would ask you to note the present tense of the verb. "FP abandons plans for *Time* share."

**Senator Molson:** What page was this on?

**Senator Davey:** This is the *Globe and Mail*'s Report on Business, Senator Molson, three days prior to my letter appearing. It says: "FP abandons plans for *Time* share." Contrast this with his statement "we have never had any intentions or made any attempts to buy *Time*."

● (1410)

This clipping from the *Globe and Mail* is available in the reading room, and senators can study it. Mr. Malone is quoted at some length. The story said:

> FP Publications Ltd. of Toronto has abandoned any plan to acquire an interest in the Canadian edition of *Time* magazine and perhaps use *Time* as the basis for a new weekly news magazine with greater Canadian content.

> R. S. Malone, president of FP Publications, said the federal government's latest proposals concerning the content required for *Time* to remain classified as a Canadian publication under the Income Tax Act has killed FP's interest in the news magazine.

And so on.

The point, of course, is that if the statements contained in my letter were either crazy or irresponsible, then what about Mr. Malone's statement in his own newspaper in the Report on Business section of the *Globe and Mail* of February 25?

Incidentally, honourable senators, it is a sad fact that the grievance I put before you received dramatically less attention in the newspapers throughout the country than did Mr. Malone's reply. I continue to believe that if FP attempted to make any kind of a deal with *Time* then that fact should have been stated in the *Globe and Mail* editorial opposing the proposed legislation.

I wish now to return very briefly to the public's right to know who owns or controls the various media outlets in this country. Quoting from the story in the *Globe and Mail* two days after I spoke here, Mr. Malone said, referring to me, "He is fully aware that the *Globe and Mail* has been a member of FP publications." That, of course, is hardly the point. Certainly I am aware that the *Globe and Mail* is an FP publication. My concern is that the overwhelming majority of readers of the *Globe and Mail* are not aware of the fact that the *Globe and Mail* is an FP publication and that its publisher, R. S. Malone, is also the President of FP publications. Mr. Malone, in the Toronto *Star*, is quoted as saying again that I am well aware that they are a member of the FP group. "It is a matter of corporate record." Then he says, "It is stated in all our advertisements." Of course, that statement is at variance with the facts. I do not think the fact that the *Globe and Mail* is a member of FP publications is stated in all *Globe and Mail* advertising. I was prepared to raise that point, but Mr. Malone qualified his statement the next day when he said it is shown on all FP letterheads, rate cards and brochures. The point, of course, is that the fact that the *Globe and Mail* is an FP publication is not contained in advertising to the public at large; it is contained in advertising directed to the advertising industry.

I am not interested in whether FP publications lists the *Globe and Mail* on its letterhead, but I am extremely interested in why the *Globe and Mail* does not list on its letterhead, or on its masthead carried every day in the newspaper, the fact that it is an FP publication.

Honourable senators, the *Globe and Mail* editorials on this particular issue are suspect for an altogether different reason and one which again, in my opinion, smacks of a conflict of interest. Remember that the publisher of the *Globe and Mail*, R. S. Malone, is also the President of FP publications. *Time* Canada and *Reader's Digest* are printed by Ronalds Federated Limited and its wholly-owned subsidiary, Evergreen Press. Who owns Ronalds Federated Limited? Well, just under 24 per cent of the company is owned by FP publications. That kind of percentage is sometimes considered sufficient for effective control, and if it is not then it is certainly enough for a forceful voice in the company's direction and profitability. R. S. Malone is a director of Ronalds Federated Limited and so is Bruce Rudd, the publisher of the Calgary *Albertan*, another FP publication.

I want to make it quite clear that I do not quarrel with the fact that Ronalds Federated Limited prints *Time*. I do suggest, however, that the *Globe and Mail* readers should be apprised of this fact when that paper editorializes on a matter which is of such obvious self-interest to its publisher.

I wish to apologize for taking up the time of the Senate. I would have preferred to have dealt with this matter in the pages of the *Globe and Mail*, but that, apparently, is not possible because letters to the editor of the *Globe and Mail* are edited to suit the convenience of that paper's publisher.

## PUBLIC SERVICE

### STRIKE OF GENERAL LABOUR AND TRADES GROUP—QUESTION

**Senator Asselin:** Honourable senators, I direct a question to the Leader of the Government. I should like to know if the government is ready to introduce in the other place legislation to end the strike of the general labour and trades group of the Public Service Alliance, which has now been under way for a few weeks. The President of the Treasury Board said two days ago that the government is about to present legislation. Can the leader inform the Senate as to when that legislation is likely to be introduced?

**Senator Perrault:** I wish to assure the honourable senator that this matter is one of urgent concern to the government, but for a number of reasons I am unable to state whether the government is in fact about to initiate early action to bring the dispute to an end.

## NORTHWEST TERRITORIES REPRESENTATION BILL

### THIRD READING

**Senator Langlois,** for Senator Prowse, moved the third reading of Bill C-51, to increase the representation of the Northwest Territories in the House of Commons and to establish a commission to readjust the electoral boundaries of the Northwest Territories.

Motion agreed to and bill read third time and passed.

● (1420)

**Senator Langlois:** Honourable senators, I move that the Senate do now adjourn until tomorrow at 2 p.m.

I wish to remind honourable senators that the Standing Senate Committee on Banking, Trade and Commerce will meet to continue its consideration of Bill C-49 as soon as the Senate rises.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, March 13, 1975

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

Prayers.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—SENATE MEMBERS

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the following senators be appointed to act on behalf of the Senate on the Special Joint Committee on Immigration Policy, namely, the Honourable Senators Benidickson, Côté, Fergusson, Heath, Quart, Riel, Stanbury and Yuzyk;

That the committee 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.

**The Hon. the Speaker:** The house has heard the motion, which cannot be proceeded with without unanimous consent. Is there unanimous consent?

**Hon. Senators:** Agreed.

Motion agreed to.

## NATIONAL DEFENCE ACT AND CRIMINAL CODE (TOTAL ABOLITION OF CAPITAL PUNISHMENT)

BILL TO AMEND—FIRST READING

**Hon. Hazen Argue** presented Bill S-23, to amend the National Defence Act and the Criminal Code (total abolition of capital punishment).

Bill read first time.

**Senator Argue** moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

## LAW REFORM COMMISSION ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, March 11, the debate on the motion of the Honourable Senator Benidickson for second reading of Bill C-43, to amend the Law Reform Commission Act.

**Hon. Lionel Choquette:** Honourable senators, Senator Benidickson certainly went out of his way to find the necessary material to enlighten us on this bill. I am sure we are all indebted to him for his explanation of this piece of legislation. Although it is not a complicated bill, Senator Benidickson made it most interesting and I will not add too much to what he has already said.

The Law Reform Commission, as he has explained, is presently made up of a chairman, vice-chairman, two other full-time members and two part-time members. The bill before us would amend the membership of this commission to do away with the two part-time members and replace them with one extra full-time commissioner. The net result would be to increase the full-time membership from four to five, but to decrease the total membership of the commission from six to five.

● (1410)

It is apparently thought that one full-time member would be more useful than two part-time members. Presumably, this bill comes as a result of a request by Mr. Justice Hartt for additional full-time help. I hope this is enough. Mr. Justice Hartt's commission has done valuable work over the past four years. The working papers it has produced are of excellent quality. They are refreshingly clear and well written. Their recommendations have also been characterized by perspicacity and eminent good sense.

Reference to one of the latest recommendations of the commission was made in the newspapers from Monday until this date, and in the Ottawa *Journal* of last Monday, March 10, we have the following title: "Equal share urged for split couples." I shall read a few lines from the news item:

> The Law Reform Commission of Canada said today there must be equal sharing of family property—from furniture to business assets—upon termination of a marriage. The paper calls for a new system which would acknowledge that each spouse makes an equal contribution to the family fortunes, whether at home or in the office, and that each should share in the property when the marriage ends.

That sounds very easy, honourable senators. I can see a spouse saying to her husband, "You have $100,000 in the bank. I want $50,000 of that $100,000. You also have 10 nice houses. I want five of them. Let's sign a document, and that should be the end of it." It will not be that easy, I am sure, and the courts will be called upon to examine many, many factors.

I am sure these will not be all amicable separations. There will be divorces, and the courts will have to take many factors into consideration, such as the number of years the spouses were married, the number of years they lived together, the contribution each spouse made to the acquisition of assets, the reason for their separation, and the grounds for divorce, et cetera, et cetera.

So if it were as easy as it looks, upon reading some of the articles, I could picture some of the girls marrying a well to do man and, after a year or two, saying, "Well, now, let's split, and split it right down the middle." I do not think it will be done that way.

**Senator Bourget:** Why not?

**Senator Choquette:** The only unfortunate aspect of all of this is that the government has not yet seen fit to act upon most of the recommendations of the commission. It is surely not because they are too busy wrestling inflation to the ground. The explanation the Minister of Justice gives for his inaction to date is that the commission has provided him with no final recommendations. All they have put out, says the minister, are working papers which are meant to be discussion documents.

I think it might be interesting to hear both the minister and Mr. Justice Hartt when the bill is sent to committee. We would want to know from Mr. Justice Hartt if he anticipates giving the government any final reports with recommendations that are any more specific than the ones contained in the already published reports.

If it is his intention to do so, we would then want to know when he considers these final reports might be forthcoming. From the Minister of Justice we would want to know what he meant when he said that if the government were to work at full speed implementing the ideas for change contained in the reports that have already been brought out by the commission, "We would be in advance of what the public and the interested parties want."

Was he saying that the commission's recommendations are impractical, too avant-garde, that the government could not really think seriously of implementing them for several years? We do not know. If that is the case, we want to know.

If the minister looks upon what is being done by the commission as a mere academic exercise, we should all be made aware of his attitude, Mr. Justice Hartt included, right now.

Far too many of the studies commissioned by the federal government bear no fruit, and that is under any government. The reports lie around in some ministerial or departmental office gathering dust. The taxpayers' dollars should be treated with greater respect and used more wisely. I, for one, consider the work done by the Law Reform Commission of great value. I want to see the fruits of its efforts translated into law as soon as possible.

Clause 4 of this bill allows for the chairman or vice-chairman and at least one of the other members of the commission to be appointed from among judges of the Superior Court of Quebec or members of the bar of that province. I am not a practitioner in the province of Quebec, but I want to add this. A provision of this type appeared in the original act. I thought it an eminently good idea then, and I still do.

Honourable senators should be reminded that the Law Reform Commission is not only studying criminal law. Its first report was on family law, and there are to be others on administrative law, expropriation, and commercial law. It is imperative, therefore, that there be adequate representation from Quebec which operates, in civil matters, under a civil as compared to common-law system. That two of the five members of the commission be experts in civil law constitutes fair and necessary representation.

Clause 7 of the bill causes me some slight concern. The purpose of the bill is, in part, to do away with part-time commissioners. I can understand, however, that we might want to keep those who are there presently until the term for which they were appointed has expired. That, I think, is the intent of this clause, but it could be made clearer. We could indicate that a person who is presently a part-time member of the commission may continue in that capacity, but only until the expiration of the term for which he or she was appointed. In other words, I want to make sure that the present part-time members are not permitted to carry on indefinitely.

All in all, this bill is a good idea. The work of this commission is potentially very valuable. Any help we can give it so that it can bring its projects to a speedy and successful conclusion is to be encouraged.

On motion of Senator Smith, debate adjourned.

## THE SENATE

### DISTRIBUTION OF DOCUMENT IN CHAMBER—QUESTION OF PRIVILEGE

**Senator Lafond:** Honourable senators, may I be permitted to raise a question of privilege at this stage?

**Senator Flynn:** You are always entitled to.

**Senator Lafond:** As the Orders of the Day were called a sheet of paper was placed on our desks. I had not at that point an opportunity of being acquainted with its contents, and I would not quarrel with its contents or otherwise. This sheet of paper was placed on our desks by personnel of the chamber. There is no indication of the source or the origin, and I would like to have an explanation of its source and the authority for the distribution of this document.

**Senator Prowse:** Honourable senators, I can solve this problem. I hope I have not abused my privileges in this respect. I received a copy of the document through the mail and I thought it would be of interest to honourable senators. I had it duplicated and I arranged for its distribution. That is as far as I intend to go. I thought honourable senators might be interested in knowing how things had been done in other places at other times. If I have given offence to anyone, I apologize.

● (1420)

**Senator Grosart:** Honourable senators, as the question of distribution of materials in the Senate has been raised, I might say that if the Senate is sitting on Monday next it will be my intention to seek permission to place shamrocks on the desks of honourable senators.

**Senator Lafond:** So long as we are satisfied as to their source—which I am sure we are in the case of Senator Grosart.

## BUSINESS OF THE SENATE

**Senator Langlois:** Honourable senators, I move that we now adjourn during pleasure to reassemble at the call of the bell at approximately 4 o'clock this afternoon. I should like to add that the reason for this short recess is to allow the Standing Senate Committee on Banking, Trade and Commerce to continue its consideration of Bill C-49, to amend the statute law relating to income tax, in the

expectation that that bill will be reported back to this house later this afternoon for further consideration.

Motion agreed to.

The Senate adjourned during pleasure.

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At 4 p.m. the sitting was resumed.

## INCOME TAX ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Salter A. Hayden,** Chairman of the Standing Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-49, to amend the statute law relating to income tax, and had directed that the bill be reported without amendment.

THIRD READING

**The Hon. the Acting Speaker** (*Senator Deschatelets*): Honourable senators, when shall this bill be read the third time?

**Senator Hayden:** Honourable senators, with leave of the Senate, I move that this bill be now read the third time.

Honourable Senators, I should like to add a few words at this time. I am prompted to do so because of the alarming and astounding ignorance which exists in portions of the public, whose job it is to know what they are talking about and to talk about things in a proper way having regard to the facts.

Comment has been going on for some time about the ill consideration that we give to bills, and particularly to tax bills. In order to refresh the memories of news reporters, columnists and announcers—whether they will read it or not I do not know—and in order to make it a matter of record, I should like to state that this committee and the Senate have been living in the area of taxation since 1970. We had the consideration of the White Paper which took almost three months of study. We wrote a report. We got our report out at a substantially earlier time than the report of the corresponding committee in the House of Commons. Then, when Bill C-259 was introduced in 1971, we immediately set up our Banking, Trade and Commerce Committee to study the subject matter of the bill. We started our hearings in September of 1971 and we continued them until December 13, 1971. We heard many, many public bodies. We received submissions from many more than those who appeared. In the course of our consideration of that bill we submitted at least three interim reports and made many recommended changes, and so on.

So, when some ill-informed columnist or reporter or announcer makes statements to the public in the press or on television that we were shirking our duties because we only considered the tax bill for three days, in the light of these facts you can see how wrong it was and particularly so that during that period, in order to help out the members of the public organizations, corporations, et cetera, who had difficulties in fitting their times of appearance to our time schedule, and in some cases where we were not able to finish hearing all the submissions that were scheduled for a day, we would sit in the evenings, many, many times. We did that not because we were looking for praise or acknowledgment or recognition of any kind from the public; we did it because we felt that we had a job to do. That is the responsibility I feel, and I have tried to exercise that responsibility in the Committee on Banking, Trade and Commerce. In that regard I have at all times the full support of the members of that committee.

It is most disturbing to find information going out to the public at this time by people who were perhaps too young even to vote when we dealt with these things. But whether they were too young in age or not, obviously today when they make statements of that kind they are too immature in their thinking and are too lacking in knowledge of what is actually the situation.

I have to make use of an expression I used the other night, although I will vary it slightly. It appears that it pays to be ignorant so long as you can say something which the people will have no way of checking and knowing whether you are right or wrong. But the position that you occupy in making such statements is the thing which gives a sort of credibility to those statements. I think that is unfair. It can be most strongly criticized. But the only way that we can do anything about it is by seizing on every opportunity to point out what the facts are.

The other point I wanted to make was that in the course of the inquiry in 1971 there was one criticism that we took only three days to deal with the bill. So, we were criticized for not taking long enough at that time. On this occasion the criticism is exactly the opposite, that the bill received first reading on Tuesday evening last week but that the Senate was not going to consider it until Monday evening of this week. This was a terrible faux pas on the part of the Senate. We should have been digging into it the next day. And yet if you presented the bill to these very people who talk so loudly and so senselessly in that fashion, if you presented that bill to them, I am sure they could read the title and could read the number of pages and would understand many of the individual words, but they would not be able to stand up in public and make any sense in talking about the bill if they had to figure it out for themselves. Therefore, I say it pays to try to do some research and to educate yourself a bit so that you will be able to give informed consideration to a subject matter as important as this, one involving subject matters as this bill does, many of them in which the public are greatly interested.

Having said that, I want to point out one thing we did this time. In the course of preparing for the eventual arrival of this bill, immediately after the budget of November 18 I made a motion here to refer to committee the subject matter of the budget proposals in relation to income tax, and any resolutions, bills or drafts of bills implementing the budget proposals.

We commenced as early as December 4. On that day we had our first hearing in committee, which was really in the nature of a seminar. Our experts were there, and for a day, with projectors and slides, they demonstrated to the members of the committee the pertinent provisions of the bill and what effect they had on individuals and corporations.

We then went on and heard witnesses. Still in December, we heard the Canadian Chamber of Commerce and the Canadian Petroleum Association. This was at a time before Alberta made its concessions to afford some relief, as they thought, to the petroleum, oil and mining industries, from the provisions in the budget which dealt with the non-deductibility of royalties, et cetera. We spent most of one day considering all the material which was presented, much of which was on slides which were projected, and we had speakers who illustrated the various points.

When the Alberta proposals by way of concessions came out I invited those people in the Chamber of Commerce who had appeared on the earlier occasion to update their material and to relate the effect on the conclusions they had stated to us to explain what the effects would be, what the changes would be, and whether those changes would alter the situation in relation to corporations, the federal authorities and the provinces. They appeared again at a later date in 1975, and made a further submission. We have had all this information and these briefs submitted to us on Bill C-49.

We gave full consideration to all of these things, and now we have spent a most useful two days with officials of the Department of Finance and the Department of National Revenue. Before that, in our preparation—that is, the preparation the chairman was making with the committee's staff—and while we were analyzing the bill, we seized on about 30 points, five of them being points that were in the existing law, having been put there in 1971. We felt that these things should have been reviewed before this time. The rest of them were points that we isolated in the bill.

We prepared a statement of those points, and I then arranged a conference with the officials of the Department of Finance, to which also were invited officials from the Department of National Revenue. Our staff, counsel and the accountants, spent a whole day with all those departmental officials going over all these points, because we felt that if we could resolve them in any way it would be helpful when we came to consider the bill.

Having done this, we also acquainted those officials with the fact that in committee they would be asked, in relation to these points that we would develop, what their position was and how they proposed to deal with the matters that we raised.

During the course of the committee's proceedings, as various sections of the subject matters in the bill were being discussed, some of these points leaned on those particular phases of the bill, and those questions were put to the officials. I remember a point that we raised in 1971 on designated surplus. We put this question: Is it not time that we had some definite position in relation to designated surplus? The explanation we got, which I thought was a reasonable explanation—and which put the case in a position where we just could not refuse to pass a bill because they did not deal with this particular thing right away—was that this was a most complex problem, dealing with all the aspects of designated surplus. They said, "We have been studying this matter for at least two years. We have not resolved it as yet. Our position vis-à-vis the public, vis-à-vis the taxpayers and vis-à-vis the effect of foreign income is that we are getting closer to being able to deal with it. We do have an understanding of the problems, and we can tell you that we are not losing any time in trying to understand the matter fully."

Other questions that we put to them were on matters of interpretation. In some instances we found that the interpretation which we thought was the intent of the government when the bill was framed in that fashion, but which we thought was not clear, was, we were assured, in fact the interpretation. I remember the head of the particular branch in the Department of Finance which deals with corporation taxes giving a definite answer to one question respecting a point where there seemed to be a weakness, and where there should have been a cross-reference to limit the scope of the application of the particular part of the bill. He answered frankly, "Yes, a cross-reference would facilitate an understanding of the section." Then I asked the official from National Revenue who is charged with the duty of administering the act, "Having heard the opinion expressed by the head of this particular service in the Department of Finance, are you prepared, if this question arises for administrative action in the department, to accept his statement?" and he said, "Certainly, that is what I would act on."

● (1610)

This is the kind of co-operation we were getting from these witnesses in the last two days, and it marks a singular change from the attitude displayed by them in 1971 when we had to fight every inch of the way and, in a number of instances, had to proceed on our own basis. Furthermore, when we were considering the legislation in 1971 it was only in late December, perhaps a week or so before we got the bill, that we heard any of the witnesses from the Income Tax Division at all because they were tied up in the committee of the House of Commons.

So we have concluded, in relation to these points that we developed, that there is good will in the department. If there are matters of interpretation, they indicated what their attitude would be administratively. One official indicated how he would interpret, depending on instructions as to intent from the Department of Finance. In some instances they went so far as to indicate that these things were on their platter, if I can could put it that way. In other words, they have certain headings and they said, "In this year these are the technical things we are going to deal with for clarification in relation to others." The word "platter" is mine, not theirs, but in effect, they said, "These are on our platter for the next round of amendments on the technical aspects of this bill where clarification is needed".

We felt in relation to this that we had gone as far as we should, and as far as it was necessary to go, to ensure that the public was not going to be unduly disturbed if they were not dealt with until the next round of income tax changes. Furthermore, we did not regard these points as being of such substance that we should insist on amendments at this stage, and delay the passage of the bill.

I thought that this should be said, honourable senators, for those members of the public who are uninformed or who do not wish to be informed, but who find it easier to formulate their own ideas and who find that there is benefit in not thinking and, perhaps, in not being able to think as long as they are paid to say some words over

television or radio which may be attractive to some of their listeners. This is why I have taken a little time to give an explanation, and I know that the committee in its work carries the approval and confidence of the members of the Senate. We operate in such a way as to give as honest, capable, adequate and understanding consideration to all these matters as we feel is humanly possible.

**Hon. Jacques Flynn:** Honourable senators, first I would like to say that I support the remarks made by Senator Hayden in relation to the work of the Standing Senate Committee on Banking, Trade and Commerce with respect to this bill. I am also satisfied that the committee did as good a job as it could in its consideration of the bill, and any criticism that may be, or may have been, levelled at us in the press is totally unjustified. It has been my experience since I came to the Senate that its worst critics have usually been appallingly ignorant of the work done by this house.

I have spoken about the Senate on many occasions, especially to students. My first question has always been, "What do you know about the Senate?" Invariably, the answer has been, "Nothing." So I suppose those who write in the style mentioned by Senator Hayden belong to that group of people who are easily critical of the Senate because they really do not know what goes on here.

As far as fiscal bills are concerned, in connection with which very often the main problems are technical, I know that the Senate, and especially the Standing Senate Committee on Banking, Trade and Commerce, does an essential job, which very often the other place is unable to accomplish because of other considerations to which they must give priority. As I was going to say yesterday, or the day before, although I would not have been speaking of the same subject, "Bien faire et laisser braire." That is a French proverb which translates "Let them complain, but let us do our job the best way we can."

I will not say that I always agree with the manner in which the Senate dispatches bills. I merely say with respect to this particular bill that I am satisfied that we have done what we should. I reserve my right of criticism on other occasions, because I am not always in agreement with the huge majority in this chamber, which very often supports the government a little too—I will not say blindly—readily and confidently.

With respect to Bill C-49, the committee held many sittings before the bill reached us. After receiving it, and after its having been referred to the committee, four sittings were held. The time that elapsed between the time the bill passed the other place and was referred to our committee was used specifically to prepare the committee, to have our advisers work on the bill on our behalf so that we would be well informed before discussing its various provisions.

● (1620)

In my opinion, we have done a good job. We are satisfied that no amendments are needed at this time. We are satisfied that some changes were made in the other place which were inspired by some of the recommendations—not officially but unofficially—made by the committee and its advisers.

Concerning the general provisions of the bill dealing with individuals, I was told by Senator Hayden the other day that I was rather harsh in saying it was totally inadequate. I meant that it was totally inadequate in that the measures laid down by the Minister of Finance to deal with inflation would not achieve the purpose. Those measures would not relaunch the economy. Yet, at this time when we are in a recession and faced with a possible depression, such measures are called for.

I do not disagree that some of the provisions dealing with individuals are worthwhile, and I am quite sure that half a carrot is better than no carrot at all. The carrots in this bill, as have been described by Senator Hayden, are welcome.

Had we delayed passage of this bill for a few more days, I doubt whether the refund cheques would have been delayed to any great extent. However, in order to avoid that criticism, which I consider unfair, unjustified and unwarranted, we on this side of the house gave leave to proceed with third reading at this time. But I doubt whether it would make that much difference whether we pass the bill tonight or next week.

The main problem in the bill does not really concern the relieving provisions, the tax concessions provided in the bill, because we are all in favour of those. No one is likely to oppose a reduction in tax. We are suggesting, however, that the reductions are not sufficient.

The main problem of the bill, as was indicated during the second reading debate, is that of disallowance of provincial royalties to the petroleum, oil and mining industries. That is the big problem with which we have had to deal. The others were technical problems, and, as I have said, I think we have dealt with them adequately, and probably better than could have been done in the other place.

We are now faced with the crux of the problem, of the confrontation which exists between the provincial governments and the federal government following the energy crisis.

The Minister of Finance, appearing before the committee this morning, made some interesting comments. We had an interesting discussion. I would describe him as being one of the best story tellers I have met, and a very good bargainer. There is no doubt about that.

In explaining the situation, he said that before the energy crisis arose the share of the federal government and of the provincial governments in the field of resources was approximately one to 11—that the federal government was gathering about $400 million and the provinces $5 billion, which is a ratio of about one to 11. He said he was not satisfied with that and whether or not the situation had arisen, he was hoping there would be a narrowing of the gap between the federal government's share and the share of the provincial governments; that he was hoping to achieve a ratio of something like one to two and a half, or one to three.

I would qualify that as being hindsight, because I cannot see what he would have done if the crisis had not arisen or if the provinces of British Columbia, Alberta and Saskatchewan had done nothing about the increase in petroleum or mining royalties. In any event, he said he

considered it essential that the federal government should have a bigger share of the revenues from these resources.

He also said the provinces took unilateral action in this regard by increasing royalties, and added that they were too greedy. However, it has to be remembered that only three provinces could be found guilty of that. The decision of the federal government affected all provinces in the same way, and to my thinking there was no justification, as far as the mining industry was concerned, to act as the government did. Whether the decisions of Alberta and Saskatchewan with regard to oil were justified, whether they went too far, whether they were too greedy, is a problem that can be discussed, and I do not see that the viewpoint of the federal government is necessarily entirely correct.

As was pointed out by Senator Hayden, I do not see why the federal government did not consider the level of the provincial royalties that existed prior to the crisis, prior to the increases made by Alberta, British Columbia and Saskatchewan, as justified, since it had considered them as justified until that time.

With regard to this problem, I should like to remind honourable senators of what Senator Hayden said in his speech when he sponsored the bill. As reported at page 610 of *Hansard* he said something which I quoted when I spoke on second reading, but which I want to repeat now:

> It therefore appears that in the interests of preserving a viable oil and gas industry in Canada, as a matter of simple justice and equity, and as a step towards a compromise with the provinces in this area, the proposed legislation might either be changed so as to restrict the add-back to Crown royalties levied in excess of the royalty rates prevailing at December 31, 1973, or suspended in its application until after April 15, 1975, at which time further federal-provincial talks are scheduled.

I now want to remind honourable senators of the views expressed by Senator Manning, a former premier of Alberta, when he spoke on Tuesday. At page 634 of *Hansard*, after discussing all the implications of the decision of the federal government, he said:

> If ever this Senate had an opportunity to give leadership, it has it in this issue. I hope that when this bill is referred to committee it will return with a very clear and firm recommendation, if not actual amendments, that this royalty provision will be removed before even more damage is done than has already been done.

Need I remind honourable senators that Senator Hays and Senator Prowse, when speaking on the same matter, expressed views in the same vein. I have not heard a word in this chamber supporting the decision of the government.

**Senator Perrault:** You will.

**Senator Flynn:** From you? Well, it's about time. I thought you would have come to the rescue much sooner. In any event, if it is only to rally the troops it is not very useful. It may be very practical, but it is not very useful to the debate.

[Senator Flynn.]

● (1630)

In any event, I say that the result of this decision, as was shown in committee, is that the industry is one suffering from an unfortunate confrontation between the federal government and the provincial governments. There is no denying that fact. Fears have been expressed by Senator Prowse, Senator Manning, Senator Hays, Senator Hayden and others that in the present situation if nothing is done in the near future the uncertainty will make a viable oil industry an absolute impossibility, and will destroy our hopes for adding to our proven reserves which apparently will last for only six or seven years.

I see that Senator Lamontagne doubts the validity of what I have just said. Nevertheless, everyone seems to agree that we have only six or seven years left. If that is not his view, I would certainly agree to hearing him express his views.

**Senator Lamontagne:** We have insufficient reserves to meet our requirements, but that does not mean we will not have any oil eight years from now.

**Senator Flynn:** The point is that if we are not able to gather the necessary money to explore for any new oil, that will be the case. If we are to continue using the proven resources because the climate does not favour expansion or exploration, then that will be the case. That is what I am suggesting to you, nothing else.

The only way to encourage exploration is to end the feud between the federal and provincial governments. Surely, there is no doubt about that.

The minister said this morning that the provinces had taken unilateral action. I say that that is true possibly for Alberta, Saskatchewan and British Columbia, but that is not true for the other provinces. In any event, it is certainly not true as far as the mining industry is concerned. But what is true is that the federal government has taken unilateral action in deciding to disallow royalties. After all, this is an area of provincial competence. There is no doubt that under the Constitution the resources belong to the provinces and that the rights related to resources belong to the provinces. It is all very well to say that the provinces should not try to circumvent the limitations entailed in strict "royalties," but what is the federal government doing now by proposing the disallowance of the royalties as a federal tax deduction, if not circumventing the spirit of the Constitution? It does not suppress provincial royalties. What it does is to say to the industry, "Because the provinces are asking you for more, we are asking you for more." So it is on the back of industry that the battle is to be fought. It is not against the province directly that the federal government is acting. It is against the taxpayer; it is against the corporation engaged in the mining, petroleum and oil industries. That is what the government is doing, and it has been expressed very well and very clearly by Senator Hayden that the government is not really sincere. It is only trying to give itself a strong bargaining position. That is its principal purpose in this exercise.

I for one do not think that that is the proper way for a matter of this importance to be dealt with. It is for these reasons that I think it belongs to the Senate, which has a special responsibility so far as the Constitution is con-

cerned and so far as the rights of the provinces are concerned, to try to attenuate the position of the federal government. We should tell the federal government not to be so inflexible. We should urge it to be ready to compromise. It is for this reason that I think the idea which was expressed in the other place, and repeated by Senator Hayden in particular, should be acceptable to the Senate, namely, that these provisions should not be proclaimed before the federal-provincial conference takes place.

If we were to add to the bill a provision which would say that the provisions dealing with deductibility will not come into force before April 15, 1975—that is, five days after the federal-provincial conference—then I think the provinces could come to Ottawa with more hope, and probably the federal government would be inclined to be more conciliatory with regard to the viewpoints of the provinces.

For these reasons, which should appeal to all members here, and which do not complicate, I suggest, the problem of the federal government, I think such amendment should be made.

If in the end the federal government thinks it has to act as is proposed in this bill, it will still have the right to do so on April 15. But, at least, it will have had in the meantime the opportunity to consider the full weight of its decision. Nothing will be complicated if the act is amended by suspending the coming into force of these provisions until April 15.

MOTION IN AMENDMENT NEGATIVED

**Senator Flynn:** Therefore, I move, seconded by Senator Grosart, that the bill be not now read the third time but that it be referred back to the Standing Senate Committee on Banking, Trade and Commerce with the instruction:

> That clause 4 of the bill be amended by adding thereto, next after line 8 on page 7, the following:
>
> "(6) Subsections 4(2) and (5) and subsections 7(1) and (5) and any other provision of this Act to the extent that it is necessary and incidental to or consequential upon those subsections or any of them shall not come into force and have effect as law except upon proclamation of the Governor in Council following upon the expiration of the 15th day of April 1975."

I have several copies of this amendment, which I would like to distribute to all members of the Senate who desire to read it. It is quite clear that the effect would be salutary. The federal government would cease to look uncompromising, and therefore would afford a ray of hope to the provincial governments as they look forward to the conference in Ottawa on April 9 and 10.

I think this is the occasion which Senator Manning said the Senate should not miss.

**The Hon. the Acting Speaker** (*Senator Deschatelets*): Honourable senators, with leave of the Senate, it is moved by the Honourable Senator Hayden, seconded by the Honourable Senator Langlois, that this bill be now read a third time.

In amendment to the motion, it is moved by the Honourable Senator Flynn, seconded by the Honourable Grosart, that Bill C-49 be not now read a third time, but that it be referred back to the Standing Senate Committee on Banking, Trade and Commerce with the instruction:

> That clause 4 of the Bill be amended by adding thereto, next after line 8 on page 7, the following:
>
> "(6) Subsections 4(2) and (5) and subsections 7(1) and (5) and any other provision of this Act to the extent that it is necessary and incidental to or consequential upon those subsections or any of them shall not come into force and have effect as law except upon proclamation of the Governor in Council following upon the expiration of the 15th day of April 1975."

Is it your pleasure, honourable senators, to adopt the motion in amendment?

**Some Hon. Senators:** Agreed.

● (1640)

**Senator Lamontagne:** Honourable senators, I just want to ask a question of the Leader of the Opposition. I am sure he is aware of the round of discussions and consultations which was conducted between May and November of last year by the Minister of Finance with all the provinces separately. While we have heard during this debate about the concession which has been made since then by the Alberta government, we have not heard very much about the concessions made by the federal government between the budget of May last year and the November budget. Could the Leader of the Opposition explain to us the concessions made by the federal government between the May budget and the November budget?

**Senator Flynn:** Well, the concessions made by the federal government are about the same as those made by the provincial government—that is, from a practical or arithmetical point of view—but the problem constitutionally and practically, as far as confrontation is concerned, posed by the adoption of this bill remains the same.

**Hon. Raymond Perrault:** Honourable senators, frankly I had not expected to see resurrected from the grave an amendment that had already been defeated in committee. This proposal which was first advanced in the committee study has risen like a phoenix from the ashes.

First of all, I think we should attempt to establish what we have here in this discussion, this dialogue, that some have even described as a "confrontation" between the provincial governments and the federal government. I think we all agree that there is a necessity to establish in this country a good base, a positive base, for the establishment of the resource industries wherever they may be. There is no question about our belief as Canadians that we want to see viable oil-producing and mining companies in our nation. We want to achieve objectives such as self-sufficiency insofar as it is possible in the matter of developing oil and natural gas resources. We want to see a maximization of the mineral resources which we have in this nation for the benefit of all Canadians, and fundamentally we are interested in the employment and prosperity which these industries offer.

I think it should be made very clear that the position of the federal government—not only the present government but preceding governments of other political persuasions—has been to encourage the orderly development of these industries.

Canadians who remember the early 1960s will recall that the western provinces—and I come from a western province—approached the federal government in 1961, when the government in power was not of the same political persuasion as are most of the members of this house, and said, "We require more than the world price for our oil in order to achieve and establish a viable oil industry in Canada. We need help; we need assistance in the matter of merchandising and marketing that oil in other parts of the country." That assistance was given to the oil industry by the taxpayers of Canada, and it was continued despite a change in government which occurred later in the 1960s. It was continued because the new government also recognized the desirability of establishing and developing a strong oil and energy industry in this nation.

We have heard a remarkable speech by the Leader of the Opposition this afternoon.

**Some Hon. Senators:** Hear, hear!

**Senator Perrault:** But really—and incredibly—it urged a one-way "ceasefire." It echoed the position of some provincial governments that "heads we win, tails you lose" as far as the federal government is concerned. I am concerned however, about Senator Flynn's ideological purity in view of the great testament of faith by the leader of his party on June 29 of last year, when he said that the federal government has a responsibility to take action "if some provinces are trying to take too much or are eroding in a significant, or improper, way the tax revenues of the federal government or the right of the federal government to share in the profits of those corporations."

Now, the word "royalty" has been bandied around this house with great free feeling and passion this afternoon. It has been discussed as a word—a concept—which is almost enshrined in federal tax deduction agreements with the provinces, that there is something almost sacred about so-called "royalties," and their deductibility, which have existed for a number of years and not recognized until relatively recent months. And now the federal government has been condemned for, supposedly, disallowing certain "royalties" imposed by certain brave little provinces.

In April of 1974 the price of Canadian oil was increased from $3.80 a barrel to $6.50 a barrel as a result of the conference of first ministers on March 27, 1974. If existing provincial royalty systems—these royalties about which we have heard so much from the Leader of the Opposition—had remained unchanged, the percentage of revenue going to provincial governments would have increased by 31 per cent and the federal share would have increased by 13 per cent.

**Senator Flynn:** From what?

**Senator Perrault:** As a result of the increase in oil prices from the existing scale.

**Senator Flynn:** But 13 per cent from what?

**Senator Perrault:** I am simply setting forth the figures which would have prevailed on a percentage basis of division with the advancement from $3.80 to $6.50 per barrel—presumably, percentages which would have been in the same general area as before.

**Senator Flynn:** The federal share would have more than doubled.

[Senator Perrault.]

**Senator Perrault:** We are talking about percentages.

**Senator Flynn:** Yes.

**Senator Perrault:** But a new development occurred, and what we saw after that date, when the energy crisis began to develop in earnest, was that several provinces moved to increase substantially their taxes, royalties and other levies. Some of them saw, in the increased price of oil throughout the world, an opportunity for a vast increase in their provincial coffers. This was a human reaction on their part. They saw a way to bring many millions of dollars into their provincial coffers. But at that point, this system of so-called "royalties" became something quite different from mere royalties. Through an elaborate system of royalties, imposts and other charges—perhaps a different system of royalty deduction in Saskatchewan and socialist British Columbia than in Alberta—there was a "variation on a theme" from place to place.

● (1650)

**Senator Flynn:** We did not say socialist Alberta.

**Senator Perrault:** I did not say socialist Alberta—but at times they seem to have some socialist ideas.

**Senator Asselin:** It is a good government.

**Senator Perrault:** What we saw—and the Leader of the Opposition is realistic enough to admit this—was the provinces sitting down, and collectively and individually working out various schemes and ways to increase their share of oil revenues. They said, "We will broaden the concept of 'royalties,' and thereby get more money, and Ottawa's share will be reduced." That is the simple fact of the matter.

As a matter of fact, the efforts of the provinces in 1974 to find ways to increase their take from oil established a new record in Canadian ingenuity. The provinces developed more ways to get money out of the federal government than Heinz has invented pickles.

For example, the province of Alberta, which is governed by a party of the same political persuasion as the honourable Leader of the Opposition, established a so-called "incremental royalty." This "incremental royalty" averaged 65 per cent of the increased price of oil. In Saskatchewan, the royalty was equivalent to 100 per cent of the increased price. In British Columbia, new and heavy royalties on oil announced by the B.C. Petroleum Corporation, a governmental entity, proposed to appropriate most of any increase in the price of gas.

Is the Leader of the Opposition seriously suggesting that all of these huge increases should have been fully deductible from federal taxes to be paid? Of course he is not. I notice that he is not even listening.

**Senator Flynn:** Oh yes, I am. I was trying to calculate the figures you are throwing at us.

**Senator Perrault:** I hope the honourable Leader of the Opposition jots them down, and recants what he said earlier. But the result of the new provincial actions would have been, even according to conservative mathematicians—with a small "c" and a capital "C"—a disastrous erosion of the federal corporate tax base.

**Senator Flynn:** What would you have lost? Not a cent.

**Senator Perrault:** The Leader of the Conservative Party in November 1963, when he was Premier of Nova Scotia—I hope his words will be noted—said this:

> The federal government must retain a sufficient portion—

A sufficient portion.

> —of the tax fields in Canada to enable it to discharge its direct constitutional responsibilities, and to assist provinces with low tax potential so as to enable them to furnish a national standard of service to the Canadian citizen residing within their boundaries.

Of course, that is a good, Canadian, realistic, and eminently fair statement. Yet this afternoon the Leader of the Opposition argues against his own leader's outspoken philosophical dissertation of 1963.

**Senator Flynn:** You always get more in taxes.

**Senator Perrault:** What would happen to the federal share of revenue? The royalties which you ask Parliament to, in effect, reject, even for a limited period of time, would have done this to federal revenues: the federal share of petroleum production revenue would have gone from 13 per cent to 6 per cent. In the last nine months of 1974 alone the provincial share would have gone from 31 per cent to 42 per cent, at a time when more and more of the provinces are asking for more and more assistance from the federal government—a government which is being attacked by the party on the other side of the house as being allegedly "profligate" and "wasteful" in its expenditures because it has had to increase its budget in great measure to help the provinces. By the end of the decade the federal share would have gone down to 8 per cent, the provincial share would have gone to 47 per cent, and the industry's share would have been 45 per cent.

Despite all this, the federal government has been described this afternoon as the entity which is attempting to discourage the development of a viable oil industry in Canada. The figures show that the honourable Leader of the Opposition would have the provincial governments get 47 per cent, industry 45 per cent and the federal government only to 8 per cent. Yet his own Leader says that the government must retain a sufficient portion of tax fields in Canada to assist the provinces of this country.

**Senator Flynn:** Did you need more last year?

**Senator Perrault:** If we had continued the deductibility of these so-called provincial revenues or provincial royalties—and remember, they now come in a number of new guises—and if we had foolishly abolished all other tax incentives extended to the petroleum industry and had taxed companies at the standard corporate rate, we would still be far short of achieving a fair share of reasonable tax revenue. In these circumstances, leaving royalties deductible but ending all other incentives to industry, the federal share of income earned in Alberta would be only 12 per cent, and in Saskatchewan 3 per cent or 4 per cent.

Is this seriously the kind of thing that eventually we want to occur? No one denies the fact that on April 15, or in early April, there will be a conference held at which there will be differences of opinion between the provinces and the federal government. After all, the people at various levels of government at sessions of this kind meet together to attempt to achieve good solutions. In saying this, no one can seriously argue that the federal government does not have a valid case, in view of what almost constitutes a royalty revenue raiding operation by some provinces on the federal treasury.

**Senator Flynn:** Because someone acts improperly do you think the federal government should do the same?

**Senator Perrault:** I would ask the Leader of the Opposition how he can possibly say that the federal government is guilty of unilateral action in disallowing royalties—and I took down his words, delivered with great passion—in view of the unilateral action taken by the provinces to decimate the federal tax base at a time when more and more below-income Canadians urgently require federal programs to bring them up to a decent living level.

Then we heard the words, "a viable oil industry will be made impossible." A viable oil industry is not being made impossible at all. Indeed, it has been the federal government which has undertaken all of the useful initiatives to this time, although admittedly there has been some counterpart action recently in the province of Alberta.

**Senator Flynn:** Syncrude?

**Senator Perrault:** A number of initiatives have been commenced by the federal government to make it possible for the oil industry and mining companies of our nation to be prosperous and viable.

We have been asked by the Leader of the Opposition for a postponement. I want to repeat what I said earlier. This would be a one-way ceasefire by the federal government, with that same government cast as the victim on barbed wire in no-man's land. The provinces have already had in place for some time higher royalty provisions. The provinces have been pulling in that money for several months. The provinces acted unilaterally and without consultation with the federal government, and those of us who serve in Parliament, the national forum in this country, must take responsible action to protect the best interests of the Canadian people. The federal position is not new, not unknown to the Canadian people. Indeed, they had a chance to consider it well before the last election. The federal position regarding non-deductibility was made clear in the Minister of Finance's budget of May 6, 1974, and, encouragingly enough, it was endorsed by the Canadian people in the July federal election.

● (1700)

**Senator Flynn:** Certainly not by the Western provinces.

**Senator Perrault:** And the election saw a heartening result.

The provision in this measure before the house is not a surprise to anybody. In addition, there are important revenue considerations. If there were a delay in implementing these provisions for the fiscal year 1974-1975—

**Senator Flynn:** That is not the case.

**Senator Perrault:** It is estimated that there would be a $300 million loss in revenue if there were to be a postponement. That revenue loss would be not to the provinces—not to Alberta, British Columbia or Saskatchewan—but to the federal government. That would be a loss to all of the humane programs which parliamentarians here have voted on in recent weeks and months.

**Senator Flynn:** I deny that.

**Senator Lamontagne:** Including the oil companies.

**Senator Perrault:** The Leader of the Opposition says he denies that, but he has not produced any statistics or facts to prove otherwise.

**Senator Flynn:** If the act comes into force on April 15, what difference will it make?

**Senator Prowse:** If it makes no difference, why worry about it?

**Senator Perrault:** As Senator Prowse has asked: If it makes no difference, why is the Leader of the Opposition concerned?

**Senator Flynn:** Because Senator Prowse is concerned. I was trying to share his concern. If he is not, that is another thing.

**Senator Perrault:** In the November budget, the Minister of Finance indicated that the federal government's readiness to pull back significantly was a valid, sincere offer to help resource industries in this country. He proposed a two-stage reduction in the federal corporate tax on petroleum companies from 30 per cent to 25 per cent by 1976, and restoration of the 100 per cent write-off for exploration expenditures incurred by mining and petroleum companies from the 30 per cent rate proposed in May.

By comparison with the May budget, honourable senators should recall, these measures would improve the position of the oil and gas companies in 1974 by about $100 million, and that of the mining companies by $15 million. On balance, the resource industries would be about 25 per cent better off in 1974 than would be the case under the May measures.

Over the period from 1974 to 1979, the effect of these November measures would be to reduce the federal share of petroleum production income to 18 per cent, from the 23 per cent share which would have resulted from the May proposals. The industry share of production income would increase from around 24 per cent to 29 per cent, and the provincial share would remain unchanged at around 53 per cent.

That appears, I think, to most of us in this house, to be an eminently fair proposal. Over the six-year period the federal share of revenues would be reduced from the $9.5 billion, that would have resulted from the May measures, to $7.5 billion, a decrease of $2 billion. It should be apparent, therefore, that in both relative and absolute terms the federal government has moved back very substantially. Yet we hear the federal government accused of a "unilateral action" which is "going to destroy", a viable oil industry. Well, those remarks are totally fallacious, and are simply not supported by any evidence at hand.

Honourable senators, I want to conclude by saying that the federal government has undertaken almost all of the initiatives to help the resource industries in this country since the beginning of this dialogue with the provinces about resource taxation. An important meeting is going to be held on April 15—a first ministers' conference. It is impossible and, in my view, indefensible, to have the federal government go into those negotiations with the provinces with both hands tied behind its back. These are fair and equitable tax measures for the good of the people of Canada, and I would ask all members of the Senate—

**Senator Asselin:** Of your party.

**Senator Perrault:** —to reject this amendment, because it has no justification in reason or good common sense.

**Hon. J. Harper Prowse:** Honourable senators, I do not propose to delay you very long, but what we are talking about here is holding up a bill in a way that is just going to gum up everything.

**Senator Flynn:** We are not holding up a bill.

**Senator Prowse:** Let us pass it. For how long would we hold it up anyway? Six weeks. There are going to be negotiations; there are going to be continual negotiations. If those negotiations come off well, then when they are finished everybody who took part in them is going to be disappointed. The only way anyone can be satisfied with the negotiations is if he gets everything he asked for. If I go into a series of negotiations and get everything I ask for, then I know I have been a damn fool because I should have asked for more. That is what is going on between the federal government, the provinces and the oil companies, except that the oil companies scream the loudest.

The best example of this was provided by my good friend, Senator Hays, the other afternoon. As reported at page 620 of *Hansard*, he said, "Today we sold oil in Chicago at $12.65 a barrel." I do not think they sold oil in Chicago at that price, but perhaps they did. They paid the five bucks to the federal government out of it. The same honourable senator went on to say that that left them, when all was finished, with $1.48 per barrel.

What he did not tell us was that over the past 20 years they have been making money by selling oil at less than $3 a barrel. All of a sudden, because the people in the Gulf states got smart and realized it was their oil, and that they had a right to set a price on it instead of the oil companies, the price was bumped up all around the world. This was not just because they were going to need more.

The honourable senator also said that his company had spent $100 million looking for oil, and had done very well. From where did they get the $100 million? They got it from selling Canadian oil at less than $3 a barrel. Every one of the oil companies that are screaming their ears off about being wrung dry is reporting profits that are about 200 per cent more than those in any other year in their history.

When you have had something to do with these oil companies you watch them, you do not pay too much attention to what they tell you; you just write down the figures, go to a good accountant, and check them out, and make up your own mind. Because of the laws of libel you do not say what you think.

Senator Manning told a sad story about what was going on with regard to the poor oil companies. He had nerve enough to stand in this house and say that we have had in Canada an oil price that has been set by free competition in the world market. If you suggested to one of the major oil companies that for one short week they might have to operate under a system of full and free competition, they would all die of heart attacks. They have never competed in their lives. They do not know what the word means.

The price has been manipulated and set by them. With a great respect for them and the reasonableness they have shown, I must say I think it was because they had sense enough to know that if they did not do so someone else would do it for them.

● (1710)

Let us not cry for the oil companies here. They are quite capable of crying for themselves. They have been doing so for years. They have been leading governments around by the nose, who all the time thought they were being taken quietly to a picnic. The oil companies have done fine.

Senator Manning said we must not have politically set prices. Will he tell me what the dickens is the difference between the price set by the oil companies in combination, which is permitted and approved by government, and the price which is set by government itself? The difference is that in the second case you have to go back and justify before the people why you have done it, but when the price is set by the companies, with your quiet and under-the-table approval, you can pretend that you do not know a thing about it, that it was set by the market.

So far as Alberta is concerned, I should like to see that province getting a little more, but we have to be fair. Up until this year, as an Albertan I paid the highest rate of income tax in the Dominion of Canada. Our provincial income tax has been the highest of any province in Canada. Next year it is going to be 5 per cent lower—in fact, it will be the lowest in Canada; 10 per cent or even 11 per cent lower than it has been. I am not sure that that is the right use for the money, but I can argue about that somewhere else.

Alberta has $1.5 billion flowing out of its ears from an arrangement under which it says it has been robbed by the federal government. I do not think that that is really so bad. Anyway, the federal government is going to that meeting knowing a lot more than they have in the past—and if they listen to me they will know an awful lot more. The provincial governments are going to go there, and they are going to know what it is all about. I suggest that we should let negotiations take place between the government of Canada and the governments of the provinces, that we get on with our business, and that we pass this bill so that the people who are waiting for their refunds can get them.

**Hon. Allister Grosart:** Honourable senators, I rise, of course, to support the amendment moved by the Leader of the Opposition. Perhaps I should immediately dispose of one argument against it. I do not know whether it was meant to be a serious argument against it or not, but it is one that holds little water anyway. I am referring now to Senator Prowse's suggestion that if this amendment were passed by the Senate it would hold up the bill. Perhaps he did not read the amendment too closely, but it makes it very clear that if it were passed it would not hold up this bill for one minute.

As I have said, I support the position taken by the Leader of the Opposition, and I support the "phoenix rising from the ashes." I think that if the Leader of the Government looks up that allusion he will perhaps think it was not the most appropriate. The phoenix is up from the ashes, and very much in a hurry. It was only buried in the ashes a few hours ago, and is now up and challenging again.

**Senator Perrault:** I said the amendment was for the birds.

**Senator Grosart:** The suggestion of the Leader of the Government that the amendment is "for the birds" is somewhat in line with some of the extravagant language he has been using, some of which will haunt him, particularly one phrase—his satirical reference to the "brave little provinces." I was amazed to hear the Leader of the Government using such a phrase, because it is the kind that has returned to haunt politicians before this. We all remember "supermen" and "not one five-cent piece." Why in this debate the Leader of the Government would choose to take that satirical attitude towards provinces which are trying to increase their revenues is beyond me.

He suggested satirically that this might be a "one-way ceasefire". I would remind him that this is the way many a confrontation has been ended, and if there was ever a time when the federal government would be completely justified in ending this confrontation by proposing a one-way ceasefire, it is in this particular area of federal-provincial relations.

Over the years the provinces have complained, and have been supported by the evidence of commentators, academic and political, that most of the difficulties that have arisen and plagued this country in the matter of federal-provincial relations have been the "take it or leave it" attitude with which the federal government has, year after year, decade after decade, approached the question of federal-provincial relations. Here is another example of exactly that attitude. The federal government says, "We want this act passed as it stands; we want the 'take it or leave it' position of the federal government in respect to these relations on the record, in the law of Canada, before we negotiate." Surely, this makes no sense. Surely, the federal government should resolve this confrontation in the interests of the public, which is all that concerns me. I am not concerned about the revenues—the federal revenues, the provincial revenues or the oil companies. I am concerned about the public interest. That was why I was so impressed by the speech made by Senator Manning on March 11.

If I need a text for my remarks today—and a text is usually a fairly mild appeal often used against exaggerated rhetoric—I would find it in *Hansard* of March 10, at page 610. It was referred to by Senator Flynn, and I cannot give a better answer to the statements made by the Leader of the Government than these words of Senator Hayden in reporting to the Senate. I think they should be on the record at this time:

> It therefore appears that in the interests of preserving a viable oil and gas industry in Canada, as a matter of simple justice and equity, and as a step towards a compromise with the provinces in this area, the proposed legislation might either be changed so as
>
> to restrict the add-back to Crown royalties levied in excess of the royalty rates prevailing at December 31, 1973, or suspended in its application until after April 15, 1975, at which time further federal-provincial talks are scheduled.

That was the statement made by a member of this house who, in my judgment at least, is more informed with respect to this whole matter than any other senator. This is the distinguished senator who presented the report of the Standing Senate Committee on Banking, Trade and Commerce without amendment. I do not say that he did that personally. Obviously, he was reporting for the committee, which I acknowledge, but, as one who before the bill was referred to the committee made it clear that he hoped the committee would not report this bill without amendment, I welcome the amendment moved by the Leader of the Opposition.

I agree entirely with the statements made by Senator Hayden regarding the work done by the Senate in examining this bill and its predecessors, to which it is so closely linked. However, I am somewhat surprised to find, from the information given us today, that apparently the committee decided there were 30 points in which this bill might merit amendment.

● (1720)

**Senator Hayden:** If my friend would permit a correction, I did not say there were 30 points which required amendment; I said there were 30 points which required consideration.

**Senator Grosart:** I accept Senator Hayden's statement, but, so far as I am concerned, it amounts almost to the same thing. Of the 30 points, he named five which were substantive, on which I suggest amendments might have been made had there been time, and had the Senate committee considered them at greater length than it was able to do in the circumstances.

**Senator Hayden:** May I bring my friend to task? When I spoke about five points, I said those points had existed since Bill C-259 was introduced, and they were points which should be considered. I did not speak about amendments.

**Senator Grosart:** I do not want to stress the fact that in rising Senator Hayden made a slip of the tongue by referring to five "amendments". I refer to them in terms of "amendments" because otherwise there was no point in the committee putting a finger on the 30 points and saying "These should be considered." The only reason for considering them would be to consider whether they might be the subject of amendment.

I say that merely because we went through exactly the same procedure with Bill C-259, where the committee brought forward amendments which they said were priorities, but which were not in the report of the committee. Senator Hayden was not there at the time that decision was taken by the committee, or I think the result might have been different. That is the reason why I say I am disappointed that the committee has reported the bill without amendment. I believe there are amendments which should have been made.

I agree with the Leader of the Government that had there been incorporated in the bill some of the amendments which we on our side of the house might have wished to see, the bill might have been delayed. The amendment proposed by the Leader of the Opposition will not delay the bill. In my view, it will clarify the whole situation. It will certainly make the possibility of success, in the negotiations next week between the federal government and the provinces, much more likely. If the amendment is defeated, it is my fear that it will greatly constrain the possibility of the success of those negotiations.

There are other matters which are difficult to understand. I know that explanations have been given. I am sure the provinces are concerned about the fact that not only have the increased royalties been ruled against as deductions from federal income tax, but so have the original royalties that were always there.

There are many such matters. I would like to make the following suggestion. I have spoken often in Parliament of what I call "the Hayden formula." It is a formula invented by Senator Hayden of referring the subject matter of papers and bills in advance to the committee in order that they might receive the thorough consideration traditionally given by the Banking, Trade and Commerce Committee, particularly to complex bills of this kind. I suggest, therefore, regardless of the fate of Senator Flynn's amendment, that the government, and Senator Hayden, consider the application of the Hayden formula in reverse. I say to him, "Do not stop now, do not give up. You have suggestions to make. You have those 30 points which, so far as I know, have not yet been disclosed to the Senate. Keep on with the formula." I shall not attempt to describe the procedure, but I think it would be quite possible for a motion to be put before the Senate again referring the subject matter of this bill to the committee *de novo*. I would then ask just one question: Is it the intention of the committee to disclose the 30 points to the Senate at any time in the immediate future?

With that, I commend Senator Flynn's amendment to the affirmative consideration of the Senate.

**Senator Hayden:** Honourable senators, my friend Senator Grosart seemed to expend a lot of words to describe a situation about which I may say, with the greatest kindness, he knows nothing. He has not read these 30 points.

**Senator Grosart:** No, I have not seen them.

**Senator Hayden:** He can, therefore, talk with more freedom. I can tell my friend that in committee, as I stated earlier tonight—he was here, so he must have heard me say it—all these points were put in the form of questions to the officials who were there, and we got their answers. In addition, at the end of the proceedings today, before we decided on what kind of report we would make, I got the agreement of the committee to incorporate these 30 points in the *Hansard* report of today's committee proceedings, and also to incorporate in summary form the answers that were made by those officials who were there. So for those who want to read them, they are there.

There is a big difference between points, and material for amendments. The first thing you have to find out is whether what you—you, myself or any member of the committee—think is the interpretation is one that is going to be recognized by the department? If their interpretation and their expression of the intent of a particular clause is not in agreement with the fear that you have as to what it might mean, why do you pursue it further? It is quite unnecessary to do that.

My friend could have taken the time to inform himself as to what these things are. He had the same opportunity

as any other senator to attend the committee meetings, although I know he was busy elsewhere. He now criticizes the committee for not making amendments. However, I tell him that so far as the committee was concerned today the only thing they considered was an amendment proposed by Senator Flynn. It was agreed by the committee, by all the members of the committee, that these points which had been discussed, and the answers which were given, were not of a substance that at this time we should deal with by proposing anything in the way of an amendment.

Without that material my friend quite nonchalantly discusses the 30 points, assuming that they are amendments, or the next thing to amendments, and asks why we did not do something about them. All I can tell him is that we did everything that was sensible and reasonable, and we reached a conclusion. We had many lawyers on the committee. While my friend's training is not that of law, I would say that he sometimes ventures a bit into the practice of law in expressing opinions here. However, in this connection I think perhaps the guidance of lawyers would be helpful to him, and he would not get into the position in which he now finds himself.

**Senator Grosart:** Honourable senators, I am not rising to speak twice in the debate in contravention of our rules, but I am entitled to rise to correct what, in my view, is a misunderstanding of what I said. In doing so, I first of all welcome Senator Hayden's statement that the 30 points are now to be available to senators generally. I would remind him that in this particular case we have given leave for third reading for a particular purpose—to expedite the passage of this bill. That being so, I think it is a complete misunderstanding of the remarks I made to suggest that I would not have made them had I had today's proceedings of the committee with these 30 points appended.

● (1730)

This is one of the many reasons why on this side from time to time we hesitate to give leave to break our rules. If we had insisted on the rule's being adhered to, I would have been informed about those 30 points.

I congratulate Senator Hayden on the decision now to make these 30 points available. I will not apologize for venturing into the field of law at any time. I am perfectly entitled to do that. Otherwise the discussion of any bill here, where we are dealing with laws, would be left to lawyers and that, in my view, would be a tragedy. I think there are times when it is important to the lawyers themselves to have some laymen venture into the field of law. We had an example of that here only yesterday when we were discussing the Law Reform Commission bill, and there was insistence that there be some on that commission who are not lawyers.

I do not want to argue that particular point with Senator Hayden, but I do want to make it clear that he completely misunderstood me if he thought I was saying that all of these 30 points were amendments. I merely said, if there were 30 points raised by the committee, it was my view, from the information I had in the Senate, that it was most likely that on examination they would lead to some amendments. And I stay with that position.

**Senator Hayden:** I will just remind my friend of what I said before. They did not lead to amendments because the Senate committee decided that it was not going to proceed with them.

**The Hon. the Acting Speaker** (*Senator Deschatelets*): Honourable senators, it is moved by the Honourable Senator Hayden, seconded by the Honourable Senator Langlois, that this bill be now read the third time.

In amendment it is moved by the Honourable Senator Flynn, seconded by the Honourable Senator Grosart, that Bill C-49 be not now read the third time but that it be referred back to the Standing Senate Committee on Banking, Trade and Commerce with instructions—

**Senator Langlois:** Dispense.

**The Hon. the Acting Speaker** (*Senator Deschatelets*): Is it your pleasure, honourable senators, to adopt the motion in amendment?

**Some Hon. Senators:** Yes.

**Some Hon. Senators:** No.

**The Hon. the Acting Speaker** (*Senator Deschatelets*): As there is uncertainty, will those honourable senators who are in favour of Senator Flynn's motion in amendment please say "yea"?

**Some Hon. Senators:** Yea.

**The Hon. the Acting Speaker** (*Senator Deschatelets*): Will those honourable senators who are against Senator Flynn's motion in amendment please say "nay"?

**Some Hon. Senators:** Nay.

**The Hon. the Acting Speaker** (*Senator Deschatelets*): In my opinion the "nays" have it.

*And more than two honourable senators having risen.*

**The Hon. the Acting Speaker** (*Senator Deschatelets*): Please call in the senators.

Motion in amendment of Senator Flynn negatived on the following division:

YEAS

The Honourable Senators

| | |
|---|---|
| Choquette | O'Leary |
| Flynn | Phillips |
| Grosart | Quart |
| Macdonald | Yuzyk—8. |

NAYS

The Honourable Senators

| | |
|---|---|
| Benidickson | Fournier (Restigouche-Gloucester) |
| Burchill | Godfrey |
| Carter | Graham |
| Cottreau | Hayden |
| Eudes | Inman |
| Everett | Lafond |
| Forsey | Lamontagne |
| Fournier (de Lanaudière) | |

NAYS

| | |
|---|---|
| Langlois | Norrie |
| McDonald | Perrault |
| McElman | Petten |
| McGrand | Prowse |
| McIlraith | Robichaud |
| McNamara | Rowe |
| Michaud | Smith—30. |
| Neiman | |

**The Hon. the Acting Speaker** (*Senator Deschatelets*): I declare the motion in amendment lost.

Motion agreed to and bill read third time and passed, on division.

## ROYAL ASSENT

NOTICE

**The Hon. the Acting Speaker** (*Senator Deschatelets*) informed the Senate that the following communication had been received:

GOVERNMENT HOUSE
OTTAWA

March 13, 1975

Madam,

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 13th March, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the
Governor General.

The Honourable

The Speaker of the Senate,

Ottawa.

The Senate adjourned during pleasure.

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At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

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## 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 Royal Assent to the following bills:

An Act to amend the statute law relating to income tax.

An Act to amend the Canadian Wheat Board Act.

An Act to increase the representation of the Northwest Territories in the House of Commons and to establish a commission to readjust the electoral boundaries of the Northwest Territories.

An Act respecting the Electoral Boundaries Readjustment Act.

An Act respecting the Electoral Boundaries Readjustment Act.

An Act respecting the Electoral Boundaries Readjustment Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

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The sitting of the Senate was resumed.

• (1820)

## BUSINESS OF THE SENATE

Leave having been given to revert to Notices of Motions:

**Senator 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, March 18, 1975, at 8 o'clock in the evening.

Before the question is put, I should like to give the usual outline of the anticipated legislative program for next week.

On Tuesday, the Standing Senate Committee on Banking, Trade and Commerce will meet at 9:30 a.m. to consider Bill C-29, respecting Canadian business corporations. At the same hour there will be a meeting of the Joint Committee on Regulations and Other Statutory Instruments. At 11 a.m. on Tuesday, the Standing Senate Committee on Legal and Constitutional Affairs will meet to hear witnesses on Bill S-19, to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code.

The Foreign Affairs Committee has a meeting scheduled for 2:30 p.m. on Tuesday and the Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 8 p.m. Also, the Special Joint Committee on Immigration Policy is planning to meet on Tuesday, but the time has not yet been set.

There will be a meeting of the Banking, Trade and Commerce Committee at 9:30 a.m. on Wednesday. Also at

9:30 a.m. on Wednesday, the National Finance Committee will meet to give further consideration to supplementary estimates (D), at which time the Honourable Donald Macdonald, Minister of Energy, Mines and Resources, will appear before the committe.

On Thursday, the Standing Senate Committee on Agriculture will hold a meeting at 10 a.m. on Bill C-10, to amend the Prairie Grain Advance Payments Act. The National Finance Committee will meet at 9:30 a.m. to continue its study of the Manpower Division of the Department of Manpower and Immigration. The Honourable Robert Andras, Minister of Transport and Immigration, will be in attendance.

The Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 9:30 a.m. on Thursday. The Joint Committee on Regulations and Other Statutory Instruments also plans to meet on Thursday but, again, the time has not yet been set.

In addition to the foregoing, we will, of course, continue with the items now on the Order Paper, and it is expected that we will have at least two more bills sent to us by the other place on Tuesday.

It is also expected that a supply bill respecting supplementary estimates (D), as well as an interim supply bill, will come to us from the other place late next week which will, in all probability, make it necessary for the Senate to sit next Friday.

Motion agreed to.

The Senate adjourned until Tuesday, March 18, at 8 p.m.

# THE SENATE

Tuesday, March 18, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Langlois** tabled:

Report on the administration of the Members of Parliament Retiring Allowances Act for the fiscal year ended March 31, 1974, pursuant to section 35 of the said Act, Chapter 25 (1st Supplement), R.S.C., 1970.

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 1972, pursuant to section 18(1) of the said Act, Chapter C-31, R.S.C., 1970.

Report of the Department of Consumer and Corporate Affairs for the fiscal year ended March 31, 1974, pursuant to section 10 of the Department of Consumer and Corporate Affairs Act, Chapter C-27, R.S.C., 1970.

Copies of Program of Guideline dates for metric conversion, issued by the Department of Industry, Trade and Commerce.

Report on Prairie Farm Rehabilitation and Related Activities for the fiscal year ended March 31, 1974, pursuant to section 10 of the Prairie Farm Rehabilitation Act, Chapter P-17, R.S.C., 1970.

## THE HONOURABLE PAUL MARTIN, P.C.

GREETINGS TO THE SENATE

**Hon. Henry D. Hicks:** Honourable senators, before the Orders of the Day are called, may I rise for a moment to say that I was absent last week, attending a meeting of UNESCO in Paris. On my way I stopped over in London and attended a reception at which the Prime Minister was the guest of honour. The reason I rise is that our new High Commissioner in London, the Honourable Paul Martin, the former Leader of the Government in the Senate, stopped me at the reception and made me solemnly promise that as soon as I re-appeared in this chamber I would rise on an occasion such as this and extend his greetings to all his colleagues in the chamber. He seemed to be enjoying himself very well, and he wished to identify himself with us once again.

## LAW REFORM COMMISSION ACT

BILL TO AMEND—ORDER STANDS UNTIL LATER THIS DAY

On the Order:

Resuming the debate on the motion of the Honourable Senator Benidickson, P.C., seconded by the Honourable Senator Langlois, for the second reading of Bill C-43, intituled: "An Act to amend the Law Reform Commission Act".—(*Honourable Senator Smith*).

**Senator Langlois:** Honourable senators, I would ask that this order stand until later this day.

**Hon. Senators:** Agreed.

## CRIMINAL CODE (COMMUTATION OF DEATH SENTENCE)

BILL TO AMEND—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Robichaud, P.C., seconded by the Honourable Senator Eudes, for the second reading of Bill S-21, intituled: "An Act to amend the Criminal Code (commutation of death sentence)".—(*Honourable Senator McElman*).

**Hon. Paul Desruisseaux:** Honourable senators, I understand that Senator McElman will not speak this evening on Bill S-21. I have prepared some notes, and would like to participate in the debate at this time.

**Hon. Senators:** Agreed.

[*Translation*]

**Senator Desruisseaux:** Honourable senators, no matter what views I express here on capital punishment, no matter what my personal opinions are on Bill S-11 on capital punishment, which Senator Robichaud introduced, or, if I may say so, no matter what remarks my colleagues make on the subject, they will in no way change our respective positions and philosophies when the vote comes.

Personally, I doubt that any one of us will be influenced in any way by our representations on the various aspects of capital punishment. I will therefore refrain from addressing you in the hope of influencing you.

The sole purpose of Bill S-21 is to restrict the power invested in the Governor in Council to commute the death penalty strictly to those cases where clemency was recommended and those where the jury failed to agree on a recommendation for clemency.

We have heard several senators make excellent contributions to this debate. I agree with Senator Asselin that the subject has just about been exhausted. During his remarks, Senator Asselin dealt first with sections 684 and 686 of the Criminal Code, as well as with the issue of royal prerogative, and then questioned the very constitutionality of Bill S-21.

Senator Sarto Fournier, in support of Senator Asselin, insisted in particular on the dangers of a miscarriage of justice in the case of capital punishment, on the impossibility to correct a miscarriage of justice once the sentence

has been carried out, as well as on the obsession of the lawyer who acted as counsel for someone accused of murder.

The arguments put forward on this issue are quite valid. First in 1968, and later in 1972, when the issue of capital punishment was passionately discussed throughout Canada, we were told that our conscience should bring us to refuse our support for capital punishment in any shape and form, since it implies taking the life of a human being, and that such corrective action was a worthless deterrent against murder, not the remedy expected by our society, and certainly unworthy of an informed and civilized society such as ours.

We know that in the last resort, for a number of years, in spite of several death sentences passed against murderers by their equals and by courts—sentences confirmed by the highest appeal courts—there has been no execution, the Canadian cabinet having always under all circumstances commuted the death sentence.

We must not expect today a complete reversal of opinion among our senators who, in 1972, granted under a legislation a five-year respite in all cases liable to the death penalty, except in cases of premeditated murders of police officers and prison guards on duty. Moreover, we know that even in the cases where the death penalty was indicated, the Governor in Council has always decided to commute death sentences.

[*English*]

Nevertheless, I believe we are now reaching an important crossroad in our thinking. With the constant and rapid increase in crime, including murders, across our nation and particularly in our metropolitan and urban centres, there is, among the Canadian people, a mounting wave of protest against, and evidence of disgust at, our legislative permissiveness. There is a return to basic logic, a demand for just and equitable punishment in cases of premeditated murder. There is a noticeable renewal of pressure on the government to do something urgently to curtail the present trend towards crime, particularly murder, and there is a general public disapproval of the use of only token deterrents.

● (2010)

We in the Parliament of Canada are expected to reflect in what we do here the thoughts, the views and the legislative and executive wishes of the people we represent. That is something which I feel is too often forgotten. It is our obligation to provide the kind of government that can and will assure observance of, and respect for, our criminal and civil laws, and, in any event, give adequate protection to all Canadians. This is the wish and the expectation of Canadians. Theories of laissez faire and permissiveness as deterrents have never in the whole history of the world worked to stop crimes and murders. Their application has generally resulted in chaos.

Should we be concerned with saving the lives of those who commit premeditated murder instead of opting for a just punishment for their crime when it is known, for instance, that those criminals already plan other multiple and wholesale murders and are known to contract, without remorse, a repeat of their murderous acts? Have those murderers a right to life when they are unremorsefully planning other bloodbaths while awaiting their trial and sentence?

I believe our legislative obligation is to provide the fullest protection and the best deterrents possible against crime and murder by providing for equitable and just punishments. What better deterrent to murder can we find than capital punishment? I ask how we, the providers of justice, law and order for all, have come to conclude that we would also be murderers if we provide society with a deterrent commensurate with the act of premeditated murder. The large majority of Canadians find it unfair and unjust in our modern society to balance premeditated murder against a minimal token sentence of a few years' imprisonment.

I do not believe that the provision of strong protection and an effective deterrent against the crime of premeditated murder is sadistic, perverse or moronic. Nor do I believe that defending our nation and its people, or other members of the world society, and going to war to protect them from wholesale and extreme violence, is wrong in the eyes of our Creator and our Judge. We make war against aggressor nations, not to kill but to preserve the lives of the innocents who are attacked, and to protect their property and children. It is the only way that has been found throughout world history to protect and defend the legacy of our God-given liberties and our democracies. Our consciences recognize as heroes, not as murderers, those who expose their lives in war to kill our enemies.

Since 1962, with rehabilitation as the eventual goal, Canada has more or less adopted a system of lessening the punishment for all crimes in our society, including murder. If we were to analyze the available statistics, it would become immediately apparent that that experiment has been a total failure. In fact, if anything, it has resulted in a rapid increase in the number of massacres and mass murders.

I am deeply concerned about the great increase in the number of murders, and in crime generally, in Canada. I am equally concerned about the apparent indifference in our society to its proper curtailment. When criminals take away life, the most treasured of our God-given gifts, and the only punishment we mete out is a mere few years in prison, what can there be but a negative result? Obviously, criminals will attach to life only an insignificant value, and that will be true for all members of our society. As a further consequence, even the slightest provocation may lead to all sorts of degrading retaliations, from mere loss of respect to the total destruction of our most valuable possession—life.

As a nation, we can never hope to see our criminal laws observed unless the criminals who are convicted by our courts are given more severe, or at least more nearly adequate, and just sentences—sentences which can be accepted and respected by our governmental authorities, our legislators and cabinet ministers.

Owing to our historical attitude towards the death penalty, I doubt that Senator Robichaud's bill has much chance of passing. It may even be unconstitutional. Certainly, in my view, it is unsatisfactory and incomplete. As a remedy it will prove ineffectual because it applies only to a special category of murderer. To me, and I believe to many Canadians, Bill S-21 is an unacceptable and weak

compromise. It will not halt the epidemic of murders we are now experiencing in Canada. In fact, it does not even provide basic justice because, essentially, it remains utterly unsatisfying as a deterrent. In terms of justice, when we consider the small number of premeditated murders with which this bill deals, we can see that it applies an uneven yardstick.

To put it very simply, it is my opinion that capital punishment should be reinstated for all premeditated murders and for all acts of deliberate violence which result in murder. The premeditated killing of any member of society, be he a police officer, a prison guard or a member of the public at large, should be met with capital punishment. The prerogative of commuting a death sentence should not be used, as it is now, as a constant and indiscriminately applied technique of repealing the death sentence in every case.

● (2020)

In my opinion, the five-year trial, commenced in 1972, of the abolition of the death penalty will be disastrous. I would rather justify my being here by advocating and supporting, without any reservations, an amendment to Senator Robichaud's bill to simply reinstate capital punishment for premeditated murder, since I can find no alternative effective solution that would curb the murders and crime waves we now have in Canada. In my view, we have a duty to correct the permissive legislation that ignores and prevents other equitable corrective measures that would be more apt to discourage the crime of murder.

[*Translation*]

**Hon. Azellus Denis:** Honourable senators, I do not have much to add to the interesting speech of my honourable friend, Senator Desruisseaux.

When a proposal for partial abolition of the death penalty was passed by the House of Commons, I spoke on that matter and voted against the bill.

When a proposed amendment seeking the extension of partial abolition was once more brought before the Senate, I spoke again on the matter and also voted against this new bill. That means that I have always remained in favour of capital punishment. I entirely support the suggestion of my honourable colleague, Senator Robichaud, and I think it is regrettable that all murders are no longer punishable by death.

Unfortunately I believe that the bill now before us is unconstitutional and we do not have the power to abolish the prerogative of the Crown. Moreover, I fear that even if it were passed in the Senate, disallowance procedures would prove it to have been a waste of time.

If I have a suggestion to make, it is because I agree with the idea of punishing severely those who are guilty of murder; I agree with maintaining the death penalty. Senator Robichaud was probably thinking of what happened in New Brunswick where two police officers were assassinated.

However, if procedures allow it, and if Senator Robichaud were willing to withdraw his bill and, for instance, to address a request or recommendation to the Cabinet on behalf of the Senate, I believe the latter would support his recommendation that no death penalty be commuted unless there was a plea for clemency on the part of the jurors. I believe that such a recommendation would have the support of the Senate.

[*English*]

**Senator Petten:** Honourable senators, if no other senator wishes to take part in the debate at this time, I would move the adjournment in the name of Senator McElman.

On motion of Senator Petten, for Senator McElman, debate adjourned.

## LAW REFORM COMMISSION ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, March 13, the debate on the motion of Senator Benidickson for second reading of Bill C-43, to amend the Law Reform Commission Act.

**Hon. W. M. Benidickson:** Honourable senators, if no other honourable senator proposes to contribute to this debate, I would rise to close the debate on the second reading of this bill.

**The Hon. the Speaker:** Honourable senators, I must inform the Senate that if the honourable senator speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Benidickson:** Honourable senators, I anticipate from the most interesting and helpful remarks of Senator Choquette that he expects that this bill will be referred to the Standing Senate Committee on Legal and Constitutional Affairs. I, too, would anticipate that it should be referred to that committee. I know how industriously this committee has been working on Bill S-19, to amend the Criminal Code in relation to cannabis, and that during this session it has had a fairly heavy workload. Nevertheless, following discussion with the leaders, I feel that attention of this committee should be directed to this bill.

There are, of course, countless fields for discussion in connection with this, but in particular I think that such an examination as Senator Choquette has suggested might enable us to find the number of study papers that have been made available since the constitution of this committee. Senator Choquette felt that the Minister of Justice perhaps had not acted adequately on the study papers.

When I explained this bill on second reading, honourable senators, I pointed out that while there were working papers, so far there were no firm recommendations. I also attempted to explain that in the course of the next fiscal year it had been reported to me that very definite recommendations in at least four fields would be forthcoming. I feel that the Standing Senate Committee on Legal and Constitutional Affairs might like to have this confirmed by some inquiry of Mr. Justice Patrick Hartt, the distinguished chairman of the commission, and perhaps from other witnesses also.

Since the bill came before us, a couple of interesting events have come to my attention. I was listening to the radio the other evening—probably the only time I listen to the radio is in the early morning for the newscasts or when I am driving my automobile—I think it was last Thursday evening. The discussion to which I listened impressed me greatly in that it dealt with the benefits of

the law which are available to the poor. I was persuaded by the discussion that the poor indeed are generally short-changed under our legal process. Whether this is through ignorance, although we do have legal aid in practically every province, or through inability to get appointments with the most effective counsel that should be available to them, I do not know. I think this is a matter that could be inquired into.

In addition, since I spoke to you last on this bill I read a most interesting article in the July-August 1974 issue of *Canadian Welfare*, by Professor Martin L. Friedland, Dean of the Faculty of Law of the University of Toronto. For those of you who may be interested, the article is entitled: "Law for the Layman." One of the interesting things Professor Friedland pointed out was that, in his opinion, the state has an obligation to ensure that its laws are available in an understandable fashion to the layman. He said that very little attention has been given toward making our laws comprehensible even to lawyers. Sometimes lawyers are particularly "learned" only as to where to find the law, and many lawyers are specialists, of course, in a very narrow range of subjects. However, an interesting section related to members of Parliament, who have much responsibility in establishing and making the laws. I would like to quote what the dean of the law school had to say in that respect:

● (2030)

> —Members of Parliament look at a bill having had the assistance of the minister's speech on the second reading of the bill as well as explanations and comments on each page opposite the draft of the bill. Even the minister has assistance in understanding the bill: he has a Black Book—

About which we have been making some jest recently.

> —prepared for him explaining each section of the bill. But when the bill is passed and becomes an act of Parliament, all these explanations and comments are lost. They do not accompany the act into the statute book. Indeed, the law is that a judge has to interpret the law without using these explanations.

How true that is. The tenor of this most interesting article is: should we not be making law more available for understanding by laymen, and should there not be greater availability to the law for particularly those who are least prepared to take care of themselves in this world when conflicts arise?

In the radio discussion to which I referred, it was stated—and I think it was never adequately denied—that basically our laws are established to protect property. Anyone who has any accusation of interfering with property rights, and so on, has the weaker end of the argument. In that line I think there is a great deal for investigation by this committee, on which there are many distinguished members.

I myself on a couple of occasions, while I have not practised law here, have been implored by members of our staff who were deep in debt to appear without fee on their behalf at something which I suggest would be useful for lawyers and non-lawyers to visit. I refer to the judgment summons day for judgment debtors. I appeared on a couple of occasions, and I found the surroundings to be woeful and unhappy. On one date more than 80 per cent of the items on the judge's agenda came from what I would describe as one money-grubbing doctor. He was not represented by counsel but by a very experienced representative of a collection agency. I suppose that he had been in court frequently at this type of hearing, and the undefended judgment debtors were facing—probably it is not always the case—rather grim and obviously bored judges. I felt they were rather rude to me in my attempt to have outlined to the judgment debtors their opportunities to consolidate their debts for regular payment. There is no court officer available to explain to them the laws which we have recently passed under which poor people can have a poor man's bankruptcy for a relatively small fee. Most of those who get into financial difficulty by accumulating debts have no knowledge that not long ago we made provision that they can have their assets distributed through "bankruptcy" in an orderly fashion for a fee of $50. These are items of interest to the Law Reform Commission itself. Some of their studies which affect the public, particularly the unprotected public, would be high on the list of inquiries which the committee under Senator Goldenberg would, I think, wish to make.

When I have the opportunity I will move that this bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**Senator Benidickson** moved that the bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.

## FEDERAL-PROVINCIAL RELATIONS

DISPUTE OVER RESOURCE REVENUE TAXATION—INQUIRY WITHDRAWN

On the Inquiry of Senator Manning:

> That he will call the attention of the Senate to the serious national consequences of the current federal-provincial dispute over resource revenue taxation.

**Senator Manning:** Honourable senators, with respect to this inquiry, most of the subject matter that I had intended to discuss has been fully covered in the debate that took place in this house on Bill C-49, to amend the statute law relating to income tax. For that reason, with the consent of the Senate, I would ask to withdraw the inquiry.

**Hon. Senators:** Agreed.

Inquiry withdrawn.

## EUROPEAN ECONOMIC COMMUNITY

CANADA'S CLAIM FOR COMPENSATION—FURTHER QUESTION

Leave having been given to revert to Question Period:

**Senator Grosart:** Honourable senators, the question I direct to the Leader of the Government refers to a question I asked on February 27 about Canada's claim for compensation following the entry of Great Britain and other countries into the European Community. The leader agreed at that time that the question was appropriate, and said he would endeavour to give me an answer within a week. More than a week has elapsed, and I have since read what purports to be an answer in the daily press.

I wonder if the Leader of the Government would let me know if it is his intention to answer my question in the chamber?

**Senator Perrault:** The Right Honourable the Prime Minister, of course, has been on an extended and productive visit to Europe, and questions relating to Canada's position vis-à-vis the Common Market have been an important subject on all the agenda. I shall undertake to obtain from the Prime Minister's office as accurate a report as possible to deliver to the Senate at the earliest possible opportunity.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, March 19, 1975

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

Prayers.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the names of Messrs. Orlikow and Caccia have been substituted for those of Messrs. Brewin and Daudlin on the list of members appointed to serve on the Special Joint Committee on Immigration Policy.

## CRIMINAL CODE (THE NATIONAL FLAG OF CANADA)

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-223, to amend the Criminal Code (the National Flag of Canada).

Bill read first time.

**Senator Petten** moved that the bill be placed on the Orders of the Day for second reading on Friday next.

Motion agreed to.

## CANADIAN SOVEREIGNTY SYMBOL BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-373, to provide for the recognition of the Beaver (*Castor canadensis*) as a symbol of the sovereignty of Canada.

Bill read first time.

**Senator Fergusson** 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.

## COMPETITION POLICY

INTERIM REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE TABLED AND PRINTED AS AN APPENDIX

**Hon. Salter A. Hayden:** Honourable senators, I desire to table an interim report of the Standing Senate Committee on Banking, Trade and Commerce to which was referred, for examination and report, the subject matter of new proposals for competition policy in Canada, and for the consideration of any implementing legislation. I would ask that this interim 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 Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

[*For text of report see appendix, pp. 675-683.*]

**Senator Grosart:** Explain.

**Senator Hayden:** With leave of the Senate, I should like to give some explanation of the contents of this report.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

**Senator Hayden:** Honourable senators, the study of this subject proceeded quite some distance with respect to the hearing of submissions and witnesses before the actual bill received first reading in the House of Commons. Following that, when the bill was referred to the corresponding committee in the Commons, there was tabled with the bill before that committee a substantial number of minister's amendments. There were 30 such amendments, and we had the benefit of those in our consideration of the bill.

I can tell you that during the course of our hearings representatives from the department concerned, the Department of Consumer and Corporate Affairs, were present, and they also had the opportunity of considering the nature of the evidence and the course of the examination of witnesses.

Of the 30 amendments proposed by the minister, some 19 are amendments that, in our opinion, deal satisfactorily with the problems that were exposed to us by the witnesses and in the submissions that came to us. You will find the list of amendments on page 3 of the report that I have just tabled. You will find a list of the amendments, on which we offer no comment, and we are of the opinion that they deal satisfactorily with the particular subjects, all of which were giving some concern.

There are some other items that I should like to mention very briefly. One subject arose because services were included in combines legislation for the first time. The inclusion of services, of course, caused great concern to many different types of people, not only in trade and industry but also in the professions. In our view, as you will see in the report and our reasons, where professions, industry and trade are regulated by legislation in the provinces they should not also be included within the scope of services in this bill, and some activities possibly given the character of criminal offences. If any criminality

is involved in what has been given as a service there would, of course, be cause of action in any event.

Take, for instance, lawyers. In Ontario their charges in matters of litigation are regulated under the Ontario Judicature Act by a panel of judges who fix the scale of fees. There is also maintained in Ontario a taxing officer, and any client who is dissatisfied with a bill that he receives may go before the taxing officer and have the bill taxed. Whatever the taxing officer settles on as the proper quantum of the fees to be charged is what the client is obligated to pay. There is, of course, a right of appeal if the findings of the taxing officer are questioned. I understand that in other provinces conditions of this kind prevail, so that you could easily refer to the professions—law, accountancy, and medicine to a very considerable extent—as being regulated services and regulated professions.

In trade and industry one could take, for instance, a telephone company, whose fees are regulated. There are other instances, such as in the case of *In Re The Farm Products Marketing Act*, in respect of which the Supreme Court of Canada in 1957 held that these regulatory schemes provided adequate protection and that where you had such regulated schemes it could not be held that those proceedings would be "to the detriment or against the interests of the public."

● (1410)

There was another case, the famous *Canadian Breweries* case, which involved the question of monopoly. Mr. Justice McRuer, in his judgment in that case, held that this industry was definitely and substantially regulated in the province, and, therefore, with that regulation it could not be said that there was anything detrimental to the public.

So, on balance, we have stipulated that there should be an exemption of these activities of a trade, industry or a profession which are regulated by some other law, that they should be exempt from the scope of Bill C-2; that is, the legislation dealing with competition.

Then, in dealing with due diligence as a matter of defence, there are many provisions in the bill which provide strict liability, what we call *per se* liability. That is, if you have done what the statute says you cannot do, then, no matter what the reason may have been, you have no defence. If it turns out that your reason is a mitigating one, it might be an element in mitigation of damages.

In that connection I should like to refer to an editorial which appeared in the Toronto *Star* on this very subject matter. I do not intend to read the whole editorial, but what they had to say was interesting. It had to do with these amendments. The *Star* said this:

> They allow too much discretion in some cases and none at all in others.
>
> In the latter category fall several offenses in the amended act which could send a man to jail even though he had no criminal knowledge or intent, and even though he had made every reasonable effort to be sure he was acting legally. In law, such statutory rigidity is called 'strict liability'.
>
> The House of Commons Finance Committee, which is currently studying the proposed amendments, should remove the strict liability provisions and allow the courts more discretion in deciding whether a businessman was trying to trick the public or whether he himself was duped by someone else.

[Senator Hayden.]

We have considered this and all submissions which were made. There were many submissions made on strict liability offences. We finally decided to recommend that a new section be added to the act similar to that contained in section 25 of the English *Fair Trading Act*, which is found in the English Statutes, 1973, chapter 41. The gist is that in proceedings for certain offences it would be a defence for the person charged to prove that commission of the offence was due to reliance on information supplied or some cause beyond his control, and that due diligence to avoid commission of the offence was exercised. Where the accused invokes the defence that he relied on information supplied, he must notify the prosecutor before trial of the name of the person who supplied the information. A newspaper publisher who published a misleading advertisement in good faith would also have a defence. Therefore, we recommend that this "due diligence" clause, which is another way of saying, "with a reasonable cause," be added to the clauses of the bill which deal with promotional allowances, misleading advertising and representation, representations as to reasonable tests and testimonials, double ticketing, sale above advertised price, promotional contests, and resale price maintenance.

It is not often my privilege to be able to quote as an authority, in support of what I have to say, an editorial from the Toronto *Star*.

Now I come to another aspect of this bill, professional and amateur sport. There is a provision in the bill which deals with professional and amateur sport, and in the amendments put forward by the minister it was proposed that amateur sport be excluded. However, the draftsmen proceeded to define amateur sport in such terms as to make it, I think, practically impossible for an amateur, as we know amateurs today, to qualify for this exclusion, because in the first paragraph of the amendment, while amateur sport is excluded, there is a second subclause which defines amateur sport. It says, "Sport in which the participants receive no remuneration for their services as a participant."

We know that in amateur sport today, athletes remain amateurs even though they are remunerated for their services. There seems to be two classes: the well-acknowledged professional sports and amateur sports. We think that we should live with the realities of the situation. Although on occasion some athletes receive compensation or remuneration, we feel that this should not qualify them as professional athletes. We therefore recommend that the definition of amateur sports should be removed from the minister's amendment and that it be left to the courts to interpret, according to the customs of the trade and the usages in the world of sport, who shall be classified as amateurs. This would be a much better way of dealing with the situation than is offered by this amendment, which would seem to give with one hand and take away with the other.

We recommend, however, that professional sports should be excluded too. We do not think that the criminal provisions of the combines investigation law should relate to any sports. The President of the National Hockey League appeared before the committee, as did representa-

tives of most amateur sport bodies in Canada. The Executive Director of the National Hockey League Players' Association also appeared. That organization was opposed to being included in this category of a combines law which had all the features of investigation and prosecution. For instance, one provision would permit six dissatisfied people to launch a petition to the minister to start an investigation under the Combines Investigation Act. The National Hockey League Players' Association did not approve of the inclusion of professional sports in this legislation because of this aspect of criminal proceedings. They did say, however, that until some better way is found to deal with the problem, it may as well remain in the bill.

Another aspect that you might be interested in is the civil damages provisions, which are new. A provision in the bill gives a person, who can demonstrate that he has been hurt directly by the failure of some person to comply with an order which the Restrictive Trade Practices Commission might make under Part IV.1 of the bill, the right to sue for damages when those proceedings fall in the category of civil proceedings. They only reach the stage of criminal proceedings when, after an order is made, there is a disobedience of the order.

● (1420)

Civil damages may also be claimed by a person who alleges he has been hurt, and when he can establish that the person who he alleges has hurt him has been convicted of an offence under Part V of Bill C-2, or under the section which provides for an order to be made by the Restrictive Trade Practices Commission. Then it goes on to provide that there may also be a right of action in any person to sue for damages in the case where there has been no conviction, and where there have been no proceedings under the combines law against any person for a violation of the criminal provisions of the particular bill, but where it appears from the evidence that might be put before the civil judge that this is likely to or does constitute an offence. The effect of what you are doing there, of course, is that you are setting up a civil judge to make a determination as to whether or not a criminal offence has been committed by this person. We thought that to be a rather anomalous situation; so what we have said, first, is where there is no doubt that in principle a person who has been hurt by some individual or corporation which has violated the criminal law as set forth in the combines legislation, and where such a person or corporation has been convicted, that must be the basis, or the threshold of entry, to the assertion of this right. Where such a person has been hurt we do not think there should be the right to sue for civil damages if no criminal prosecution has been commenced, and no action of such kind taken. We do not feel it should be left to the judgment of a court in a civil action to decide that there has been an offence, or that what is done is likely to lead to an offence. So we recommend that the conviction must be the basis of the right of action of any person for civil damages, and also a violation of the order of the commission under Part IV.1.

We have said, however, that, notwithstanding the provisions in the bill, the record of proceedings and the transcript of evidence taken, where there has been a conviction, should not constitute proof in a civil action. The qualification for entitlement should be that the person can show, or produce a certificate to show, that there has been a conviction, and the onus of proof is on the person suing for damages to establish by whom he was hurt. He must establish that the person he is suing has been convicted. He must directly relate that offence for which this person was convicted to the damage which he has suffered, or which he says he has suffered, and that must be directly by evidence and not by the reading of a transcript of the criminal proceedings.

I should call attention to one of the others. We were much concerned—when I say "we," I mean the committee—about the doubtful constitutionality in relation to the proceedings under Part IV.1. This was also mentioned in submissions, including that of the Canadian Bar Association. We term these reviewable transactions. It is provided in that section of the bill that on the application of the director—that is the Director of Investigation and Research—and if certain points are established, the commission may make an order subject to whatever the guidelines and limitations are in that Part. We have added more, and amended some, guidelines. The commission, after hearing the supplier, may make an order that this supplier supply merchandise to this particular person.

The director, in order to make this application to the commission, must be able to show that a person has been substantially affected in his business. The section also goes on to say, "or is precluded from carrying on business due to his inability to obtain adequate supplies."

We felt that there are two different categories there. One is that of a man who is carrying on his business and who is not able to obtain supplies on the usual trade terms, as it says in the bill. The other category is that of a man who is not in any business, but who, for example, wants to enter the camera business and sell, particularly, Kodak cameras, and who, when he attempts to buy supplies of Kodak cameras from a supplier, is refused. Under the bill as it is drawn he could apply to the commission for an order directing the supplier to supply this equipment to him.

We have recommended the elimination of one part of this, namely, that part dealing with inability to obtain adequate supplies. In our opinion, if in his business a person is unable to obtain supplies then, subject to the terms and conditions of the bill, he should be able to go before the commission. However, we also felt that the onus should be on the director to prove the case. If he is the one who is instituting the proceedings, he should prove the case. The supplier who is affected by the application would then have the right to appear, defend, and avail himself of all the facilities, such as examination and cross-examination, production of documents, et cetera.

We deal with many other subjects, but there is possibly only one other to which I should refer, and that is the subject under the heading of "Interim Injunction." This refers to cases in which the Crown is given the right to apply for an interim injunction when it appears that a person is about to commit an offence under Part V, which is the criminal part of the Combines Investigation Act. In a civil case the usual procedure, certainly in some provinces, is that a person taking such an action for an interim injunction must give security for costs. One would not think of requiring that the Crown should give security for

costs. However, we do think that the Crown should be exposed to the same right to claim damages as any other person would be in an action in which an interim injunction is obtained and the proceedings fail. In this case, if the Crown applies for an interim injunction on the basis of a potential offence and it fails, there should then be a right to maintain an action for damages against the Crown.

● (1430)

There are many other sections in the report. We deal with the constitutional aspects, as to the questionable validity of using the Restrictive Trade Practices Commission in these reviewable transactions. We think that before those sections are proclaimed, there should be a reference to the Supreme Court of Canada to determine their validity. The alternative to all that, of course, is to proceed on the basis that the bill is valid and constitutional, and let the private litigants take the burden of contesting the validity of the bill at some future time.

The other subject matters are such things as the jurisdiction of the Federal Court in criminal matters, and the indictment and summary procedure provisions. In the bill there is a provision in the sections dealing with offences where you may proceed by way of indictment, and there are certain penal consequences if there is a conviction. The penalty may be a fine and/or imprisonment.

Alternatively there is a procedure by way of summary conviction where there is provision for a fine. The limitation on the summary proceeding is that the action must be commenced within six months. The amendment proposed by the minister extended that period from six to 12 months. The committee felt that because the Crown may not be ready—these investigations preceding prosecution under a statute such as this take a long period of time—the time to take a summary proceeding may have run its course, and to take any action then would have to be by way of indictment; whereas, if the summary conviction procedures were open, and if the Crown so desired, they could proceed summarily where the penalty is lesser. We see no reason why there should be any time limitation at all, because so far as an indictment is concerned, you can take proceedings at any time. Therefore, if there is going to be a choice on even terms, there should be no limitation on the time in which you can proceed by way of summary conviction.

This is only a slight run at the contents of the bill. I should say at this stage that it has not been the practice, when a report is tabled, to debate the report. There are many reasons for that. One is that we do not have the bill before us at this time. If it is desirable to debate the report, of course, a senator could make a motion calling the attention of the Senate to such and such a report, which was tabled on such and such a date, and a debate could or might then ensue. I have simply tabled the report so as not to provoke debate at this time, feeling that the opportunity for debate will come when the bill is before us for second reading. That is all I have to say at this time in connection with this report.

**Senator Benidickson:** May I ask Senator Hayden two questions? First, was the report unanimously approved by the members of the Standing Senate Committee on Banking, Trade and Commerce?

[Senator Hayden.]

Several times in his remarks he referred to recommendations of the committee, and my ear caught only once a reference to an amendment. My second question is: Did the committee actually amend the bill?

**Senator Hayden:** First, for obvious reasons, the bill was not before us, and therefore we could not amend it. Our obligation was to study the new proposals for a competition policy in Canada and any proposed implementing legislation. That is what we have done. When I used the word "amendment," I was talking mainly and substantially about the amendments which the minister proposed to the bill when it was in committee of the house following second reading in the House of Commons.

If I inadvertently used the word "amendment" anywhere in my remarks, I was not referring to an amendment of the bill. We were suggesting language of a change, vis-à-vis what the minister has proposed, or we were suggesting that at the proper time, on this particular point or that particular point, there should be some addition or change. That is all I was seeking to convey.

At no time did we discuss, as such, an amendment of the bill. We did discuss, and the report discusses, places where the quality and beneficial effects of the bill, and the protection of the public, would be helped by some changes; but the merits of amending cannot come until the bill is before us for second reading, is referred to committee and we are then studying the bill itself.

**Senator Benidickson:** I had overlooked that, honourable senators. My other question was: Is the report the unanimous report of the committee?

**Senator Everett:** Honourable senators, in reply to Senator Benidickson's question as to the unanimity of this report, I would say that I attended some of the meetings on the competition policy—but not all, due to meetings of the National Finance Committee—and, after looking over the report, I find myself in disagreement with some of its provisions.

## CANADIAN BUSINESS CORPORATIONS BILL

REPORT OF COMMITTEE PRESENTED—MOTION FOR ADOPTION—DEBATE ADJOURNED

**Senator Hayden,** Chairman of the Standing Senate Committee on Banking, Trade and Commerce, to which was referred Bill C-29, respecting Canadian business corporations, presented the following report:

Wednesday, March 19, 1975.

The Standing Senate Committee on Banking, Trade and Commerce to which was referred Bill C-29, intituled: "An Act respecting Canadian business corporations" has, in obedience to the order of reference of Tuesday, February 4, 1975, examined the said Bill and now reports the same with the following amendments:

1. *Page 7:* Strike out lines 17 and 18 and substitute therefor the following:

   "corporations incorporated to carry on business throughout Canada, to advance the cause of".

2. *Page 10:* Strike out lines 29 to 32, inclusive, and substitute therefor the following:

   "name it had before such continuance."

3. *Page 15:* Strike out lines 24 to 27, inclusive, and substitute therefor the following:

"(6) A corporation that, without reasonable cause, fails to comply with this section is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars."

4. *Page 15:* Strike out lines 34 and 35 and substitute therefor the following:

"free of charge, and, where the corporation is a distributing corporation as defined in subsection 121(1), any other person may do so upon payment of a reasonable fee."

5. *Page 16:* Strike out line 1 and substitute therefor the following:

"(3) Shareholders and creditors, of a corporation, their agents and legal representatives, the Director and, where the corporation is a distributing corporation as defined in subsection 121(1), any other person, upon payment of a".

6. *Page 17:* Strike out lines 24 and 25 and substitute therefor the following:

"(10) A person who, without reasonable cause, contravenes this section is guilty of an offence and liable on".

7. *Page 63:* Strike out line 19 and substitute therefor the following:

"(6) A person who, without reasonable cause, contravenes subsection".

8. *Page 75:* Strike out line 13 and substitute therefor the following:

"106. (1) Notwithstanding subsection 109(3), but subject to subsections (3) and".

9. *Page 77:* Renumber subsections 109(4) to 109(8), inclusive, as subsections 109(5) to 109(9), inclusive, and insert a new subsection 109(4), as follows:

"(4) Notwithstanding subsection (3), directors may transact business at a meeting of directors where a majority of resident Canadian directors is not present if

(a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and

(b) a majority of resident Canadian directors would have been present had that director been present at the meeting."

10. *Page 79:* Strike out lines 1 to 4 inclusive.

11. *Page 85:* Strike out lines 1 and 2 inclusive and substitute therefor the following:

"duties and delegate to them powers to manage the business and affairs of the corporation, except powers to do anything referred to in subsection 110(3);".

12. *Page 92:* Strike out line 36 and substitute therefor the following:

"(9) A person who, without reasonable cause, fails to comply with".

13. *Page 106:* Strike out lines 41 and 42 and substitute therefor the following:

"thereby relieved of their duties and liabilities to the same extent."

14. *Page 109:* Strike out line 22 and substitute therefor the following:

"fails to comply, without reasonable cause, with subsection (1), the".

15. *Page 116:* Strike out line 4 and substitute therefor the following:

"(2) A corporation that, without reasonable cause, fails to comply".

16. *Page 136:* Strike out lines 12 to 15 inclusive and substitute therefor the following:

"may be continued to be prosecuted by or against the amalgamated corporation;".

17. *Page 136:* Strike out lines 18 to 21 inclusive and substitute therefor the following:

"amalgamating corporation may be enforced by or against the amalgamated corporation; and".

18. *Page 137:* Strike out lines 29 to 32 inclusive, and substitute therefor the following:

"against the body corporate may be continued to be prosecuted by or against the corporation; and".

19. *Page 137:* Strike out lines 35 to 37, inclusive, and substitute therefor the following:

"body corporate may be enforced by or against the corporation."

20. *Page 139:* Strike out lines 40 to 43, inclusive, and substitute therefor the following:

"against the corporation may be continued to be prosecuted by or against the body corporate; and".

21. *Page 140:* Strike out lines 3 to 5, inclusive, and substitute therefor the following:

"corporation may be enforced by or against the body corporate."

22. *Page 154:* Strike out line 27 and substitute therefor the following:

"(1) An offeror who, without reasonable cause, fails to comply".

23. *Page 176:* Strike out line 24 and substitute therefor the following:

"(2) A person who, without reasonable cause, contravenes subsec-".

24. *Page 179:* Amend clause 222 by adding thereto the following subclauses:

"(5) An *ex parte* application under this section shall be heard *in camera.*

(6) No person may publish anything relating to *ex parte* proceedings under this section except with the authorization of the court or the written consent of the corporation being investigated."

25. *Page 191:* Strike out line 33 and substitute therefor the following:

"244. Every person who, without reasonable cause, contravenes a".

26. *Page 192:* Delete subsection 245(2) and renumber subsections 245(3) and 245(4) as subsections 245(2) and 245(3).

27. *Page 206:* Strike out clause 1 of Item 6 and substitute therefor the following:

"1. The definition "company" in section 2 is repealed and the following substituted therefor:

" "company" includes

(*a*) a person having authority under a special act to construct or operate a pipeline, and

(*b*) a body corporate incorporated or continued under the Canada Business Corporations Act and not discontinued under that Act."

In addition to the specific amendments proposed, the Committee gave consideration to the question of corporate reorganizations. Concern has been expressed that the failure to include reorganization provisions of the type contained in the *Canada Corporations Act* and in various provincial corporations acts will result in preventing certain reasonable types of business reorganizations from being accomplished under this Act. The Ministry of Consumer and Corporate Affairs points out that many of the business reorganizations of the type referred to have related to bankruptcy or insolvency situations and that these will be dealt with in a new federal bankruptcy act to be introduced shortly.

In addition, the Ministry refers to the provisions of Part XIV of the Bill relating to Fundamental Changes and suggests that in the non-insolvency situations these provisions would permit any type of corporate reorganization which heretofore could have been conducted under the reorganization provisions. Your Committee doubts that such is the case. In particular, the ability under court supervision to force an exchange of securities in various circumstances seems to be lacking. On the other hand, the insertion of reorganization provisions into the Bill at this time would require careful consideration and a substantial change in the Bill. The Ministry has undertaken to give this matter careful consideration and, if desirable, include reorganization provisions in the first amending bill which is introduced. Your Committee recommends that this course of action be followed.

Respectfully submitted,

Salter A. Hayden,
Chairman.

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

**Senator Hayden:** Honourable senators, with leave of the Senate, I move that the report be adopted now.

**The Hon. the Speaker:** The house has heard the motion, which requires unanimous consent. Is there unanimous consent?

**Hon. Senators:** Agreed.

**Senator Hayden:** Honourable senators, the same question arises in connection with this bill as arose in connection with the competition bill, namely, that there are many offences which provide a strict liability. We feel that is not in keeping with the trend of legislation, that in proper cases there should be basis of due diligence or reasonable cause that the thing that was done was done.

● (1440)

During second reading debate on this bill, I referred to clause 4, which deals with the purposes of the act, and when Senator Walker spoke on second reading he raised the same objection to it.

Clause 4 states:

> The purposes of this Act are to revise and reform the law applicable to business corporations incorporated for objects other than provincial—

What we found disturbing were the words, "for objects other than provincial." The jurisdiction of the federal authority to legislate in the matter of corporations arises from the peace, order and good government section of the British North America Act, whereas the provincial jurisdiction is based on the provincial authority under the Constitution to incorporate companies with provincial objects.

We heard from Mr. Ryan of the Department of Justice on this question, and we had our own counsel as well. The committee's proposal is that the words, "incorporated for objects other than provincial," be struck out and the words, "corporations incorporated to carry on business throughout Canada," be substituted therefor. Both Mr. Ryan and the departmental officials agreed with the change the committee proposed. The proposed change is a clearer and constitutionally better concept of the purposes of the act.

The committee also had some problems in connection with directors' meetings. One of the provisions in the bill is that a quorum of resident Canadian directors is required before a meeting can be held. It is the committee's view that situations could arise where it would not be possible to have a quorum of resident Canadian directors. For example, if a resident Canadian director dies, thereby ceasing to be a director, a meeting of directors could not be convened to deal with that because it would not be possible to have a quorum—that is, the majority of the directors would not be resident Canadians. Also, if a resident Canadian director was absent due to illness, or otherwise, a meeting could not be convened.

In dealing with the death of a resident Canadian director, the committee provided that notwithstanding the requirement of a majority of resident Canadian directors, and notwithstanding that the quorum has to be three of those resident Canadian directors, for the purpose of replacing a resident Canadian director who has died a quorum of the board is all that is needed. That would seem to be a simplified way of dealing with the situation. The proposed change would not in any way destroy the policy which appears to be in the bill, that a majority of the directors be resident Canadians. This is solely for the purpose of providing the machinery by which a resident Canadian director who has died can be replaced with another resident Canadian director.

In the event of the absence of a Canadian resident director for any reason whatsoever, the committee has provided that through a telephonic communication, or any other method of communication, by which the absentee

director communicates to the secretary of the company, and into which other members of the board are hooked, that director can statutorily be treated as having been present at the meeting. The bill says that in part, so the committee has adopted it in this particular area. Alternatively, the absentee director could subsequently sign the minutes of the meeting, which would have the same effect as though he had been physically present at the meeting.

I also dealt with the liability of directors during second reading debate on this bill. There is provision in the bill that any shareholder who has entered into an unanimous shareholder agreement would have the rights, duties and powers of a director, and, to the extent that was provided, the directors were relieved of their duties. The position which the committee took, and on which we had submissions, was that to relieve the directors of their duties is not enough. What happens with respect to directors' liabilities to pay wages and liabilities in other directions? The committee, therefore, felt that a director who has been shorn of all his rights, powers and responsibilities should not only be relieved of his duties, but also of his liabilities, and we have so provided.

Provision was made for the inspection of records and shareholder lists. The bill started off by saying that any person, upon payment of a reasonable fee, might apply and be entitled to these things. The view of the committee was that this should not apply to corporations other than corporations whose shares are publicly distributed. That is the language that is in the Ontario Business Corporations Act, and in other provincial statutes. The view of the committee was that this should not apply to private companies. Honourable senators will note that it states "any person"—not necessarily a shareholder. We felt that that right should be confined to shareholders and creditors, and the committee also felt that any inspection of documents and records should be confined to shareholders and directors of companies whose shares are publicly distributed.

There was also some concern expressed over the powers of investigation. There is provision under which a shareholder or a director may apply *ex parte* to a court for an order to investigate the affairs of a company.

In respect of all of the headings I have discussed, all these things were made known to the officials of the Department of Consumer and Corporate Affairs who appeared before us, and the language of the proposed amendments was approved by them. They had no objection to the merits of the amendments, and that is recorded in the proceedings of the committee. The departmental officials did express their desire that the committee report the bill without amendment, and said that the department, in turn, would undertake to introduce amendments next year. After some debate, the committee finally decided that these amendments were important enough to go forward now. There was no public interest at stake, as is sometimes the case with an income tax bill in respect of refunds, and it was felt, therefore, that these amendments should be made to the bill now.

With respect to the investigative procedure, the department's position was that it did not wish to give notice before an inspector was appointed and had taken possession of the assets of the company for fear that by the time an inspector was appointed, and did move to take possession of the assets, the assets may have been moved out of the jurisdiction. Presumably, that does happen at times. The committee agreed in principle that there should not be this enlightening process by which the people who are involved might learn in advance of any investigation. The committee, therefore, took the position that there should be this right to an *ex parte* application for the appointment of an inspector, and so forth—and all the powers that he may exercise are set out in the bill—but we did say that the proceedings should be in camera. The department agreed with that.

● (1450)

So far as notice to the company is concerned, our position is very simple. The company will get notice very quickly, because the moment the inspector arrives and takes possession of the assets they get that notice. He will move in very quickly. There is nothing to prevent a shareholder from taking action to challenge the authority to grant the appointment of the inspector because there are not sufficient grounds, or any such reasons as that.

There is a provision in the bill that will be struck out, under which, if you were required to file a document by a certain date, then each day after that date on which you did not make a filing—it might be 30 days later when the filing is made—constitutes another offence. The penalty for the offence under the bill is a fine of $5,000 or, alternatively, imprisonment, for not filing that document or report on the specified date, so the judge would be able to levy a fine of any amount up to 30 times $5,000, which would be $150,000. That seems pretty heavy going for an offence of that kind. We could not see the purpose of making the offence a continuing one. If the offence has been committed, it is not a matter of life or death; it is a matter of commercial practice, and under this bill the directors would have other ways of dealing with the failure to file in the proper time.

We did deal with reorganization, which I think is important, and I should like, if I may, to take a minute to tell you about it. In the present Canada Corporations Act there are provisions concerning the reorganization of companies which are not extended into this bill. The kind of provision I refer to is where two corporations may get together and enter into an agreement, which might provide for an exchange of shares by company A for shares in company B. Under the present law, if three-quarters of the shareholders approve, then whether or not the other shareholders or minority interests want to enter into the deal they are compulsorily in the deal. We looked at this for a long time. We discussed it with the departmental officers, and we agreed with their view, which seemed quite reasonable, that there would have to be a complete review of this bill in order to be sure that validating that kind of procedure in the bill in its present form might not create more harm than the effect conferred by adopting this suggested procedure. All we did was to make a comment at the end of our report. We said:

> Concern has been expressed that the failure to include reorganization provisions of the type contained in the Canada Corporations Act and in various provincial corporations acts, will result in preventing certain reasonable types of business reorganizations from

being accomplished under this Act. The Ministry of Consumer and Corporate Affairs points out that many of the business reorganizations of the type referred to have related to bankruptcy or insolvency situations and that these will be dealt with in a new federal bankruptcy act to be introduced shortly.

We made a note of that. The department agreed they would work on this matter and review it. We felt that their explanation was reasonable, because in certain transactions where the majority is overruling the minority, under the bill the shareholder who dissents has a right to express his dissent and then demand from the company that they buy his shares. A compulsory method of putting through a plan for the exchange of shares would make a mess of some provisions of the bill, so we decided that that is also something they can mark on their calendar for a future date.

There are other points, but I think what I have said is sufficient to indicate the reasons for the amendments, which are about ten in number, three or four of which deal with strict liability.

I must say that at every step we took we worked with the departmental officers. Every time we indicated we could support a particular clause, there was full discussion with them; there was full discussion between them and our counsel. When we had completed our study of the bill we furnished them with a list of our proposals, indicating the route of amendment we were going to take.

The parliamentary secretary was present at some of our hearings, as was the senior man of the team from the department, Mr. Howard, the Assistant Deputy Minister in the Department of Consumer and Corporate Affairs. They were given the opportunity to raise any question they wished. One thing they did say was that they did not disapprove of any particular change we were proposing. They were agreeable to the changes, they thought they were needed, but they did say, "We would prefer you to give us the opportunity to bring them in when a new bill comes forward next year rather than doing it in this bill." They thought they might run into some controversy in the other place, which might delay passage of the bill.

At one stage I was tempted to tell them, and did, that five years ago we had the bankruptcy bill before us, in which we inserted a provision providing for solicitor and client privilege, which was strenuously objected to by the then minister. The then minister appeared before us a number of times and gave reasonably valid reasons why that provision might at that time prove very embarrassing to their investigations. However, he did undertake that the following year there would be a new bankruptcy bill introduced, and that the provision we wanted to insert at that time would be inserted in that later bill. Five years have passed, and the other day we were told by representatives of the Department of Consumer and Corporate Affairs that a new bankruptcy bill has been almost fully drafted, and that we might expect it to come before us in the next couple of months. With the precedent we have, the answer the chairman made to them was not "We love you less," but "We think these amendments are necessary now when we are sure they can be made."

There are instances where an undertaking has been given to amend a bill at the next session of Parliament in

[Senator Hayden.]

the way we suggest, and where there was substantial and material benefit flowing to the general public. We did not think that in this bill there was that kind of material benefit, and I told them that by using the words "material benefit" I meant a money benefit or a refund that would make us move quickly for the benefit of the public.

I must commend the officers who appeared before the committee. They are most capable. They understood our position; they understood the bill. We tried to be helpful, and they tried to be helpful. I would say the amendments that we have proposed are amendments with which they concurred, and the only difference, as to whether we would report this bill with or without amendments, was in the time factor.

• (1500)

We could not report it without amendment in any event, because there is an amendment proposed at page 206 of the bill, amending a reference in the schedule to the National Energy Board Act. The bill defines "company" in a particular way, as a body corporate to which a certificate has been issued.

Two companies appeared before us who were also in touch with the department. We had before us the Canadian Arctic Gas Pipeline Limited and the Foothills Pipe Lines Limited. Their representatives said that both companies had been incorporated under the provisions of the National Energy Board Act. They said that when they wish to begin constructing a pipeline—and they were referring to the Mackenzie Valley area—they will have to apply to the board under section 27 and section 28 of the National Energy Board Act. They said they had to apply for a certificate of necessity and convenience in order to proceed, but that with the definition of "company," which it is being proposed to put in Bill C-29, they would be precluded from making the application. And yet their application is now pending before the National Energy Board. They pleaded with us to put them in a position where they could go ahead with their application and obtain their certificate so that they could start construction work.

Our counsel, in conference with the chairman and others, settled on a form of amendment. By a strange coincidence, the form of amendment was exactly the same as that proposed by the department. We were in agreement as to the change that was needed. The parties appeared before us and the position of Mr. Cafik, who is a parliamentary secretary, and Mr. Howard, and I presume others that they talked to, was that this amendment must be made. It was felt that we could not afford to let this bill pass without making that amendment.

In any event, therefore, the bill was going to be reported with some amendment. So we made that amendment and we relieved a most awkward situation. We then decided that now is the time to put in these other amendments.

For example, can you imagine anything worse than the situation in which it is stipulated that a quorum of the directors must consist of the resident Canadian directors, and that a meeting cannot be constituted and held without a majority of the resident Canadian directors being present?

There is policy behind that, and I am not criticizing that policy at all. But the moment you do that, then, if by reason of death, unavoidable absence or strike, for instance, one resident Canadian director is unable to attend a meeting in which important business must be discussed, the meeting cannot be held. We just thought that was going a bit too far, and we could not be a party to a proposal that would have the effect of setting up a situation in which you could not hold a directors' meeting to deal with important business.

We moved on from that point to consider the other clauses which are relieving, and are for the protection of the shareholders and the corporations. They work no harm, and that was acknowledged by the officials who were before us. So we felt that the amendments were justified. We feel that they have to be made at this time, because otherwise we would live in expectation and hope, and who knows what may develop in a year. We felt the time to do it is now, and that is why we have done it.

On motion of Senator Flynn, debate adjourned.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Williams be substituted for that of the Honourable Senator Heath on the list of senators serving on the Special Joint Committee on Immigration Policy; and

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

Motion agreed to.

## EUROPEAN ECONOMIC COMMUNITY

CANADA'S CLAIM FOR COMPENSATION—QUESTIONS ANSWERED

**Senator Perrault:** Honourable senators, on February 27, and again yesterday, Senator Grosart directed questions to me with respect to Canada's claim for compensation following the entry of Great Britain and other countries into the European Economic Community. I am pleased to be able to provide some answers this afternoon.

Negotiations leading to these agreements arose out of the accession of Britain, Ireland and Denmark to the EEC, as honourable senators know. The purpose of the negotiations, under Article XXIV:6 of the General Agreement on Tariffs and Trade, better known as GATT, was to agree on a package of trade concessions to compensate Canada for the loss or impairment of certain of Canada's GATT rights to previously negotiated tariff rates in Britain, Denmark and Ireland. These rates were in effect when these countries adopted the Common Market's tariff and other import regulations, including the Common Agricultural Policy.

The negotiations, which began in Geneva more than two years ago, involved a number of other countries in addition to Canada. Most of these countries, including the U.S.A., Japan, Australia and New Zealand, completed their negotiations in July 1974 on the basis of a global offer of trade concessions by the European Community. Although recognizing that the global offer contained a number of concessions of interest to Canada it did not, in the Canadian view, adequately safeguard our rights on wheat and barley or provide adequate terms of access for cheddar cheese. These issues have now been satisfactorily resolved.

The earlier offer of the Common Market included concessions on some 30 products of which the main ones of interest to Canada were woodpulp, newsprint, kraft papers, coniferous plywood, and canned and frozen salmon.

An important part of the Article XXIV:6 package is a special agreement on Canadian aged Cheddar cheese, a product which I am sure is regarded with enthusiasm by all members of this house. It will mean a major reduction in the levy charged on this product, which should make it possible for us to resume our traditional exports of it to Britain. Together these concessions cover more than one-quarter of a billion dollars worth of exports to the enlarged European Community.

With respect to wheat and barley, it was agreed that both sides would continue discussions with a view to finding, through international negotiations, agreed solutions to problems of international trade in cereals. The question of liberalizing trade in these products has been identified as one to be pursued further in the multilateral trade negotiations which started in Geneva. In the meantime, Canada's GATT rights on these products will be preserved intact, to be invoked if necessary at a later date.

● (1510)

It is the view of the government that the settlement finally reached as a result of these very long and difficult negotiations was essentially a good settlement for Canada. It represents a fair and, the government believes, a reasonable balance of trade concessions with our second largest trading partner. It will provide a major positive element in our objective of developing better trade and economic relations with the European Community, which is, of course, one of the principal reasons for the Right Honourable the Prime Minister's recent visit to five Common Market countries.

While I have the opportunity, honourable senators, may I say that preparatory to the Easter recess a meeting of chairmen of special, joint and standing committees will be held in room 279-S after the house adjourns this afternoon. Leaders are invited to attend this meeting, as well as whips and deputy leaders, to discuss the scheduling of house activities between now and the recess.

## INTERNATIONAL WOMEN'S YEAR

DEBATE ADJOURNED

**Hon. Josie D. Quart** rose pursuant to notice:

That she will call the attention of the Senate to International Women's Year.

She said: Honourable senators, the Senate of Canada got off to a good start for International Women's Year, and can take pride in the fact that we have a woman, notre élégante sénateur Renaude Lapointe, as Speaker of this honourable chamber. Why Not? Pourquoi pas?

[*Translation*]

Madam Speaker presides over the debates of the Senate with dignity and charm. She is totally impartial and very indulgent.

[*English*]

I am sure our male colleagues of the Senate cannot complain of discrimination because of their sex, and it is indeed comforting for our women senators to have a friend at court. Also, congratulations are in order to the Governor General, His Excellency Jules Léger, for appointing the first woman honorary aide-de-camp, Colonel Mary Vallance, of Ottawa.

Honourable senators, the United Nations has declared 1975 to be International Women's Year, and has awarded it an extremely generous budget. The resolution proclaiming International Women's Year was adopted by the United Nations General Assembly on December 18, 1972.

The aims of International Women's Year are indeed excellent:

> To promote equality between men and women; to integrate women into the total social and economic development effort of nations; and to recognize women's increasing contribution to strengthening world peace.

In theory, that sounds great, but the fact is that the United Nations should practise what it preaches. The United Nations is still a man's world. One ardent feminist on the staff of the United Nations labels 1975 "the year that will commit the United Nations to its hypocrisies." For the bare facts show that the 29-year old United Nations has been guilty of scandalous disregard of women's rights all these years by violating Article 8 of the Charter of the United Nations, which states:

> The United Nations shall place no restrictions on the eligibility of men and women to participate in any capacity and under conditions of equality in its principal and subsidiary organs.

In 1972 the United Nations Secretary General appointed Mrs. Helvi Sipila, a lawyer from Finland, as the United Nations' first and only woman assistant secretary general, with 29 male colleagues. Also, of the United Nations professional staff of over 3,000 people less than 20 per cent are women. At the director level there are eight women compared to more than 200 men, and again only 40 per cent of the permanent missions there have even one woman diplomat in their set-up. I could cite many other instances of discrimination.

It is obvious that the United Nations needs some prodding to set its own house in order, and to change its policy of "Don't do as I do, but do as I say." Women will, therefore, watch with interest the United Nations Conference in Mexico City from June 26 to July 4 as a barometer. That will be the highlight of International Women's Year. Margaret Bruce of the United Nations International Women's Year secretariat is directing this event, and she predicts that the conference in Mexico City will make history.

What about Canada's commitments for International Women's Year, apart from the battle of the buttons? I will come to "Why Not?" and "Pourquoi Pas?" later. However, in justice to the Honourable Marc Lalonde, the minister responsible for Canada's contribution to International Women's Year, there is no lack of publicity in an attempt to eradicate discrimination against women. He has appointed a small army of women to various posts in his department to help achieve these objectives. There is quite an impressive program of legislation before Parliament, but Mr. Lalonde admits:

> Legislation alone is not enough if women are to have true equality of opportunity. There must be a change in the way society sees the roles of men and women. Our society has still a long way to go in recognizing the equality of the sexes, in fact as in law.

Last September, in Ottawa, delegates from 32 countries attended a seminar sponsored by the United Nations to study ways and means to end discrimination against women. Mrs. Helvi Sipila, the United Nations Assistant Secretary General for social development, who attended the conference, is quoted as saying:

> Each country must develop its own methods of giving women equality, taking into account its own socio-economic, historical and cultural background.

Now, honourable senators, what about the Royal Commission on the Status of Women, which began in 1968 to elevate the status of Canadian women? It has a dismal record which shows that the royal commission spent too much time—four years—and spent too much money—nearly $2 million—ending with 167 recommendations. To date only 44 of these recommendations have been implemented by the government. This certainly is not a cause for rejoicing. Since then, in 1973, the government has set up a special task force, and an advisory council of 30 women. Also, an interdepartmental co-ordinating committee was formed. Apart from these committees the government provided funds to women's organizations throughout Canada for special projects. Then, for Canada's participation in International Women's Year, there is a five million dollar program, and the government's additional programs include four major regional conferences costing approximately $175,000 each.

● (1520)

I agree with Doris Anderson, editor of *Chatelaine* magazine when she said, "Canadian women have been conferenced to death." And at what price glory!

But after all this window dressing and catering to women, did not a private member's bill about the beaver receive priority recently in the House of Commons over bills dealing with equality of women? Is the government's attitude "Why Not?" Honourable senators, the beaver does not even have a vote, but I am going to vote for that bill.

I come now to the buttons: "Why Not?" "Pourquoi pas?" The minister defends the choice of the buttons, claiming that:

> A change in the status of women in Canada today requires a special thrust to broaden the base of awareness and support for equality in the minds of all Canadians—women and men. That is why the campaign was conceived. The slogan "Why Not?" refers to equality, and the female biological symbol is part of the phrase—a phrase which refers to our attitudes. The button "Why Not?" is the tool for this. It is a question, a challenge, a legitimate and natural

response—to be used when women and men will not accept those unstated attitudes as barriers to equality in their lives.

Honourable senators, it is unfortunate that the minister did not consult with the women parliamentarians, senators and members of the House of Commons, before adopting the "Why Not?" "Pourquoi pas?" buttons. If it was publicity the minister wanted when he launched the "Why Not?" button, he certainly has achieved his purpose.

Two women Liberal members of Parliament lost no time in telling Mr. Lalonde "why not", and are fearlessly campaigning against the button. Mrs. Simma Holt objects to peddling the button to help liberate Canadian women—and in hardly polite parliamentary language she said:

> "It's bloody degrading, and Mr. Lalonde had been misled into endorsing the button by his office force of surrogate wives."

Her description of Mr. Lalonde's personnel sounds somewhat like the description of a harem.

Mrs. Iona Campagnolo from British Columbia, another Liberal member of Parliament, declared, "I consider it to be sexist in tone." Well, honourable senators, that statement did it! Now more men than women want the buttons as souvenirs—or perhaps it is to tease their female employees! That's my opinion, as I have had many more requests for buttons from men than from women.

**Senator Langlois:** Why not?

**Senator Quart:** Pourquoi pas? Perhaps the buttons "Why Not?", "Pourquoi pas?" will be a success despite criticism. These buttons have certainly made mileage. I quote Andrew Brewin of the NDP regarding criticism of the "Why Not?" button because of the suggestion that it has some sexist connotation:

> My answer to this would be in the words of Edward III of England, who said on a similar occasion in the year 1348 "Honi soit qui mal y pense."

With all this free publicity, why should the government continue to spend the taxpayer's money on full-page advertisements sponsored by the Minister of National Health and Welfare, stating:

> During International Women's Year women should tell ourselves and those around us that women will no longer settle for a secondary role in society.

These advertisements urge women to stand up to male prejudice and when they are told they can't be promoted, to ask, "Why Not?"—"Pourquoi pas?"

I read in the *Gazette* recently a "Why Not?" article in connection with the postal strike—Mr. Mackasey kindly take note—which contained this sentence: "Why not have women as posties, then there would be no more 'male' strikes!"

Honourable senators, you may have heard that a 'jolie Québecoise', a chanteuse par excellence, Mademoiselle Jacqueline Lemay, was commissioned by the United Nations to compose a "song of equality" for International Women's Year, and—imagine this—to compose the music and words within 24 hours. The song would then be used for the United Nations' musical theme for International Women's Year. She delivered the goods within 24 hours, and the song was recorded with Jacqueline Lemay's golden voice singing the song for equality. These are the words:

> Half the world is woman
> Even now does she really know
> That she has the right to live
> And love her way.
> That her burden is light,
> And she has nothing to pay.
> In the troubles of today,
> She will show the way
> Half the world is woman.

What a relief it is to know that there is no bitterness or complaint about discrimination or male chauvinism in her song—merely simple optimism that in the troubles of today, women will show the way. Perhaps this mild, non-aggressive approach will succeed with men while the militant women's liberation tactics will further antagonize the men and women who disagree with their methods, and their thinly disguised hostility to men.

Let us then during International Women's Year call a truce in the battle of the sexes since, to use an old cliché, that's a battle that neither side can win for there is so much delightful fraternizing with the enemy. Let us not spend this year repeating over and over old grievances like a broken record. It will hurt rather than help our cause. Let us get on with our job and profit from the new opportunities open to women, and then prove our worth. Let us stop acting like victims of male chauvinism and admit in the name of honesty that in many cases, due to family responsibilities, wives and mothers cannot follow a career or accept promotions that would disrupt their family life. Married women who work always have double priorities. Single women and widows, however, are as free as the air to follow a career in the professional or business world.

This year let us ask men—and perhaps some women—to root out any underhand discrimination which prevents many women from making headway in their chosen careers. For despite rapid strides in the last decade there is still much to be accomplished. Women in politics or in top executive posts are still a novelty—Exhibit A. So when our laws have eventually eradicated all discrimination of any kind against any of the peoples in our society, then, and only then, will International Women's Year or any future year be a complete success.

Honourable senators, I conclude in a light vein. Women "libbers" claim that textbooks should be pruned of prejudice concerning girls and boys, that even in fairy tales girls are playing second fiddle to boys. That has annoyed boys, and inspired one youngster to deliver a protest speech at a school public-speaking contest. I, for one, approve of his motion of protest, and shall read his speech:

> There is a song that goes like this:
>
> What are little girls made of?
>
> Sugar and spice, and everything nice,
>
> That's what little girls are made of.
>
> Who wants to be full of sugar and spice?

I'd much prefer to be full of steak and apple pie.

● (1530)

And, gentlemen, have you ever heard the second verse of this song? It goes like this:

What are little boys made of?

Snips and snails and puppydogs' tails,

That's what little boys are made of.

Of course, we all know it was a girl who made that up!

Well, in the name of boys all over the world, I would like to ask the composer of that song a few questions:

When her confection of sugar and spice sees a mouse, who has to kill it?

When "everything nice" can't open the cover on a jar, who gives it a little twist and it opens? Did you ever see a girl make a forward tackle on a football field? Is there a girl anywhere who could get in the ring and beat Cassius Clay? When Yvan Cournoyer or Bobby Hull score, are the girls cheering for a puppydog's tail?

When the Beatles sing, are they squealing for a bunch of snips and snails?

Where would they be without our spare rib?

We boys must stick together and stop the girls from taking over our jobs or there won't be any use for us any more.

Let us put an end to songs like this or, better still, let us make our own version.

In all humility, ladies and gentlemen,

I would suggest the following:

What are little boys made of?

Muscles and brain,

And everything sane;

That's what little boys are made of!

If you don't believe me, just ask my best friend:

My Mother.

On motion of Senator Fergusson, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

## APPENDIX

(*See p. 663.*)

### COMPETITION POLICY

INTERIM REPORT OF THE STANDING SENATE COMMITTEE ON BANKING, TRADE AND COMMERCE

INTRODUCTION

On October 16, 1974, the following order of reference was made by the Senate:

> "That the Standing Senate Committee on Banking, Trade and Commerce be authorized to examine and report upon any bill relating to competition in Canada or to the Combines Investigation Act, in advance of the said bill coming before the Senate, or any matter relating thereto;
>
> 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; and
>
> That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee."

Pursuant to a similar order made in the preceding session, your Committee held three meetings prior to the dissolution of Parliament on May 9, 1974 for the purpose of considering Bill C-7 entitled "An Act to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code", which received first reading in the House of Commons on March 11, 1974.

In the present session, Bill C-2, having the same title and which is in exactly the same form as Bill C-7, received second reading and reference to Committee in the House of Commons on October 28, 1974.

Attached hereto as Schedule "A" is a complete list of briefs considered by your Committee in connection with the subject matter. Your Committee has held a total of 14 meetings to date in the present session.

MINISTER'S PROPOSED AMENDMENTS

On December 3, 1974, the Hon. André Ouellet, Minister of Consumer and Corporate Affairs, tabled in the Commons Committee on Finance, Trade and Economic Affairs a series of proposed amendments and comments thereon to Bill C-2. The table of contents accompanying such amendments is reproduced as follows:

| | | |
|---|---|---|
| Subclause 1(1) | Section 2 | Definition |
| Clause 2 | Section 4 | Collective Bargaining |
| Clause 2 | Section 4.1 | Underwriting of Securities |
| Clause 2 | Section 4.2 | Amateur Sport |
| Clause 9 | Section 27 | Proceedings before Commission |
| Clause 10 | Section 29 | Intellectual Property |
| Clause 12 | Section 31.2 | Refusal to Deal |
| Clause 12 | Section 31.3 | Consignment Selling |
| Clause 12 | Section 31.4 | Exclusive dealing, market restriction, etc. |
| Clause 12 | Section 31.5 | Foreign Judgment |
| Clause 12 | Section 31.6 | Foreign Laws |
| Subclause 14(3) | Section 32 | Combination in restraint of trade |
| Clause 15 | Section 32.2 | Bid-rigging |
| Clause 15 | Section 32.3 | Professional Sport |
| Subclause 16(1) | Section 34 | Price Discrimination |
| Subclause 16(2) | Sub-section 34(3) | Cooperatives |
| Subclause 18(1) | Section 36 | Misleading Advertising |
| Subclause 18(1) | Section 36(2) (d) | Misleading Advertising |
| Subclause 18(1) | Section 36(4) | Misleading Warranty or Guarantee |
| Subclause 18(1) | Section 36.1(1) | Tests and Testimonials |
| Subsection 18(1) | Section 36(2) | Double Ticketing |
| Subclause 18(1) | Section 36.3 | Pyramid Selling |
| Subclause 18(1) | Section 36.4 | Referral Selling |
| Subclause 18(1) | Section 37.1 | Sales above Advertised Price |
| Subclause 18(1) | Section 37(2) | Bait-and-Switch Selling |
| Subclause 18(1) | Section 37(3) | Bait-and-Switch Selling |
| Subclause 18(1) | Section 37.2(1) | Promotional Contests |
| Subclause 18(1) | Section 38 | Price Maintenance |
| Clause 19 | Section 44 | Procedure |
| Clause 22 | Section 45.3 | Statistical Evidence |

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Your Committee's study of these proposed amendments indicates that a reasonable attempt has been made to meet many of the criticisms of the proposed legislation which were indicated in various submissions.

The Minister has indicated that he may propose further amendments in connection with new section 31.6, which deals with foreign laws and directives in their effect on business in Canada.

With respect to the following amendments proposed by the Minister, your Committee either has no comment or is of the opinion that they are satisfactory and that no further changes to the sections to which they relate are required:

Definition (tickets evidencing a right to transportation included in definition of article)
Collective Bargaining
Underwriting of Securities
Proceedings before Commission
Intellectual Property
Foreign Judgment
Foreign Laws
Combination in restraint of trade
Price Discrimination
Cooperatives
Misleading Warranty or Guarantee
Tests and Testimonials
Double Ticketing
Pyramid Selling
Referral Selling
Sales above Advertised Price
Bait-and-Switch Selling
Promotional Contests
Statistical Evidence

It will be seen that the above list comprises over half of the Minister's proposed amendments. In the case of most of those not included in the above list, your Committee considers that the proposed amendments, as far as they go, are satisfactory, but that redrafting or major changes for other reasons may be required in the sections to which they relate. Those proposed amendments of the Minister will therefore be commented on hereunder in the context of your Committee's own observations on the sections.

REGULATED TRADES, INDUSTRIES AND PROFESSIONS

Bill C-2 would extend application of the Act to services. Because certain activities of the professions and service industries have been regulated by provincial law for many years, conflicts would undoubtedly arise where activities contemplated by provincial law nevertheless appear to constitute an offence under the amendments to the Act.

The same problem has of course arisen in the past with respect to the activities of trades and industries (in relation to their dealings with articles) which were regulated under provincial law and the courts have held that what might otherwise have constituted an offence under the Act could not be so considered where the activity was regulated by provincial law. Apparently relying on this line of cases, no specific exclusion of regulated service industries from the application of the Act has been proposed in the Bill C-2 amendments. The Department of Consumer and Corporate Affairs explanatory booklet says at page 27:

> "Services such as telephone and other forms of communication, electrical power and the *professions* would continue to be immune from the legislation to the extent that their activities were regulated or were expressly authorized by law. This immunity is not stated in the Bill, but stems from judicial interpretation.
>
> "The leading case in this connection was *In Re The Farm Products Marketing Act,* where the Supreme Court of Canada in 1957 held that regulatory schemes based on valid legislation could not be held to be 'to the detriment or against the interests of the public' as the then Combines Investigation Act put it, nor could they be schemes to unduly limit or prevent competition, within the meaning of the then section 411 of the Criminal Code."

Your Committee considers that it would be consistent with the law reform movement to embody the effect of these judicial decisions in the Act, the more so because failure to do so might lead a court to conclude that it was Parliament's intention to override them with respect to activities to which application of the Act was extended subsequently.

Concern was also expressed by the professions as to the possible effect on them of new Part IV.1 of the Act. In view of the special relationship of mutual confidence and trust which must exist between professional and client, your Committee considers that it would be inappropriate that a professional be forced to provide services to anyone. Also, for very good reasons, a professional entrusted with a mandate on behalf of a client may be directed by that client or he may feel himself that he must not act for other clients in the same line of business. Other matters dealt with in Part IV.1, i.e., consignment selling, market restriction, foreign judgments and foreign laws and directives, would appear inapplicable to professional services in any event. Your Committee therefore considers that there should be an amendment clarifying that Part IV.1 would not apply to the provision of professional services.

Neither of the amendments recommended by your Committee would leave the professions or service industries free to fix the fees for their services (or trades or industries to fix prices) or to do anything else prohibited by the Act other than as might be permitted by another law.

EXEMPTION FOR AFFILIATES

The Act as it stands does not specifically exempt arrangements or practices between affiliated companies

from the offences created therein although it could probably be argued successfully that the Act was not intended to apply in such circumstances.

Bill C-2 would add a new subsection 38(2) providing that the resale price maintenance provisions (which have themselves been amended by the Bill) would not apply between affiliated companies and a new subsection (7) defining the circumstances in which a company is affiliated with another for the purposes of subsection (2).

Similarly, with respect to the proposed new jurisdiction of the Commission to review exclusive dealing, market restriction and tied selling practices contained in new section 31.4, it is provided in subsection (4) that no order of the Commission applies in respect of such practices between affiliates. Subsection (5) contains exactly the same definition of affiliates as new subsection 38(7).

Your Committee welcomes the inclusion of these specific statutory exemptions. However, the fact that they are provided only with respect to certain offences and reviewable practices raises an implication that they are not intended to apply with respect to others.

The purpose of the legislation is to prohibit in the public interest unlawful arrangements between parties from whom the benefits of independent action should be expected. Since there is no reason to expect affiliated companies, which by definition have common control, to act independently, it follows that arrangements of practices between them should not be prohibited any more than those between departments of a single company. If a group of affiliates is so large that their common practices have an anti-competitive effect on the market, the monopoly provisions of the Act provide the remedy.

Your Committee therefore recommends (1) that new provisions be inserted exempting arrangements or practices between affiliates from the conspiracy provisions (section 32), the proposed new bid-rigging provisions (new section 32.2) and the price discrimination provisions (sections 34 and 35) and (2) that the definition of affiliates proposed in new subsections 31.4(5) and 38(7) be included in the definition section of the Act (section 2).

CONSTITUTIONAL

Several of the new provisions which Bill C-2 would enact may rest on questionable constitutional ground. Reference is made particularly (1) to the provision (new s. 31.1) which would give to a person who has suffered loss or damage a civil right of action to recover damages for breach of any of the statutory offences under the Act or for failure to comply with an order of the Commission and (2) to the "civil jurisdiction" (new Part IV.1) given to the Commission which, in effect, enables it to look into a specific set of facts under very broad legal criteria and make an order affecting one or more named suppliers.

Speaking of the civil damages provision, the explanatory booklet "Proposals for a New Competition Policy for Canada" published by the Department of Consumer and Corporate Affairs says as follows at p. 67:—

> "While the constitutionality of new section 31.1 may be challenged as relating to property and civil rights or matters of a local or private nature which, under section 92 of the B.N.A. Act, are within provincial rather than federal, jurisdiction, it is nevertheless hoped that the section will be upheld* as a matter ancillary to the criminal law, or relating to trade and commerce, and therefore within federal jurisdiction under section 91 of that Act."

Federal combines legislation to date has largely been upheld constitutionally on the basis of Parliament's criminal law power. Can the creation of a civil right of action be said to be ancillary to such powers? Can an order of an administrative tribunal which does not affect the entire population or even a particular class thereof but perhaps only one supplier be said to be a criminal law or is it the regulation of a trade, possibly within a province?

In cases such as the *Board of Commerce* case, 1922 1 A.C. 191 in which the Privy Council considered legislation not unlike Bill C-2, a court would find precedents for holding the above-mentioned provisions *ultra vires*. However, judicial interpretation of the Constitution is an evolving process and it is impossible to predict with any certainty what view of the legislation might be taken today by our highest court. Earlier cases can always be "distinguished" or "explained" as was done in respect of the *Board of Commerce* case decision in the *Proprietary Articles Trade Association* case, 1931 A.C. 310, where the constitutional validity of the predecessor of the present *Combines Investigation Act* was in issue and in *Goodyear Tire & Rubber Co. v. The Queen* 1956 S.C.R. 303 where it was held that the provision of the *Combines Investigation Act* empowering a court to prohibit the continuation or repetition of an offence by injunction was a legitimate exercise of Parliament's powers ancillary to criminal law.

Parliament cannot be expected to refrain indefinitely from legislating in constitutionally grey areas on the chance that legislation may be declared *ultra vires*. On the other hand, it is unfair to citizens to expect them to reorganize their affairs both to comply with and to take advantage of provisions of legislation which may be ultimately declared invalid.

The solution to these difficulties in the present case, in your Committee's opinion, is to provide that section 31.1 and Part IV.1 of the Act shall not be proclaimed into force until such time as the Supreme Court of Canada has had an opportunity to render its opinion on the constitutionality thereof pursuant to a reference to the Court by the Governor in Council and then only to the extent they have been upheld as valid.

CIVIL DAMAGES (new section 31.1)

The Bill would provide that a person aggrieved by a breach of the provisions of the Act by another person would have a right of action in the civil courts for the damages suffered as a result of such breach. While the position may be different under the civil law of Quebec, the leading jurisprudence under the common law leaves considerable doubt as to whether a party has such a right of action on the theory that the only sanctions intended are

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*In a later edition of the booklet, this phrase was changed to read "it is considered that the section is supportable".

those provided in the Act itself, namely, fines and imprisonment. Thus, for the common law provinces at least, a statutorily created right would be required in order to ensure the right to claim damages.

Your Committee sees no reason why someone who is guilty of an offence under the Act should not be required to make full compensation to all those who have suffered thereby. However, in your Committee's opinion, the civil right to damages would be on firmer constitutional ground if it were limited to those cases in which there had been a conviction under the Act. The recommendation of your Committee accordingly is that the Bill be so amended and, as stated above, that the constitutionality of the provision be referred to the Supreme Court of Canada.

The Bill provides that the aggrieved party may recover "an amount equal to the loss or damage proved to have been suffered by him". Your Committee recommends that this should be clarified to ensure that only those damages which are the direct result of the acts complained of can be recovered. This would appear consistent with the ordinary rules relating to damage claims under provincial law and your Committee considers that there is no need to deviate from such rules in the present matter.

Subsection 31.1(2) provides that, in any civil action, the record of proceedings in any court in which the defendant was convicted of an offence under the Act is, in the absence of any evidence to the contrary, proof that he engaged in the conduct complained of for purposes of the civil action. The subsection goes on to provide that any evidence given in the criminal proceedings as to the effect of such conduct on the plaintiff in the civil action is evidence thereof in the civil action.

It is not clear what is meant by "record of proceedings". If this is to include transcripts of evidence given in the criminal proceedings and exhibits filed therein, confusion and injustice would result, in your Committee's opinion, in the conduct of the civil case.

Your Committee considers therefore that this provision should be amended to make it clear that "record of proceedings" is not to include transcripts of testimony given or documents or other exhibits produced in the criminal proceedings.

The foregoing suggested amendments of your Committee would require consequential amendments to proposed subsection (3).

PRACTICES REVIEWABLE BY THE COMMISSION (NEW PART IV.1)

Bill C-2 proposes a new concept in the supervision of certain trade practices only considered undesirable in certain circumstances. Under the Act as it stands, the sole approach is the creation of criminal offences. Charges are laid against the accused in the ordinary courts and the accused may be acquitted or convicted. If convicted, he is subject to the usual criminal penalties and to an injunction with respect to repetition or continuation of certain conduct.

Under the reviewable practices jurisdiction, the Commission would be empowered to make specially tailored orders affecting particular suppliers and customers, breach of which would constitute a criminal offence; i.e., the supplier would not be punished for practices ante-dating the order.

Your Committee in a previous section of this report has expressed doubts concerning the constitutionality of this proposed new jurisdiction of the Commission and made a recommendation that the question be referred to the Supreme Court of Canada. Even if this new jurisdiction is found to be constitutional in whole or in part, your Committee has further concerns as to its desirability. While it agrees that the more flexible environment for settling questions affecting competition policy which the proposed powers of the Commission would provide may be more desirable than the criminal law approach, its concern is with the selection of subject matters for review proposed by the Bill. For example, it may be that certain aspects of what are now covered by the price discrimination sections of the Act (sections 34 and 35) or the resale price maintenance provisions (section 38) could be more suitably dealt with as reviewable practices than as *per se* offences.

Your Committee particularly questions the desirability of the "refusal to deal" provisions. Your Committee is concerned that the proposed new provisions are more likely to be invoked, not in the interests of the consumer, but in those of businesses that are in or, worse still, new businesses that simply wish to get into the distribution segment of the economy.

In case there may be circumstances where an order is warranted, your Committee considers that its concerns can be overcome by amendments which would have the effect of raising the threshold of intervention by the Commission, setting out more detailed guidelines as to the circumstances in which the Commission may make an order and providing for a more substantive right of appeal from decisions of the Commission than would be afforded by the rudimentary jurisdiction contained in section 28 of the *Federal Court Act*.

It has been suggested that the right of appeal from orders of the Commission should not be any more extensive than rights of appeal from decisions of other federal boards or tribunals. Your Committee points out, however, that in the case of several federal boards the Cabinet may exercise review powers on questions of fact or policy. Moreover, most of the parties affected by these tribunals have long since become accustomed to carrying on their activities in an atmosphere of heavy regulation.

In contrast to this, new Part IV.1 of the Act would put under the possibility of extensive regulation long established business practices which have developed in accordance with the realities of a relatively free market. The sudden impact of an order by the Commission which may drastically change the manner in which certain business activities must be carried out could have adverse effects not only on that business but on the economy as a whole. For this reason, your Committee does not share the view that it would be inconsistent with the existing practices in respect of other tribunals to provide a more viable right of appeal to the courts from orders of the Commission.

With the foregoing considerations in mind, your Committee makes the following recommendations for amendment to the proposed provisions of new Part IV.1:

1. Your Committee concurs with the Minister's proposed amendment to various sections whereby it would be made clear that no findings could be made by the Commission until after it had heard the parties against whom an order is sought. However, in the same vein, your Committee considers that the provisions should provide that the Director has the burden of proof in any proceedings before the Commission. In addition, in your Committee's opinion, the words "and after affording every supplier . . . a reasonable opportunity to be heard" are not a sufficient safeguard of the suppliers' rights. Further provisions should be added to make the Commission a court of record and "for greater certainty" clarifying the suppliers' right to cross-examine witnesses produced by the Director and to call witnesses and produce documents on his own behalf in answer to any evidence made by the Director.

2. Your Committee considers that mere insufficiency of competition as determined by the Commission will result in too low a threshold of intervention and that this should be changed so as to make it clear that the Commission cannot make an order where there is a substantial degree of competition in the market amongst suppliers of the product.

3. To be enforceable, it would appear that an order of the Commission, especially under section 31.2 will have to specify at the least a period during which it is to remain in force. Your Committee considers that the supplier affected thereby should have the right to apply directly to the Commission to have the order repealed, amended or varied in the event that any of the circumstances present at the time the order was made have subsequently changed. While it may be that the Commission has such power without a specific provision in view of subsection 26(4) of the *Interpretation Act*, it would appear that a special provision is required in order to permit the Commission to act on the application of the supplier himself since the original order can only be made on the application of the Director.

4. Sections 31.2, 31.3 and 31.4 provide that the Commission "may" make an order when certain factors have been established by the Director. The use of the permissive "may" implies that, even though the Commission considered that the factors had been established, it could still, in its discretion, refuse to grant an order. Since the thrust of certain recommendations of your Committee is to spell out instances in which the Commission may *not* make an order, your Committee recommends that a provision be inserted clarifying that the Commission retains the freedom to refuse to make an order where it considers for any reason deemed sufficient by it that no order should be made notwithstanding that the basic factors had been established.

5. There has been considerable debate as to whether the Commission should make an order under the refusal to deal provisions with respect to a particular brand name product. The Minister's position on this was clarified by one of his proposed amendments which would provide in effect that failure to obtain supplies of a single brand name product would not constitute grounds for an order under the refusal to deal provisions unless that particular brand name was so dominant in the market that failure to obtain it would substantially affect the ability of a person to carry on his business in that class of articles. While this clarifies the position, in your Committee's opinion it does so in the wrong direction. Your Committee is particularly concerned with the suggestion that a person's business *in that class of articles* is all that needs to be affected. Thus, failure to obtain, e.g., a particular brand of toothpaste by a retailer might result in an order being made (if the other requirements of section 31.2 were met) notwithstanding that the retailer had access to other brands and that toothpaste sales accounted for only a minor part of his total operations. Your Committee therefore recommends that the Minister's proposed subsection 31.2(2) be discarded and that the definition of product in section 2 of the Act be amended as follows:

> "'product' includes an article and a service *and, unless the context shall otherwise require, all articles and services that are functionally competitive therewith or may be reasonably substituted therefor.*"

6. Your Committee agrees with the Minister's proposal to change the word "adversely" to "substantially" in new paragraph 31.2(a). However, your Committee does not consider that the reviewable practices jurisdiction should be available to someone who has never been in business and consequently it recommends the deletion of the words "or is precluded from carrying on business" in that paragraph.

7. One of the requirements that must be met by a person wishing to invoke the refusal to deal provisions is that he be "willing and able to meet the usual trade terms of the supplier . . . in respect of payment, units of purchase and otherwise". In response to criticism that this might not include other reasonable requirements of the supplier, the Minister proposed a new subsection 31.2(3). This proposal represents a substantial improvement, in your Committee's opinion, but still is not sufficiently broad. Your Committee therefore suggests that the new subsection read as follows:

> "For the purposes of this section, the expression 'trade terms' means terms in respect of payment, units of purchase and reasonable technical, servicing and *merchandising* requirements *and otherwise.*"

8. In the provision dealing with exclusive dealing and tied selling, the Minister has proposed an amendment to new subsection 31.4(2) reading as follows:

> ". . . . . because it is engaged in by a major supplier of a product in a market or because it is widespread in a market, is likely to *lessen competition substantially by* (a) *impeding* entry into or expansion of a firm in the market, . . . . . ".

The Comment accompanying this proposal of the Minister indicates that the purpose was to raise the threshold of intervention by the Commission. While your Committee regards this purpose as commendable, it is concerned that the specific drafting technique used may have the reverse effect in that it implies that the mere "impeding" will constitute a substantial lessening of competition. Your Committee suggests the provision be reworded as follows:

> ". . . . . because it is engaged in by a major supplier of a product in a market or because it is widespread in a market, is likely to
>
> (a) impede entry into or expansion of a firm in the market, or

(b) impede introduction of a product into or expansion of sales of a product in the market

with the result that competition is likely to be lessened substantially . . ."

9. An important instrument in the life of the business community is the franchise agreement, e.g., an agreement whereby the supplier permits the customer to use his trade mark or trade name in connection with the customer's business, on condition that certain standards with respect to the operation of such business designed to protect the goodwill associated with the trade mark or trade name are maintained. These arrangements permit a decentralization of economic activity which is in the interests of both the consumers and the small businessman. However, they may necessarily involve some degree of exclusive dealing, tied selling and market restriction practices.

Your Committee recommends that an amendment be made to make it clear that no order under section 31.4 shall apply to such practices where they are carried on in accordance with a franchise agreement as described above.

10. Your Committee recommends that an appeal should lie to the Federal Court of Canada from any order of the Commission on questions of fact or law or both and that the court be empowered to dispose of an appeal by dismissing it or allowing it and vacating the order or referring the matter back to the Commission.

BID-RIGGING (new section 32.2)

Your Committee agrees that these new provisions are desirable but shares the concerns that, because of the manner in which they have been drafted, they may unwittingly prohibit bids by joint ventures and similar groups, the purposes of which may be entirely legitimate and beneficial to the economy.

In recognition of this complaint, the Minister proposed an amendment which would, in effect, except bids by joint ventures from the prohibition provided the agreement or arrangement between the parties thereto was made known to and accepted by the person calling, for the bid before the bid was made.

Your Committee considers that it would be unnecessarily complicated to have to obtain the consent of the person calling for the tenders prior to actual submission of the tender and that the concluding words of subsection (1) should therefore read simply as follows:

"where the agreement or arrangement is not made known to the person calling for or requesting the bids or tenders at or prior to the time any bid or tender is made by any person who is a party to the agreement or arrangement."

AMATEUR AND PROFESSIONAL SPORT

Subsection (1) of proposed new section 32.3 to the Act would make it an offence for anyone to conspire with another person to limit unreasonably opportunities to participate as a player in professional or amateur sport or limit unreasonably the opportunities for anyone to play for the team of his choice. Subsection (2) would direct the court, in a prosecution under subsection (1), to have regard to (a) whether the sport in question was organized on an international basis and whether for that reason it was necessary to accept certain limitations in Canada and (b) the desirability of maintaining a reasonable balance amongst the teams in the same league.

Included in the Minister's proposed amendments is an amendment for the purpose of removing amateur sport from the application of the Act. While your Committee supports this amendment, it is concerned that it may not have the desired effect in view of the restrictive definition which it provides for amateur sport, namely, "sport in which the participants receive no remuneration for their services as participants." Your Committee understands that some amateurs do on occasion receive some compensation or remuneration which should not, nevertheless, qualify them as professionals. It is therefore recommended that the definition found in subsection (2) of new section 4.2 proposed by the Minister should be deleted.

As far as professional sport is concerned, your Committee heard representations from the National Hockey League and from the National Hockey League Players' Association. The League was opposed to inclusion of professional sport in the Act. The Players' Association agreed that the Combines Act was inappropriate legislation to deal with the subject but was content to see the provisions remain until other legislation could be introduced.

The gist of the offences created by the Combines Act, even as amended by Bill C-2, is the prevention of activity which is likely to increase the prices which the public is required to pay for goods and services. Provisions which single out a particular group of individuals with a view to regulating their relationship with their employers therefore represent a new concept in this kind of legislation.

Your Committee is in agreement with the representations made both by the National Hockey League and by the Players' Association to the effect that the criminal approach typical of the *Combines Investigation Act* is an inappropriate way of dealing with problems of this kind that may exist in professional sports. The provisions are framed in such a way that a criminal complaint would be laid against one or more clubs in the league and possibly against the league itself which could result in the imposition of fines or imprisonment. The wide-ranging nature of the inquiry which the court would be required to conduct if the accused invoked one or other of the defences provided by subsection 32.3(2) demonstrates, in your Committee's submission, that attempts to regulate this sphere of activity in what is essentially a criminal law statute are inappropriate.

Your Committee is not aware of any evidence that the matters referred to in proposed new section 32.3 have reached such proportions in Canada that they should be dealt with as criminal law. Civil remedies are available to aggrieved players under the common law doctrine of restraint of trade. The fact that most of the few cases of this kind that there have been in Canada have supported the position of the team or the league as being reasonable merely tends to confirm that this is not a subject matter for criminal law.

Your Committee therefore recommends that both professional sport and amateur sport be exempted from the

purview of the Act. In any event, if the provisions affecting professional sport are to remain, your Committee recommends that such provisions be transferred from that part of the Act dealing with *per se* offences to the "Reviewable Practices" Part of the Act which Bill C-2 would create. It appears to your Committee that the procedure to be followed by the Commission in dealing with matters under that Part of the Act is more suitable than the kind of inquiry which a criminal court judge would be directed to make under the provisions of proposed section 32.3.

MISLEADING REPRESENTATIONS AND ADVERTISING (Section 36)

Your Committee considers that the strengthening of these provisions which would result from the amendments proposed by Bill C-2 is commendable; nevertheless, the provisions are so widely drawn that it is possible that they could catch contractual representations between sophisticated parties whereas the intention surely is to protect the consumer.

Your Committee therefore recommends that new paragraph 36(2)(b) be amended to provide that a representation that is relied on solely in connection with the operation of a business shall not be deemed to be made to the public.

DEFENCE OF DUE DILIGENCE

The Act as amended by the Bill would contain a number of strict liability offences, that is to say, offences in which it is unnecessary for the Crown to establish any guilty intent on the part of the accused. The mere fact that certain things have been done constitutes the elements necessary for conviction.

The briefs submitted to your Committee have been virtually unanimous in recommending that a person should not be convicted of certain offences if he is able to establish that he exercised due diligence to ensure that what was done did not violate the provisions of the Act.

The Toronto *Star* in an editorial on February 14, 1975, speaking of the amendments to the Act proposed by Bill C-2, said as follows:

> ". . . . . They allow too much discretion in some cases and none at all in others.
>
> "In the latter category fall several offences in the amended act which could send a man to jail even though he had no criminal knowledge or intent, and even though he had made every reasonable effort to be sure he was acting legally. In law, such statutory rigidity is called 'strict liability.'
>
> "The House of Commons Finance Committee, which is currently studying the proposed amendments, should remove the strict liability provisions and allow the courts more discretion in deciding whether a businessman was trying to trick the public or whether he himself was duped by someone else."

Your Committee recommends that a new section be added to the Act similar to that contained in Section 25 of the English *Fair Trading Act*, Statutes 1973, Chap. 41, the gist of which would be that in proceedings for certain offences it would be a defence for the person charged to prove that commission of the offence was due to reliance on information supplied or some cause beyond his control and that due diligence to avoid commission of the offence was exercised. Where the accused invokes the defence that he relied on information supplied, he must notify the prosecutor before trial of the name of the person who supplied the information. A newspaper publisher who published a misleading advertisement in good faith would also have a defence.

It is recommended that such new section apply to the offences created in the following sections of the Act as amended:

> Promotional allowances—subsection 35(2)
>
> Misleading advertising and representations—subsection 36(6)
>
> Representations as to reasonable tests and testimonials—subsection 36.1(2)
>
> Double ticketing—subsection 36.2(2)
>
> Sale above advertised price—subsection 37.1(2)
>
> Promotional contests—subsection 37.2(2)
>
> Resale price maintenance—subsection 38(8)

RESALE PRICE MAINTENANCE (Section 38)

Subsection 38(3) of the Act provides in effect that where a supplier has been supplying a customer and subsequently refuses to supply him because the customer refuses to sell or has resold goods at a price lower than that specified by the supplier, the supplier is guilty of an offence. This offence would be retained under the Bill in new paragraph 38(1)(b).

However, under paragraph 38(5) of the Act a defence was provided where the supplier could establish that his refusal to sell was based on the supplier's reasonable belief that his customer was using the product as a loss leader or for bait-and-switch selling practices or that the customer had engaged in misleading advertising in respect of the products or that he had not provided the proper level of servicing. These defences would be removed by Bill C-2.

In the departmental explanatory booklet at page 16, it is stated as follows:

> "These defences are withdrawn by the amending Bill. Those concerning bait and switch advertising and misleading advertising are no longer necessary in view of the new provisions making these practices offences under the Act. The defence concerning the provision of servicing is no longer of importance. It was placed in the Act at a time when servicing was the function of the retailer of appliances, but this function has largely passed to firms specializing in the servicing of appliances in general. The Economic Council of Canada recommended that these three defences be dropped. It was not favourable to the continuation of the loss leader defence, but felt that a separate inquiry should be undertaken and consideration given to the prohibition of the practice of 'loss leaders'. In the meantime, the defence would be retained. However, in the preparation of the present Bill, it was felt that the Council did not take sufficient account of the thorough inquiry into loss leaders which the Restrictive Trade Practices Commission had already made."

Your Committee considers that the fact that certain practices are proposed to be made offences under the Act is not a sufficient reason for withdrawing the defences to the

supplier who refuses to continue to sell. Prosecution of the offender may be delayed or may never take place. Your Committee considers it illogical that a supplier should, in effect, be required to aid and abet a retailer in the commission of an offence.

As to the servicing requirement, it may have application in respect of goods other than appliances and there may still be cases where the retailer is expected to provide servicing.

The explanation for removing the defence in relation to loss leader selling does not appear convincing to your Committee.

On balance, your Committee considers that there is likely to be more harm in removing the defences than in retaining them and it is therefore your Committee's recommendation that present subsection 38(5) be retained.

INTERIM INJUNCTION (Section 29.1)

Bill C-2 would add provisions to the Act permitting the Crown to obtain an interim injunction (even without notice in certain cases) against a person who appears to the court to have done or to be about to do something toward the commission of an offence under the Act.

Your Committee received many representations that these provisions should be deleted on the grounds that (1) the commission of a crime should not be prejudged and (2) that grave injustice could result where someone was so restrained only to be acquitted later.

In private law matters, injunctions can be obtained but the applicant runs the risk that, if he cannot ultimately prove his case on the merits, he may be liable in damages to the person against whom the injunction was directed. So important is the preservation of this right to claim damages that in some jurisdictions interim or interlocutory injunctions will only be granted upon condition that the applicant put up security in an amount sufficient to satisfy such a damage claim by the other party.

While your Committee does not suggest that the Crown need be obliged to put up security, it does consider that the Act should clearly provide that a person against whom an injunction is directed and who is later acquitted has a right of action against the Crown for any damages suffered as a result of the injunction.

INDICTMENT/SUMMARY CONVICTION

The Act provides that enforcement proceedings may be taken by way of summary conviction or indictment in many instances. The penalty which may be inflicted in a case where the summary conviction proceeding is used is less severe than where proceedings are by way of indictment. However, the Criminal Code provides that proceedings by way of summary conviction must be instituted within six months from the date of the offence. It does not seem reasonable that the degree of punishment should be dependent upon matters as uncontrollable as the date of institution of the proceedings. In other words, there could be cases where the Crown felt that imprisonment was not warranted yet because the delays for instituting proceedings by way of summary conviction had expired they were bound to proceed by way of indictment with the inevitable result that there would be imprisonment if the accused were convicted. This anomaly has been recognized by the Minister in his proposed amendment in which by new subsection 44(5) he would extend the delay for institution of summary conviction proceedings from six months to one year.

In the opinion of your Committee any distinction based upon delays for institution of proceedings should be eliminated altogether so that the Crown may retain complete flexibility with respect to all cases.

JURISDICTION OF FEDERAL COURT (Section 46)

The Act provides that prosecutions shall be brought in the ordinary criminal courts in the provinces but that, with the consent of the accused, most offences may be prosecuted in the Federal Court—Trial Division. Bill C-2 would amend the relevant provisions so that a prosecution could be brought against a corporation in the Federal Court—Trial Division without obtaining its consent. A prosecution against an individual in that court would still require his consent.

This is of doubtful constitutional validity since, although Parliament has jurisdiction in relation to criminal law, the provinces have jurisdiction in relation to the administration of justice and the creation of criminal courts. Doubtless this was the reason for making the jurisdiction of the Federal Court under the Act conditional upon the accused's consent.

Quite apart from the constitutional issue, your Committee agrees with the concern expressed in many of the submissions made to it that the accused, even if it is a corporation, should have the right to be tried in the ordinary criminal courts by a judge familiar with the well settled rules as to burden of proof and other matters which distinguish criminal from civil trials. Your Committee accordingly recommends that the proposed amendments in this connection to subsection 46(4) be deleted.

CONCLUSIONS

The foregoing presents the recommendations of your Committee on Bill C-2 based on the representations made and its study of the Bill to date. Consideration of the Bill by your Committee will be continuing and, if necessary, additional recommendations made in a further report or reports.

Your Committee's staff is presently drafting the text of actual amendments to the Bill that would be required to express its recommendations. It is expected that these amendments will be available shortly for discussion purposes.

Respectfully submitted,

Salter A. Hayden,
Chairman

March 18, 1975

SCHEDULE "A"

2nd Session—29th Parliament
1974

List of Briefs submitted with regard to Combines Investigation legislation

| *Submissions Received* | *Appeared* |
|---|---|
| 1. Board of Trade of Metropolitan Toronto. | |
| 2. The Canadian Chamber of Commerce. | May 8, 1974 |
| 3. Dominion Foundries and Steel Limited. | |
| 4. Federation of Automobile Dealer Associations of Canada. | |
| 5. Imperial Oil Limited. | |
| 6. International Harvester Company of Canada Limited. | |
| 7. Investment Dealers Association of Canada. | |
| 8. The Canadian Manufacturers' Association. | May 1, 1974 |
| 9. The Canadian Real Estate Association. | May 8, 1974 |
| 10. The Honourable Robert Welch, Q.C., Ontario Provincial Secretary for Justice. | |
| 11. Canadian Lumbermen's Association. | |
| 12. Ontario Lumber Manufacturers' Association | |
| 13. Union Oil Company of Canada Limited. | |

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| | |
|---|---|
| 1. Association of Canadian Advertisers Incorporated | December 18, 1974 |
| 2. Allied Beauty Assoc. | November 27, 1974 |
| 3. Canadian Institute of Chartered Accountants. | December 18, 1974 |
| 4. National Automotive Trades Association of Canada. | February 12, 1975 |
| 5. Blake, Cassels & Graydon. | November 13, 1974 |
| 6. The Board of Trade of Metropolitan Toronto. | |
| 7. The Canadian Chamber of Commerce. | |
| 8. Coca-Cola Ltd. | February 26, 1975 |
| 9. The Canadian Bar Association. | |
| 10. Canadian Construction Association. | |
| 11. Consumers' Association of Canada. | December 18, 1974 |
| 12. Canadian Amateur Hockey Association. | November 20, 1974 |
| 13. Canadian Lacrosse Association. | November 20, 1974 |
| 14. Dominion Dairies Limited. | February 26, 1975 |
| 15. Dominion Foundries and Steel, Limited. | |
| 16. The Federation of Automobile Dealers Associations of Canada. | |
| 17. National Hockey League Players' Assoc. | December 11, 1974 |
| 18. Canadian Federation of Insurance Agents & Brokers Associations. | December 11, 1974 |
| 19. The Institute of Canadian Advertising. | December 11, 1974 |
| 20. Imperial Oil Limited. | |
| 21. Insurance Bureau of Canada. | |
| 22. International Harvester Company. | |
| 23. The Investment Dealers Association of Canada. | November 27, 1974 |
| 24. Canadian Manufacturers' Association. | |
| 25. Ontario Road Builders' Association. | |
| 26. Patent and Trademark Institute of Canada. | February 5, 1975 |
| 27. The Canadian Petroleum Association. | November 27, 1974 |
| 28. The Canadian Real Estate Association. | November 20, 1974 |
| 29. Sun Oil Company Limited. | |
| 30. Canadian Trucking Assoc. | February 5, 1975 |
| 31. Union Oil Company of Canada Limited. | |
| 32. Grocery Products Manufacturers' of Canada. | |
| 33. The Toronto Stock Exchange. | |
| 34. Canadian Institute of Plumbing & Heating. | |

# THE SENATE

Thursday, March 20, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Governor of the Bank of Canada, including statement of accounts certified by the auditors, for the year ended December 31, 1974, pursuant to section 26(3) of the Bank of Canada Act, Chapter B-2, R.S.C., 1970.

Report of operations under the Municipal Improvements Assistance Act for the year ended December 31, 1974, pursuant to section 11 of the said Act, Chapter M-16, R.S.C., 1970.

## PRAIRIE GRAIN ADVANCE PAYMENTS ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Argue,** Chairman of the Standing Senate Committee on Agriculture, reported that the committee had considered Bill C-10, to amend the Prairie Grain Advance Payments 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?

**Senator McDonald** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## NATIONAL FINANCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Standing Senate Committee on National Finance have power to sit while the Senate is sitting this afternoon and that rule 76(4) be suspended in relation thereto.

**Senator Flynn:** Explain.

**Senator Langlois:** If I might be permitted a word of explanation at this stage, the reason for this motion is to permit the Standing Senate Committee on National Finance to complete its report on supplementary estimates (D). It will be a very short meeting. If necessary, it is suggested that we adjourn during the committee meeting in order not to disrupt the work of this chamber.

**Senator Grosart:** Honourable senators, could I ask for an explanation from the chairman of the committee? I think the purpose of the meeting is rather more than merely to complete the committee's inquiries into supplementary estimates (D).

**Senator Everett:** Honourable senators, at the committee meeting this morning there was raised a question of privilege in relation to an option agreement in respect of the purchase of Canadair Limited, and it is the committee's wish to discuss that further.

**Senator Langlois:** This is the tool to do the job that I was referring to.

**Senator Everett:** Perhaps I might add that if the motion is agreed to the meeting will take place at 3 o'clock this afternoon.

**The Hon. the Speaker:** Honourable senators, you have heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

Motion agreed to.

## ADJOURNMENT

**Senator 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 tomorrow, Friday, March 21, 1975, at 11 o'clock in the forenoon.

Motion agreed to.

## BUSINESS OF THE SENATE

On the Question Period:

**Senator Flynn:** Honourable senators, in view of the fact that we are sitting tomorrow, may I ask the Leader of the Government when we will be sitting next week, and at what time the adjournment for the Easter recess is expected to take place?

I should also like to know what legislation we should expect to receive from the other place in the next few days.

**Senator Perrault:** Honourable senators, the present indications are that the Senate will be sitting Monday night. It is hoped that Parliament will be in a position to adjourn its activities for the Easter recess on Wednesday.

**Senator Flynn:** Do you have any idea of what legislation will be coming to us?

**Senator Perrault:** I hope to have a better idea later today.

## AGRICULTURE

ANNUAL REPORT OF CANADIAN WHEAT BOARD—QUESTION

**Senator Argue:** Honourable senators, I should like to direct a question to the Leader of the Government. Could he please inform the Senate when we might expect the Annual Report of the Canadian Wheat Board, Crop Year 1973-1974, to be tabled? The accounts were closed out some months ago and the moneys have been paid to the producers. Moreover, the producers are at this time receiving through the mails an abbreviated version of the Canadian Wheat Board's Annual Report, and it would seem to me that now is the time for that report to be tabled in the House of Commons and in the Senate.

**Senator Perrault:** Honourable senators, I hope to be able to report tomorrow on the matter queried by Senator Argue.

**Senator Argue:** Thank you very much.

## CANADIAN BUSINESS CORPORATIONS BILL

REPORT OF COMMITTEE ADOPTED

The Senate resumed from yesterday the debate on the motion of Senator Hayden for the adoption of the Report of the Standing Senate Committee on Banking, Trade and Commerce on Bill C-29, respecting Canadian business corporations.

**Hon. Jacques Flynn:** Honourable senators, basically, my remarks on this matter are two-fold and need not take much of your time.

First, in the way it handles a complex new subject, the report in question is excellent. This bill is an interesting new overture in the field of business corporations in the federal domain. It is a departure from old ways which have become meaningless over the years. It is, of course, in large degree, a copy of the present Ontario legislation which, it has been said, the Ontario legislature is about to revamp. It may well be that this bill is, to some extent, already *dépassé*; but, in any event, it certainly constitutes a new departure, a new perspective, and it is indeed a welcome approach. I think, on the whole, it is an excellent bill.

● (1410)

I must mention also the work done by the committee. The committee has displayed a great deal of wisdom and expertise in dealing with this bill. We heard several witnesses, we discussed the bill clause by clause, and the committee has come up with 27 amendments which in practical terms amount to 11, as has been indicated by the chairman of the committee, because some of them are repetitive or consequential. I think it has been accepted by the officials of the department and by the parliamentary secretary to the minister that our suggestions and amendments are all entirely acceptable and meaningful. Most of them are of some substance; some are merely by way of clarification; but, on the whole, they are all very useful.

This experience proves once again that in matters of this kind, which are not politically contentious, the Senate and its committees can do a most useful job. This bill, as in the case of the Bankruptcy Act and other bills of the same nature, has been dealt with in the Senate in a manner which proves beyond question the usefulness of this chamber.

The next point I want to raise is this: the parliamentary secretary to the minister would have preferred the committee, and the Senate for that matter, not to bring in or adopt amendments to the bill except for one. He considered that one, which is related to the energy board and which was explained by the chairman yesterday, essential, and would have accepted that it be brought in now. With regard to the others, he would have had us wait for a new bill, an amending bill, which would have been introduced either here or in the other place in the next session. I must say that I am very happy that the committee resisted the suggestion of the parliamentary secretary. I do not say that in all cases we should disregard such arguments, to the effect that by proposing amendments to a bill we run the risk of having the other place delay its passage, or perhaps refuse to adopt it during the current session, with resulting inconvenience. Some bills may require more prudence in this respect than others, but I doubt that in this case it would have been acceptable. I am happy that the committee resisted the invitation to confine itself to the amendment which I have just mentioned, but rather decided that it would bring in this report with all these amendments. If there is a danger for the Senate, it is in accepting this kind of suggestion, namely, that we should be here only to make recommendations and not amendments; that because the workload in the other place is so heavy, and because sometimes they can't find the time to deal with our amendments we should be very careful not to express our views, not to make amendments that might inconvenience them. I think it would be very dangerous for us to start accepting that kind of notion. We have resisted in the present case, and I am convinced that they will have ample time in the other place to consider our amendments and adopt or reject them as they see fit.

I hope the Senate will, generally speaking, continue to resist the invitation to make its views known only through recommendations. We are legislators, honourable senators, and we are here to legislate and amend bills if we think they need amending. This is what we have done in the present case and I am pleased.

Motion agreed to, and report adopted.

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time, as amended?

**Senator Hayden:** With leave of the Senate and notwithstanding rule 45(1)(b), I move third reading now.

**The Hon. the Speaker:** Is there unanimous consent, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to and bill, as amended, read third time and passed.

## CANADIAN SOVEREIGNTY SYMBOL BILL

SECOND READING—DEBATE ADJOURNED

**Hon. Muriel McQueen Fergusson** moved the second reading of Bill C-373, to provide for the recognition of the

Beaver (*Castor canadensis*) as a symbol of the sovereignty of Canada.

She said: Honourable senators, the beaver has been considered a national symbol of Canada for many years, and Bill C-373 merely seeks to give official recognition to this fact.

To New Brunswickers like myself the beaver has a very special significance. Max Aitken, one of New Brunswick's famous sons and one of its greatest benefactors, was given a peerage in 1917. When he was looking for a distinctive Canadian title he chose the name Lord Beaverbrook from a stream in the province of New Brunswick where beavers abound. Beavers appear on a memorial to Lord Beaverbrook in a small park in the centre of Fredericton, our capital city. Lord Beaverbrook was and still is affectionately and admiringly referred to in my province as "the Beaver."

Because the beaver was a clan sign for Indian tribes and can be seen carved on their totem poles;

— because in the early days of Canada the Hudson Bay Company, as far back as 1632, used the beaver on its coat of arms;

— because in 1851 the beaver appeared on the first Canadian stamp to carry a picture—which by the way is a fabulously valuable and famous stamp now;

— because at least 14 regiments of the Canadian Armed Forces have the beaver as their insignia;

— because the beaver was prominent on the posters urging Canadians to buy Victory Bonds in the First World War; and

— because it has been used on many other occasions within Canada as a national design or emblem, Canadians have accepted the industrious beaver as a symbol of Canada and have come to love it. Also, because the beaver formed part of the ensign of the Canadian Marine Service, it has become recognized internationally as a Canadian symbol. It was, therefore, a very great surprise to many Canadians to learn that the State of Oregon has formally adopted the beaver as its state animal and that the State of New York has a private bill before its legislature for the same purpose. It was also a great surprise to learn that Canada has never done anything to give Canadians a right to claim that the beaver represents Canada. Of course, we cannot prevent any country or state from adopting any animal, symbol or emblem it wishes, but we are really lax if we do not assert publicly, even at this late date, our claim to a symbol that for so many years has been considered distinctively our own.

● (1420)

The great importance of the beaver as a symbol does not lie really in its recognition internationally through its having been carried to far places on the ensign of the Canadian Marine Service. Its importance lies rather in the way it is regarded by Canadians living in every part of our land. We have concrete evidence that it is important to Canadians, because since this bill was introduced in the other place, and its progress reported through the press and other news media, more than 14,000 Canadians have taken the time and trouble to write endorsing this legislation. These letters, which have been passed along to the Secretary of State, reflect the strong attachment which Canadians feel for the beaver. They have come from all 10 provinces, from both the Yukon and Northwest Territories and also from all age groups. For example, within a few days after the bill was introduced in the other place, a petition in its support was circulated in Yellowknife which, although it is the capital of the Northwest Territories, does not have a large population. That petition was signed by more than 200 people.

The comments in other submissions range from succinct endorsation by those supporting the bill to at least one long, detailed treatise which expounds the virtues of this little animal. They point out that its pelt was responsible for the early discoveries and development of Canada and that its ingenuity and vigour remain as outstanding traits admired by many Canadians. Because they demonstrate the feelings of many Canadians about the beaver, I will give you a few quotations that I have picked out of the messages received. Students in Beaconsfield, Quebec, write:

> We believe that the Canadian federal government should officially adopt the beaver as it has played such an important part in the history of our country.

From Willowdale, Ontario, comes a petition with the comment:

> The beaver has been on our nickel for years. We feel that Canadians have a right to keep their furry friend.

Janice Newton of Halifax sends a letter that comes right to the point. She says:

> Keep the beaver Canadian—it is as Canadian as the maple leaf. Maybe even more!

Her comment brings to mind those made by a very distinguished former Prime Minister of Canada, the late Right Honourable Lester B. Pearson, who, when talking about his love of sport, and particularly the game of hockey, said:

> It is perhaps fitting that this fastest of all games has become almost as much a national symbol as the maple leaf or the beaver.

The Grade 7 class at Buckingham Elementary School all signed a letter which begins:

> We love the beaver. Three cheers for the beaver.

Even more dramatic are Rob and Jan Griesdale of Calgary, who proclaim in their letter:

> If the beaver goes, we go!

**Senator Flynn:** Where?

**Senator Fergusson:** A lady from Hastings, Ontario, was even willing to admit her age to give support to this cause. She wrote:

> I am sixty-five years old and as long back as I can remember the beaver has always been a Canadian emblem.

Mrs. Constance McDermid of St. Catharines, Ontario, writes:

> Please add my name to your list of supporters in regard to our beaver as an emblem. Why don't we use the emblem more? It stands for industry and faith. The little creatures build well. Somehow to me beavers mean Canada.

I am afraid Derek Hoskin of Lethbridge, Alberta, had his tongue in cheek when composing his letter, which reads in part:

> I was surprised to learn that the industrious little creature does not have our official recognition. Don't the honourable members on the Hill work like beavers during their term of office? I believe they do. I look forward to them voting in favour of recognizing their model.

The Grade 3 pupils of Beverly Central School in Troy, Ontario, note:

> We have studied animals and we think the beaver is the hardest worker and a great engineer. For this reason we would like to see him remain as one of Canada's emblems.

Honourable senators, these quotations could go on and on—there are a great many of them—but I wish to keep this speech as brief as possible. I believe that these few examples, taken from over 14,000 signatories in support, indicate the widespread and strong feelings of Canadians for the beaver.

What I wish to make clear is that the bill in no way seeks to create a new national symbol or displace any existing ones. The maple leaf, the flag on which it appears, and the Canadian coat of arms retain their importance and preeminence. Quite simply, Bill C-373 corrects an oversight of history by officially recognizing the beaver as a symbol of our great country, just as it has been regarded by generations of Canadians.

Honourable senators, this bill received all-party support in the other place, and its unanimous adoption by their Standing Committee on Justice and Legal Affairs would, I hope, permit us to adopt this legislation as expeditiously as possible and without the need of taking the time of a Senate committee whose members are already faced with a considerable workload on more complicated legislation.

Bill C-373 was introduced in the other place by an Opposition member, who deserves a great deal of credit for having done so, and it is my pleasure to sponsor it here as a member on the Government side of the Senate. This is truly a non-partisan bill which seeks to promote national unity, and I hope honourable senators will find it worthy of their support.

**Hon. Allister Grosart:** Honourable senators, as Senator Fergusson has said, this is a unique bill and one which could be described as being non-partisan.

Senator Fergusson did not, if I heard her correctly, mention the name of the member who introduced the bill as a private bill in the other house. It seems to me quite proper that Senator Fergusson, in moving second reading today, adorned herself in green. Perhaps it is a tribute to the fact that the name of the member who introduced the bill in the other place is Sean O'Sullivan. As it is only a few days after March 17, I thought I might draw attention to the appropriateness of this coincidence. We on this side, of course, support the bill.

● (1430)

I should point out that the word "beaver" in the English language—I am not sure whether it is so in French—is sometimes a synonym for "beard," so I am sure it will have the full consent of at least two members of the Senate, Senator Argue and Senator Deschatelets, who should appreciate having their adornments immortalized by this bill, which will make that particular adornment of theirs the symbol of Canada. I am not suggesting that we should all follow suit.

**Senator Flynn:** It would not suit everybody as well.

**Senator Grosart:** I would suggest leaving out, of course, members of the Senate on the distaff side, but there are some honourable senators whose general appearance might be improved by the adoption of the beaver on the chin; there are others whose appearance might not be improved.

It is a particular tribute to Senator Fergusson that she was asked by a member of the Opposition in the other place to introduce this bill in the Senate. I am sure all honourable senators will agree that the chances that this bill will be passed expeditiously, as she suggests, are greatly enhanced by the fact that she was chosen to sponsor it here.

**Senator Flynn:** May I ask the sponsor of the bill a question? If we adopt this bill, will we be restricting the use of the word "beaver," or drawings depicting this particular animal, for commercial purposes? The beaver is a symbol widely used across the country for commercial purposes. Will the adoption of this bill restrict such use in any way? You will recall that Senator McIlraith some time ago had a bill with respect to restricting the use of the name "Parliament Hill."

**Senator Fergusson:** I do not have the bill in front of me, Senator Flynn, but as I understand it there is no restriction on the use of the beaver as a symbol. I think it is clear that the adoption of this bill would in no way restrict the use of the beaver symbol for commercial purposes.

**Senator Flynn:** I was thinking of the effect of other legislation.

**Senator Quart:** Honourable senators, a documentary film is presently being produced by the National Film Board on Grey Owl, and you all know of his love for the beaver. However, I understand that the producers could not find beavers in Canada to use in the documentary and had to get four beavers from Utah. I think it would be worthwhile investigating this. I do not remember the details, but at the time it appeared to be rather strange that they could not find beavers in Canada. Probably they did not look in New Brunswick where, I am told, there are a great many of them.

A short time before this bill was introduced in the other place, I recall that on the program *As It Happens* people were being asked what they thought of having the beaver as a symbol of Canada. I learned then, through an interview which Barbara Frum was conducting, that the National Film Board had to go to Utah to get four beavers to use in the documentary film on Grey Owl. I think it was a mistake for the National Film Board to have done that.

**Senator Choquette:** Perhaps they required tame beavers.

**Senator Quart:** As I understand it, these were wild.

**Senator Fergusson:** I cannot answer your question, Senator Quart. I do not follow the particular program you

mentioned. All I know of the Grey Owl documentary is the little I have read in the press about it. I will make some inquiries and hopefully be in a position to answer your question when this bill next comes before the Senate.

**Senator Quart:** Do not misunderstand me; I am in favour of the bill.

On motion of Senator Petten, debate adjourned.

## CRIMINAL CODE (COMMUTATION OF DEATH SENTENCE)

BILL TO AMEND—DEBATE CONTINUED

The Senate resumed from Tuesday, March 18, the debate on the motion of Senator Robichaud for second reading of Bill S-21, to amend the Criminal Code (commutation of death sentence).

**Hon. Charles McElman:** Honourable senators, when debate on the second reading of Bill S-21, to amend the Criminal Code (commutation of death sentence), was launched by the sponsor, Senator Robichaud, he made the mistake of duplicating an earlier mistake that might now be referred to as the "Senator Laird classic." Senator Robichaud said that this bill "is simple in concept," and, further, that "there is nothing complicated about it." The ensuing debate and the questions that have been raised indicate that Bill S-21 is not as simple or as uncomplicated as the sponsor either believed or intended.

To begin with, it has been said repeatedly by the sponsor and others that capital punishment, the death penalty, now applies in Canada only in the case of convicted murderers of police officers and prison staff. That, of course, is not entirely accurate. As has been drawn to the attention of the Senate, there are two further sections of the Criminal Code which call for the death penalty, one being the offence of treason, section 47(1), and the second being the offence of murder while committing or attempting to commit sea piracy, section 75(2).

Bill C-168 of 1967 and Bill C-2 of 1973 did not amend the Criminal Code relating to treason and sea piracy, so the death penalty under those sections still applies. The Senate debate on this bill should record that fact. Senator Argue's Bill S-23 draws attention to still further instances, under the National Defence Act, of where the death penalty can still be ordered.

Many specific concerns and objections with respect to this bill have already been raised by previous speakers in this debate, such as Senators Manning, Prowse, Asselin and Bélisle, including the question of its constitutionality. I share those concerns, and will also attempt to show that this bill is dangerous rather than "simple," and that its effect would be to infuse new and unproductive complications into an already complex and difficult process of law, justice and administration. Although not intended, I am sure, that would surely be the result of this proposed tampering with the existing discretionary power of cummutation and the unwise foisting-off upon jurors and juries of even a limited responsibility that would involve them, in effect, in the sentencing process, in addition to their already heavy duty and responsibility in deciding the guilt or innocence of the accused.

[Senator Fergusson.]

Honourable senators, the sponsor of this bill seeks to restrict the legal right of commutation of the death penalty by the Governor in Council to those cases where the presiding judge and jury recommend clemency or where the jury may be divided with respect to a recommendation either for or against clemency. In all other cases, this bill would take away from the Governor in Council the discretionary power to commute the death sentence. The sponsor of the bill has given what he considers to be valid reasons for such an extreme proposal.

First, let me say that I do not accept the proposition that the Governor in Council disregards or flouts the law, or that commutation of the death sentence has become automatic. One section of the criminal law provides that certain convicted murderers shall be sentenced to death, while a further section of the same code provides for commutation. Both are in the law, and they are not in conflict. I am satisfied that each case is considered on its own merits, and a decision reached in accordance with all of the facts available and the individual and collective consciences of those human individuals who are members of the cabinet. If that were not the case, it would seem rather pointless to go through the weeks of gathering every scrap of meaningful information in each case, briefing the committee of cabinet, then the full cabinet, prior to deciding whether there should or should not be clemency.

● (1440)

There are numerous members of the Privy Council in this chamber who have experienced the trauma of that dreadful process. They must deeply resent the repeated inference that commutation is an automatic, even irresponsible and routine process. It is done seriously and in accordance with the law, contrary to the impression that those who favour capital punishment ceaselessly try to create.

The sponsor and some of his supporters have stated in this debate, and elsewhere, that they have no argument with the law respecting capital punishment as it now stands. Their argument, they insist, is with the manner in which the law is being administered by the Governor in Council. Well, if that is truly the view of the sponsor and his supporters, it appears to me that they are taking a strange approach in trying to achieve their purpose, a purpose that has to be designed to force the state to take more human life. If one agrees with the law but disagrees with the administration of it, he surely does not try to change the law; he tries to change those who administer the law. He first tries to convince them to accept and follow his point of view. If he is unable to convince them and he still believes strongly enough in the issue concerned, he should then try to change the administrators at the next opportunity that presents itself under our democratic process.

**Senator Flynn:** Good idea.

**Senator McElman:** If his case is strong enough, and if the issue is as urgent and important in the public mind as he believes it to be, then he should be capable of assembling a strong body of electoral support for any party that may publicly share his view on the issue, and against those who do not administer the law to his particular liking. In other words, he should attempt to "throw the rascals out."

**Senator Robichaud:** No, I disagree.

**Senator Flynn:** You would rather have the rascals.

**Senator McElman:** If my memory serves me well, no major political party in Canada has attempted to make capital punishment, or the administration of this law, a major issue in any of the three elections that have been held since the current law first came into force in 1967. Perhaps that is because it is such an emotionally charged and unpredictable issue. Whatever the reason, it has not been made a major election issue. Perhaps it should be.

However, there is a major political party in Canada that stands firmly and publicly on the record in favour of total abolition of capital punishment. That party is the Liberal Party, and I have no doubt that this policy has some influence on the thinking of those who are today charged with the terrible responsibility of commuting or not commuting sentences of death. That policy decision of the party was not arrived at in the recent past, nor was the decision reached in secret, and it was not merely a one-shot aberration to be later forgotten, as sometimes happens.

More than 10 years ago, in open national convention, with delegates present from every part of the nation, the Liberal Party debated the issue of capital punishment and reached its decision. It was not a unanimous decision, but abolition was favoured by an overwhelming majority of the delegates. That decision has been strongly reaffirmed by the several national conventions of the party that have since been held, up to the present time.

Senator Robichaud and I attended those conventions together as delegates from New Brunswick. He was then Premier of New Brunswick, and one of the more influential delegates and compelling speakers at those conventions. I cannot recall an occasion, until a few weeks ago, when he spoke against either the policy of total abolition or the manner in which the law has been administered.

I am sure honourable senators will understand my reference to the Liberal Party and conventions, and that it is not intended to be a partisan reference. These are merely facts that are most relevant to the subject matter of this debate, and as such they should be freely and openly discussed.

During recent months the climate for public debate on this subject has become overheated and highly emotional. That is an entirely human and understandable reaction, a reaction to the killing of police officers in British Columbia, Alberta and, more recently, New Brunswick, not to mention those ghastly multiple murders that have taken place in Quebec. It was within that emotionally charged climate that the sponsor chose to introduce Bill S-21. Not only do I believe this bill to be ill-advised and ill-conceived, but also that the timing of its introduction could not have been more poorly chosen, if public consideration of the subject is to be unemotional and dispassionate, as the sponsor cautioned honourable senators to conduct themselves in this debate.

I believe it is pertinent to this debate that honourable senators should know that in New Brunswick today there is a widely and, I suggest, sympathetically held misconception that Senator Robichaud's bill is a bill to restore capital punishment rather than merely to restrict the existing power of commutation. In recent weeks many New Brunswickers have come to regard him as one of the leading advocates of the restoration of capital punishment on a much broader scale than is now provided by the law. This impression has been created by public statements that the honourable senator has been making recently in our native province, and in various interviews with the media. Some of those statements were made at a meeting held in Moncton by the Atlantic provinces law enforcement officers on February 8 of this year. Representatives of the penitentiaries' staffs were also in attendance at that meeting, bringing the total attendance to something of the order of 300 persons.

It will be recalled that Moncton was the site of the December murders of two city policemen who had been investigating the kidnapping of a teenaged boy. The trial of two men charged with the kidnapping and the murders began on Monday of this week in Moncton, so further specific reference to the case would be quite inappropriate and out of order at this time. However, honourable senators will appreciate the charged atmosphere in which that police association meeting on February 8 was held.

Honourables senators will also recall that the sponsor of this bill requested, and obtained, the permission of the Senate to delay his launching of the debate on second reading until he had the opportunity of attending that Moncton meeting as a guest panelist. He told the Senate that he might obtain there information useful in the debate on this bill. Honourable senators may further recall, when Senator Robichaud completed his remarks in opening this debate, that I asked him to tell the Senate about the meeting at Moncton, which he had not then done, and whether it had been a calm meeting—that is, a meeting without passion or emotion.

● (1450)

Senator Robichaud informed the Senate that those in attendance were "unanimously in support" of his bill, and also that "they were unanimous in their support of capital punishment." And that was not surprising. He added:

> I might say that in my estimation they are going too far in wanting capital punishment, period. Perhaps they, themselves, are a little too violent in their emotional reaction, and I told them so.

There were several parliamentarians at the Moncton meeting in addition to Senator Robichaud. Among them were Michael Landers, the Liberal M.P. for Saint John-Lancaster in New Brunswick; Leonard Jones, the Independent M.P. for Moncton, who gained some national notoriety as the former mayor of that city; J. Michael Forrestall, the Conservative M.P. for Dartmouth-Halifax East; and Father Michael McKee, the Liberal Member of the Provincial Legislature for Moncton City. The involvement of parliamentarians in that meeting was reported by the media in considerably more detail than that given by Senator Robichaud. The reports in the press of that meeting, and the film clips that I saw personally on television some six times, were well summed up in the lead editorial of the Moncton *Transcript* of February 11 last. It was entitled: "Voices of Intemperance," and in part, referring to the meeting, read as follows:

> —the most serious aspect was that elected representatives—lawyers, at that—stepped over the brink into

the area of irresponsibility in their approach to this matter.

Senator Louis Robichaud, a lawyer, a former premier, a senator—

And I could add to the words of the editorial, "a former attorney general."

—may have evoked an emotional response when he said that if his daughter was raped and murdered and the judicial system failed to take proper recourse, "then I will do it myself."

However, this was nothing more than an incitement to vigilante law, the law of the lynch mob. As such it is a shocking attitude, and ill-becomes a man who by profession and by past and present occupation has been charged with upholding the law.

Then there was Saint John's Michael Landers. He also demonstrated grave irresponsibility when he said that if the submission of the meeting's resolution to the Cabinet didn't bring the desired results, "I suggest you have a national police strike."

Moncton's independent MP Leonard Jones, always so vociferous in condemning permissiveness, always so staunch a defender of law and order, also fell into this trap of wild talk. He was a little more restrained, but nevertheless, after having said he didn't think "we should have to take the law into our own hands," added, "... but it may come about if the government does not soon act."

If it is the rule of law that separates us from the jungle, then any advocacy of throwing out the rule of law, even temporarily, is to advocate a return to the jungle.

Further on the editorial says:

Moncton MLA Father Michael McKee and Dartmouth-Halifax East MP Mike Forrestall exhibited great courage in putting the abolitionist viewpoint forward. And Springhill Mayor William Mont also was courageous in pointing out that some people were telling the police what they wanted to hear...Both Mr. Forrestall and Mr. Mont were booed and heckled.

Honourable senators, after that meeting concluded, the chairman, who is also president of the New Brunswick Police Association, made a public statement in which he dissociated himself and his colleagues from some of the more extreme, emotional and passionate statements that were made by some of the parliamentarians. In doing so he displayed a considerable measure of responsibility.

I attended a more recent meeting in Fredericton at the University of New Brunswick where the sponsor of this bill addressed a large group of students—a very different kind of audience and meeting than that in Moncton. He spoke extemporaneously and well. He handled a lengthy and probing question period with great skill and much good humour. As a fellow senator, I was proud to be there. In reply to a question, he stated that he had not yet made up his mind on the subject of capital punishment, and that he had introduced Bill S-21 for the purpose of initiating a useful and meaningful debate on a subject that is currently of deep concern to many Canadians. That was good to hear. It means there is still a chance, if only a minimal one, that I may be able to convert him to the point of view that I hold on this subject.

If this bill were to pass and become law there are several potentially undesirable results that could ensue. First of all, if the government of the day should be dedicated to the absolute prevention of capital punishment—as some contend the present government to be—it could circumvent the purpose of this bill. In that limited number of cases where the jury recommended against clemency, or made no recommendation, the direct power to commute would be withheld from the Governor in Council. But Her Majesty's royal prerogative of mercy remains. The government need merely refer each such case to the Crown with the recommendation that the royal prerogative be exercised. There can be little doubt that it would be done, particularly in light of the fact that the United Kingdom itself abolished capital punishment some five years ago. That decision was debated and reaffirmed only last fall by an impressive majority in Parliament, in the very midst of the terrorist bombings and killings then occurring in the streets and shops of London, which brought with them a strong and emotional public demand for the revival of capital punishment.

So, by exercise of the royal prerogative, the law as proposed by this bill would be circumvented and made impotent. It would be nothing more than a further administrative nuisance, and surely that is a poor basis for enacting law. Such a procedure would be humiliating to Canada as an independent nation.

**Senator Flynn:** Why? Why would the exercise of the royal prerogative be against the sovereignty of Canada?

**Senator McElman:** Why?

**Senator Flynn:** Yes. You say that Canada as an independent nation would be humiliated.

**Senator McElman:** I say it would be embarrassing, when we have a procedure within our own competence now in the law, if in order to achieve that purpose we had to go to our Queen—indeed, our Queen.

**Senator Flynn:** Yes, she is our Queen.

**Senator McElman:** That is right, but we do not now call her in to this sort of situation. I think it would be rather humiliating to draw Her Majesty into this procedure. I suggest it would be, to use the vernacular of the British, a vexing and ruddy nuisance to Her Majesty. As a matter of fact, I believe it is unthinkable that we should place ourselves in such a position.

If this bill became law what would be its effect upon individual jurors? Many jurors, even under current law, find it most difficult psychologically to participate in reaching a decision of "guilty" for fear the convicted person may be hanged and become a lifetime weight upon their conscience. How much greater would become the mental anguish of the juror if, in addition to his duty to reach a decision of guilt or innocence, he should now become involved, in effect, in actually sentencing a fellow human being to the gallows? Such a juror, and like-minded fellow jurors, would have an out. They could resort to the obvious avenues, to relieve themselves of that dreadful responsibility. Some jurors might prefer to see the accused go free, despite the weight of evidence, in order to over-

come their fear of being forced to participate in his actually being sentenced to death.

● (1500)

Hung juries, and other complications in the judicial process, could multiply rapidly. Think of the field day this would create for the shrewd or slick criminal lawyer acting for the accused. All he would need do would be to reach one juror by the persuasiveness of his argument, or otherwise, to ensure that there would be a recommendation of clemency. Even though it may come from only one juror, without any recommendation from the remainder of the jury, it would be sufficient. Conversely, it would require only one juror to refrain adamantly from joining in any recommendation, either for or against clemency, to break the magic formula of absolute unanimity that appears to be implied in this bill. In each of those instances the shrewd defence lawyer would have taken his client over the second to last hurdle to save him from the noose. One must wonder if this is really the sort of mess that is intended to be inflicted on jurors, judges and the Governor in Council.

There is at least one further possibility, and I find it abhorrent. If this bill became law, it is possible that a few, a very few, convicted persons would hang; but would it be because they, more than all the others whose sentence would be commuted, really should hang? Or would they hang, rather than others, due to the freakishness of a particular jury, or because they were unable to hire a capable lawyer, as could the others, or for a multiplicity of other reasons? And there always remains the remote possibility that an innocent person will be hanged, as long as we continue to carry out capital punishment. It cannot be denied that the chances of hanging an innocent person will be increased if this bill should become law.

One often hears the proposition that the jury, being composed of the peers of the accused and having heard all of the evidence and the facts, is more competent than any other body to determine whether or not leniency should be shown the convicted person. The sponsor of the bill repeated that time-worn argument. The truth of the matter is that facts and evidence are presented to jurors by two antagonists, the prosecutor and the defence counsel, and those facts and evidence are presented, challenged and argued in a different manner by each of those antagonists, and never the twain appear to meet. Depending upon the professional brilliance, or lack of it, on the part of one or both counsel, a person could well wonder how the jury ever sorts out the true facts in the evidence, and arrives at a just decision.

In criminal cases short of capital murder, one further element is injected into the process prior to the passing of sentence. This is the pre-sentence report, that has become commonplace in the judicial process. That report is the sum total of all information concerning the convicted person—his background, his family, his economic and all other circumstances—that could possibly be useful to a judge in arriving at a decision as to the severity or leniency he should exercise in imposing a just sentence. The information is gathered and assembled by well-trained people. It is, more often than not, information that could not, or should not, be presented as evidence during the trial, simply because it has no bearing on the guilt or innocence of the accused. It is information that is not made available to the jury, but only to the judge.

The situation is quite different in a capital case. There is no gathering of such information. It is not available to the jury, nor is it available to the judge, and there is no reason why it should be. Once a verdict of guilty is rendered by the jury the judge has no option as to the severity or leniency of the sentence he may impose; he must impose the sentence of death by hanging.

Under existing law there is a body that does have use for such information concerning the convicted person, and that information is gathered and assembled by competent people and presented to that body along with, and in addition to, all of the facts and evidence that form part of the court record. The body that receives this additional information—the equivalent of a pre-sentence report—is the Governor in Council, and only the Governor in Council. This additional information must, and does, influence the decision that only the Governor in Council can properly reach—the decision as to whether or not the death sentence will be commuted. It is here that the ultimate decision should be reached, free from the conflicting emotional and passionate pleadings of counsel; free from the proddings and instructions of the judge; free from the public distractions of the court room. It is the Governor in Council, with all of the relevant information at his disposal, who must continue to have that awful final responsibility, and not the jury.

It is, in my view, a ghastly proposition to try to saddle jurors and juries with that final decision. Today a jury may remain silent on the subject of leniency in any capital case that it decides, and whatever it says is only a recommendation; no responsibility of finality rests with the jury. Under this bill the simple act of silence on that subject by the jury would constitute, in effect, its sentencing of the accused to death—a final decision—and that is wrong. This is not, and should not be, the role of the jury.

In the United States the law and the judicial system are currently embroiled in a dreadful mess involving capital punishment. I urge honourable senators to consider the fact of that predicament, because it came about as a result of circumstances such as this bill would create—that is, a mixing or sharing of responsibilities that, under traditional British criminal law, always have been kept distinctly separate.

In Canada, following the British tradition, the Criminal Code and any revisions of it can be made or enacted only by the federal Parliament, and that law, including provisions for capital offences and their punishment, is the same for every Canadian, irrespective of the province or territory in which he may reside. Parliament, therefore, makes the law; the government administers the law; the police authorities enforce the law; the judiciary endeavour to ensure that there will be equal justice before the law; juries, as provided by the law, decide upon guilt or innocence; and the Governor in Council makes the final dreadful decision in capital cases. It is a carefully designed and finely balanced system of law and justice, which should not be tampered with lightly or thoughtlessly. The system works well because these respective responsibilities are rather precisely separated. A mixing or sharing of those responsibilities is avoided, and should be avoided.

The United States does not enjoy such a precise and well-balanced system in respect to the criminal law. I am not competent—and, indeed, very few people would be competent—to describe the many areas in which responsibilities are mixed, matched, and shared between the federal and state authorities, but there is a very current example with respect to laws—plural—in the United States that relate to capital crime and capital punishment.

● (1510)

In early 1972, 40 states of that union practised capital punishment under state law. There was also federal law providing for capital punishment. Furthermore, there were great variations, as between those states, of the types of crime designated as capital offences. The state laws also varied greatly in the powers and responsibilities given to juries in capital cases.

The accused could not be given equality of justice within the nation, but only within the state where he happened to commit the crime. The whole matter came to a head in 1972 when the United States Supreme Court, in a split decision, ruled that capital punishment is unconstitutional. In consequence, no person has been executed in the United States since that ruling was handed down. In fact, due to clemency decisions and appeals, no one has been executed in the United States since 1967.

The point that should be of vital interest to the Senate in this debate is the reason upon which the United States Supreme Court based its decision. The majority concensus in that decision was summed up by Justice Potter Stewart. I should like to read to you from a Canadian Press report of the whole matter, with a Washington dateline, as published in the Saint John *Telegraph-Journal* on Saturday, March 8, 1975—less than two weeks ago. That report states:

> Stewart found that because most juries had the discretion to vote clemency in capital offences, the death sentence was being "wantonly and freakishly imposed" on a "capriciously selected, random handful" of defendants—and was therefore unconstitutional as it was then applied.

Let me repeat and stress the basis for that ruling;

> Stewart found that because most juries had the discretion to vote clemency in capital offences—

That was the basis for it. Honourable senators, that is the very mess into which this bill seeks to lead us. Simple answers to complex questions! This is not a direction we should take in the amendment of our law—simply to resolve a grievance that Senator Robichaud and some others may have over the manner in which the law is being legally administered.

There is another part of the Canadian Press article that should be read into the record of this debate. It is as follows:

> Prof. Charles Black of Yale, one of the most respected constitutional scholars in the United States, argues in a recent book that the laws can never be explicit enough to make capital punishment fit the constitution.
>
> Noting that a prosecutor can choose to file a lesser charge than murder, a judge or jury can reduce the charge, a state governor or president—

[Senator McElman.]

Again mixing authority:

> —can grant clemency, Black argues that the official choices "that divided those who are going to die from those who are to live are on the whole not made, and cannot be made, under standards that are consistently meaningful and clear."
>
> Without such standards, the poor and those from minority groups would continue to face death more often in future—as they have in the past—than those who can enlist expert lawyers and prominent character witnesses.

Honourable senators, a great and emotional debate has followed the Supreme Court ruling. In the midst of the emotional debate, 31 of the states and the United States Congress have scrambled to enact new law on capital punishment, with a view to getting around the ruling of the Supreme Court, and a test appeal for the reinstitution of capital punishment is now before the court.

The State of North Carolina has reacted somewhat violently in its new legislation. That state has only 3 per cent of the total United States population, but about 30 per cent of the country's condemned persons. That latter percentage is likely to increase dramatically if the new state law is declared constitutional, because, according to this Canadian Press article, the State of North Carolina, in its new law, has made burglary and arson capital crimes. If that is true, they are walking a reactionary road that leads straight back to the jungle.

When he initiated this debate, Senator Robichaud urged each and all of us to follow our own conscience and vote accordingly. In view of the current wave of public emotion, a situation that always arises in discussions such as this, let me add to the advice that he gave by quoting other advice that has been handed down to us from one of Britain's great statesmen and parliamentarians, Edmund Burke. He said to the British people:

> Your representative owes you, not his industry only, but his judgment; and he betrays instead of serving you if he sacrifices it—

That is, his own judgment.

> —to your opinion.

I must say in closing, honourable senators, that my involvement in this debate has come as no surprise to Senator Robichaud. He discussed with me his intention to introduce this bill before he did so, and I told him—indeed, I promised him—that I would vigorously oppose it, because I am opposed in principle to that which the bill seeks to achieve.

I shall vote against second reading of Bill S-21 because I believe it should not receive second reading.

On motion of Senator Petten, for Senator Neiman, debate adjourned.

The Senate adjourned during pleasure.

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At 5 p.m. the sitting was resumed.

## THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (D) PRESENTED AND ADOPTED

Leave having been given to revert to Reports of Committees:

**Senator Everett,** Chairman of the Standing Senate Committee on National Finance, to which was referred the supplementary estimates (D) laid before Parliament for the fiscal year ending March 31, 1975, presented the following report:

Thursday, March 20, 1975.

The Standing Senate Committee on National Finance, to which the Supplementary Estimates (D) laid before Parliament for the fiscal year ending March 31, 1975 were referred, has in obedience to the order of reference of Thursday, March 4, 1975, examined the said Estimates and reports as follows:

1. In obedience to the foregoing, the Committee made a general examination of the Supplementary Estimates (D) and heard evidence from the Honourable J. Chrétien, President of the Treasury Board, and from the Program Branch of Treasury Board, Mr. B. A. MacDonald, Deputy Secretary, and Mr. R. L. Richardson, Assistant Secretary. Also the Honourable D. S. Macdonald, Minister of Energy, Mines and Resources, along with a number of his officials, appeared before the Committee to give evidence on government resource policy as reflected in these Estimates.

2. The Supplementary Estimates (D) total $1,917 million and bring the total Estimates tabled for the fiscal year ending March 31, 1975 to $28,233 million. It is noted that the Supplementary Estimates (A), (B), (C) and (D) total $4,936 million increasing the original Main Estimates from $23,297 million, which in percentage terms is an increase of 21 per cent. This increase in the size of Supplementary Estimates in relation to the original Main Estimates, which has been a matter of concern to your Committee because of its growth over the past few years, is approximately double the increase which took place in the fiscal year 1973-74.

3. Some of the largest items in the Supplementary Estimates in which your Committee showed particular interest are as follows:

a) payment to the Old Age Security Fund to make up the deficiency in the Fund—$700 million;

b) payments in the 1974-75 and 1975-76 fiscal years in respect of Canada's financial participation in the development and exploitation of the Athabaska Tar Sands—$138 million;

c) operating and capital expenditures in the various transportation programs of the Department of Transport—$193 million;

d) payment to the Canadian National Railway Company for the deficit arising in the operations of the Canadian National Railways System in the calendar year 1974—$45 million;

e) loans to Canadair Limited as approved by the Governor in Council, one without interest in connection with the Option Agreement to acquire the equity and notes of Canadair Limited for $3.3 million, and one for the financing of water bombing aircraft for $26 million—total $29.3 million;

f) to increase from $40 million to $75 million the amount that may be outstanding at any time under the Supply Revolving Fund of the Department of Supply and Services—$35 million; and

g) operating expenditures and grants for welfare services and for pensions in the Department of Veteran Affairs—$20 million.

4. The Treasury Board has supplied your Committee with a list explaining the $1 items in the Supplementary Estimates (D) which is attached as Appendix A to this report, as well as a document containing an explanation of various other items which is attached as Appendix B.

5. Your Committee is of the opinion that it would be useful to have included in Supplementary Estimates a table which would show a breakdown of expenditures into operating, capital and grants and contributions as is done in the Main Estimates. The President of the Treasury Board assured the Committee that this would be done in respect of the next Supplementary Estimates.

6. Your Committee also asked that it be provided with a list of items in these Supplementary Estimates where the Government may expect all or part of monies loaned or invested to be recovered and was told that this information could be provided.

7. The Minister of Energy, Mines and Resources tabled three documents with your Committee which dealt with the following subjects:

a) the option and the deficiency agreement between the Federal Government and Inter-Provincial Pipe Line Limited in connection with the Montreal extension of the Inter-Provincial Pipe Line System;

b) a statement by the Honourable D. S. Macdonald regarding the Syncrude Project; and

c) copies of studies relative to an evaluation of the Syncrude Project.

8. These papers generated questions to which the Minister and his officials responded to the satisfaction of the members of your Committee.

9. One area that concerns your Committee is the making of deficiency payments to the Inter-Provincial Pipe Line Limited in connection with the construction and operation of the Montreal extension, as it is understood that there is to be no monitoring of the pipeline's construction. The Minister assured your Committee that the audit process, before payment is made, would apply the necessary safeguards to ensure that the pipeline would be constructed economically.

Respectfully submitted.

D. D. Everett,
Chairman.

(*For text of Appendixes A and B to this report, see pp. 695-702.*)

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

**Senator Everett:** Honourable senators, in view of the fact that we expect a supply bill tomorrow, I would request leave to have the report taken into consideration now.

**The Hon. the Speaker:** The house has heard the motion, which requires unanimous consent. Is there unanimous consent?

**Hon. Senators:** Agreed.

**Senator Perrault:** Honourable senators, if there are no motions, I move that the Senate do now adjourn.

**Senator Grosart:** We have before us only the motion to consider the report. The motion under rule 78(3), with leave, is merely to consider the report now, rather than on a future date. If it is the wish of the Senate to dispose of this item now, so that we can deal with the appropriation bill, perhaps there should be a motion to adopt the report.

**Senator Everett:** In that case, honourable senators, may I have leave to revert to Motions?

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

**Senator Everett:** Honourable senators, with leave of the Senate, I move that the report be adopted now.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

**Senator Flynn:** I understand that we will have an opportunity to consider these estimates when we receive the appropriation bill. We will then be able to discuss the report. For those of us who were not in committee, it is a rather blind act of faith that you are asking of us.

**Senator Everett:** Honourable senators, I would be glad to discuss the matter now, if that is your wish.

**Senator Flynn:** No, it is all right.

**Senator Argue:** Do you want the oil at the top, or do you not?

**Senator Flynn:** I am not worried if the speech is to be made by Senator Everett rather than by Senator Argue.

**Senator Argue:** In that case, why make your complaint?

**Senator Flynn:** I was afraid you would follow.

**Senator Argue:** You were complaining about nothing. Now you will get the speech.

**Senator Everett:** Honourable senators, perhaps we should deal with the matter now. You will be pleased to know that my speech will not be a long one.

Your committee heard evidence from the President of the Treasury Board in respect to supplementary estimates (D). We also took particular interest in some of the appropriations which have been made to the Department of Energy, Mines and Resources, most specifically the terms of the Syncrude agreement and the agreement to extend the crude petroleum pipeline from Sarnia to Montreal.

In addition, your committee took an interest in an agreement entered into between the Government of Canada and General Dynamics and Canadair for an option to purchase the shares of Canadair. Your committee saw the agreement and examined it, and it is satisfied as to its contents.

Honourable senators, these supplementary estimates total $1,917,000,000 and bring the total estimates tabled for the fiscal year ending March 31, 1975 to $28,233,000,000.

**Senator Grosart:** Honourable senators, it is perhaps worth while clarifying the position. According to our rules, a report from a committee is received without debate. However, there is general consensus that a report from the National Finance Committee on the estimates is in a somewhat different category from that of an ordinary report of a committee, because there is a resolution of the Senate which requires that there be a report from this committee before the Senate will consider an appropriation bill. Senator Everett was perhaps in order, therefore, in moving that we consider the report now, and adopt it, even though it is not the normal procedure with regard to a report from a committee which is not on a bill.

Having attended the committee hearings, I shall have some comment to make on the report. However, the most appropriate time would be when the appropriation bill, which will contain exactly the same subject matter as the report, is before us.

**Senator Flynn:** I hope it is exactly the same subject matter. On previous occasions we have had some differences about that.

**Senator Langlois:** We will deal with it tomorrow.

**Senator Flynn:** We will see tomorrow.

**Senator Argue:** Blind faith.

Motion agreed to and report adopted.

The Senate adjourned until tomorrow at 11 a.m.

## THE ESTIMATES

(*See p. 663.*)

APPENDIX "A" TO REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (D)

EXPLANATION OF ONE DOLLAR ITEMS IN SUPPLEMENTARY ESTIMATES (D), 1974-75

Summary

The one dollar items included in these Estimates have been grouped in the attached schedules according to purpose.

A. One Dollar items authorizing transfers from one vote to another—21 items.

B. One Dollar items for grants—10 items.

C. One Dollar items authorizing the deletion of debts due the Crown and the reimbursement of certain working Capital Advance Accounts—7 items.

D. One Dollar items which authorize amendments to previous appropriation acts—3 items.

E. Miscellaneous—to authorize a guarantee, to increase the financial limits in other legislation, and to extend the interpretation of certain legislation—6 items.

SCHEDULE A

ONE DOLLAR ITEMS AUTHORIZING TRANSFERS FROM ONE VOTE TO ANOTHER—21 ITEMS

Agriculture

*Vote 5d*—Amount of transfer to this Vote $189,299.

*Explanation*—This additional amount is required to cover price increases for livestock feeds, fuel oil, electricity, etc.

*Vote 20d*—Amount of transfer to this Vote $346,118.

*Explanation*—The additional funds will be required to provide for the following:

(1) To provide for contributions of $96,119 to the Province of Quebec to cover a portion of the administrative expenses and premiums paid under an Experimental Crop Insurance Program during the period April 1, 1973 to March 31, 1974.

(2) To provide $250,000 for the federal share of payments to producers in accordance with an agreement with the Province of Manitoba for the purchase and transportation of hay required as a result of crop losses due to adverse weather.

*Source of Funds*—Vote 1—($535,417)—Administration expenditures for the Small Farm Development—Adjustment activity will be less than originally forecast.

Consumer and Corporate Affairs

*Vote 1d*—Amount of the transfer to this Vote $706,999.

*Explanation*—The additional funds will be allocated as follows:

(1) To cover the cost of furnishings and equipment for the departmental headquarters at Place du Portage, Hull, and also price increases for certain contracts awarded. The delivery of these furnishings and equipment was delayed resulting in a carryover of the account to the current fiscal year. ($164,000)

(2) To provide for the cost of projects contracted out by the Policy Analysis Division. Due to difficulties in recruiting economic and policy analysis staff, work was commissioned to start required studies and a small research program. ($100,000)

(3) To establish the Office of the Assistant Deputy Registrar General to administer the Conflict of Interest Guidelines. ($193,000)

(4) To cover the cost of the transfer of the Registration Division from the Corporate Affairs Program. ($50,000)

(5) To supplement the cost of a general advertising campaign involving T.V., radio and newspaper, to inform the public of services and programs provided by the Department. ($200,000)

*Source of Funds*—Vote 5—($656,999)—Funds are available due to a late start in the expansion of the Consumer Fraud and Consumer Consulting activities and difficulties in staff recruitment.

—Vote 10—($50,000)—Funds are available due to transfer of the Registration Division from the Corporate Affairs Program.

*Vote 15d*—Amount of transfer to this Vote $239,999.

*Explanation*—The additional funds are required to cover a carryover of legal accounts and to cover fees and expenses incurred in the prosecution of sugar refineries under the Combines Investigation Act.

*Source of Funds*—Vote 5—Funds are available due to a late start in the expansion of the Consumer Fraud and Consumer Consulting activities and difficulties in staff recruitment.

Energy, Mines and Resources

*Vote 1d*—Amount of transfer to this Vote $147,999.

*Explanation*—These additional funds are required to meet increased costs of Department of Supply and Services services, regular stocked items and freight charges, costs relating to the purchase of equipment and material, and printing charges.

*Vote 15d*—Amount of transfer to this Vote $627,999.

*Explanation*—These additional funds will be required as follows:

1. To cover the increase in aircraft operating costs and additional summer students hired under the airborne survey program. ($277,000)

2. To provide for the substantial increase in cost of lithographic materials. ($154,000)

3. To meet the cost of additional staff required to carry out special Terrain Analysis studies ($103,000)

4. To meet increased costs for service charges for services provided by Department of Supply and Services, commissionaire salaries, etc. ($94,000)

*Source of Funds*—Vote 5—($775,998)—Funds are available within the program due to delays in the recruitment of qualified staff.

Environment

*Vote 1d*—Amount of transfer to this Vote $82,999.

*Explanation*—The additional funds are required to provide for increases in Department of Supply and Services service charges ($50,000), Department of National Health and Welfare nursing services ($8,000) and Commissionaire Contract increases ($25,000).

*Vote 5d*—Amount of transfer to this Vote $1,958,444.

*Explanation*—The additional amounts will be used as follows:

(1) To provide $1,159,445 for a deficit in salary funds arising from the requirement to hire Wardens and Guardians in the Fisheries Protection and Conservation Activity.

(2) To provide $400,000 to cover the deficit for the operation of the Newfoundland Bait Service.

(3) To provide $188,000 for the additional contributions required to meet Canada's share of increased costs of operations incurred by international fisheries commissions.

(4) To provide $210,999 for increases in service charges announced by the Department of Supply and Services.

*Vote 20d*—Amount of transfer to this Vote $856,763.

*Explanation*—Additional funds are required to meet unforeseen increased costs in the operation of weather forecasting and weather reporting services.

*Vote 30d*—Amount of transfer to this Vote $659,999. In addition, authority is requested for the payment of a grant of $1,000.

*Explanation*—Additional funds are required to cover the increased Federal share of losses by farmers for crops eaten by migrating waterfowl. The Main Estimates for the current year includes contributions to the Prairie provinces of $490,000 for this program. The increase is due to the late harvesting of cereal crops consequent upon the late spring and the crops being available to the migrating birds for a longer period.

It is proposed to provide a grant of $1,000 to assist with the cost of a national symposium on the problems and opportunities generated by wildlife in urban areas.

*Source of Funds:*

| Votes Transferred To | Votes Transferred from Vote 10 | Votes Transferred from Vote 25 |
|---|---|---|
| Vote 1d | $ 82,999 | |
| Vote 5d | 1,958,444 | |
| Vote 20d | | $856,763 |
| Vote 30d | | 659,999 |
| | $2,041,443 | $1,516,762 |

*Vote 10*—Funds are available due to delays in certain major capital projects.

*Vote 25*—Expenditures for various major capital projects within this program will be less than originally forecast.

Justice

*Vote 15d*—Amount of transfer to this Vote $114,999.

*Explanation*—These additional funds are required to cover printing costs of reports and informational material, salaries and other operating expenditures.

*Vote 25d*—Amount of transfer to this Vote $288,999.

*Explanation*—Additional Funds are requested to cover the increased printing costs resulting from greater demands for Commission publications and the publishing of papers and studies which have been completed ahead of schedule.

*Source of Funds*—Vote 10—($303,998)—Payments to the provinces to assist in the operation of legal aid systems will be less than was originally forecast.

National Health and Welfare

*Vote 25d*—Amount of transfer to this Vote $499,999.

*Explanation*—Additional funds are requested to cover increased costs for goods and services including medical evacuations, drugs and goods.

*Source of Funds*—Vote 45—Funds are available because of delays in project implementation and slow billings under the Guaranteed Income Experimental project.

Privy Council—Canadian Intergovernmental Conference Secretariat

*Vote 5d*—Amount of transfer to this Vote $399,999.

*Explanation*—During 1974-75 there was a substantial increase in the demand for administrative support services which are provided by the Secretariat to various intergovernmental meetings. Additional funds are required to meet the cost of these services.

*Source of Funds*—Vote 1—Grants to the Institute for Research on Public Policy will be less than originally forecast.

Public Works

*Vote 1d*—Amount of transfer to this Vote $795,999.

*Explanation*—These additional amounts will be used as follows:

(1) To provide $180,000 for the costs of a Commission to review the present and future needs relative to the amount and type of accommodation and facilities that Parliament requires to operate.

(2) To provide $616,000 to cover higher costs in the Administration Program to support the operational programs of the Department.

*Vote 5d*—Amount of transfer to this Vote of $279,999.

*Explanation*—To meet the cost of the development and maintenance of the Government of Canada Master Specifications system for government departments.

*Vote 25d*—Amount of transfer to this Vote $485,999.

*Explanation*—It is proposed to carry out remedial work (shore protection) on the St. Lawrence River at Ste. Anne de Sorel, Matane and Champlain.

*Source of Funds:*

| Votes Transferred | Votes Transferred From | | |
|---|---|---|---|
| To | Vote 10 | Vote 15 | Vote 35 |
| Vote 1d | $179,999 | $339,000 | $277,000 |
| Vote 5d | 279,999 | | |
| Vote 25d | | 485,999 | |
| | $459,998 | $824,999 | $277,000 |

*Vote 10*—Funds are available due to the receipt of higher than forecast revenues in the Accommodation Program.

*Vote 15*—Funds are available due to delays in starting a number of capital projects.

*Vote 35*—Funds are available in the Transportation and Other Engineering Services Program because greater use was made of central support services in the Departmental Administration and the Professional and Technical Services Programs.

Regional Economic Expansion—Cape Breton Development Corporation

*Vote 30d*—Amount of transfer to this Vote $12,099,999.

*Explanation*—Funds are required to cover operating losses in the Coal Division of the Cape Breton Development Corporation due to an increase in operating costs and a reduction in coal production in relation to forecast levels.

*Source of Funds*—Vote 10—Contributions under this program will be less than originally forecast.

Secretary of State—Company of Young Canadians

*Vote 60d*—Amount of transfer to this Vote $549,999.

*Explanation*—The Company of Young Canadians in preparing its current budget did not provide for the Cost-of-Living increase nor for an increase in the number of volunteers. It is proposed to provide for these increased costs through a transfer of funds from the Arts and Culture Program of the Department.

*Source of Funds*—Vote 15—Due to delays in the Massey Hall project the total amount of the grant for this purpose will not be required.

Transport

*Vote 45d*—Amount of transfer to this Vote $310,748.

*Explanation*—It is proposed to provide contributions to the Algoma Central Railway and the Toronto, Hamilton and Buffalo Railway Company as compensation to these two railway companies for freight rate increases foregone in 1973. These companies applied too late for payment to be made out of 1973-74 funds.

*Source of Funds*—Vote 40—Funds are available due to delays in initiating several ferry service projects and in the site selection for the Motor Vehicle Test Centre.

*Vote 55d*—Amount of transfer to this Vote $1,531,999.

*Explanation*—The additional funds are required for the operating deficit and related expenses incurred by the STOL Demonstration Service.

*Source of Funds*—Vote 1—Funds are available due to delays in the design and construction of the Transport Training Institute.

SCHEDULE B

ONE DOLLAR ITEMS FOR GRANTS (10 ITEMS)

Consumer and Corporate Affairs

*Voted 5d*—To authorize grants totalling $225,000.

*Explanation*—It is proposed to provide assistance to consumer associations to enable them to provide a consumer advocacy role before federal regulatory and administrative tribunals.

*Source of Funds*—Vote 5—Anticipated expenditures will be less than originally forecast since some of the funds originally allotted to the Consumer Help Office Project will not be required.

*Vote 25d*—To authorize a grant of $15,000.

*Explanation*—An additional grant is required for the World Intellectual Property Organization due to fluctuating foreign exchange rates. A grant has already been provided of $75,000 to this Organization.

*Source of Funds*—Vote 25—Printing costs under this program will be less than originally forecast.

External Affairs

*Vote 10d*—To authorize a grant of $50,000.

*Explanation*—As a result of increased costs for goods, services and utilities for La Maison canadienne of Paris will require a grant to meet its operating and maintenance deficit.

*Source of Funds*—Vote 10—A portion of the grant of $268,000 to the St. Malo Cathedral will not be required in the current year.

Justice

*Vote 10d*—To authorize a grant of $500.

*Explanation*—It is proposed to provide an additional grant of $500 to l'Institut international de droit d'expres-

sion française. The Main Estimates for the current fiscal year provided a grant of $1,500 to l'Institut; the additional amount is required to cover the cost of the annual review to be published by l'Institut.

*Source of Funds*—Vote 10—Payments to the provinces for the operation of legal aid systems will be less than was originally forecast.

Labour

*Vote 1d*—To authorize grants totalling $50,000.

*Explanation*—It is proposed to provide additional grants of $10,000 and $40,000 respectively to assist workers under the Transitional Assistance Benefits and Adjustment Assistance Benefits Programs. These additional grants will be used to meet increased demands for assistance due to a high level of unemployment. The original Estimates for the current year provided a sum of $50,000 for Transitional Assistance Benefits and $375,000 for Adjustment Assistance Benefits.

*Source of Funds*—Vote 1—Forecast expenditures for administration will be less than originally expected.

National Health and Welfare

*Vote 45d*—To authorize grants totalling $15,000.

*Explanation*—It is proposed to provide family assistance grants to children of immigrants and settlers on a retroactive basis. The new Family Allowance Act provides assistance to these children from January 1974. Some applications have been received for benefits prior to that date and authority is now being sought to make these payments.

*Source of Funds*—Vote 45—Funds are available because of delays in project implementation and slow billings under the Guaranteed Income Experimental project.

Secretary of State

*Vote 15d*—To authorize grants totalling $285,000.

*Explanation*—The additional funds will be used for the following purposes:

(1) To provide a further sustaining grant of $125,000 to the Fathers of Confederation Building Trust, Charlottetown, P.E.I. The original Estimates for the current fiscal year provided a grant of $500,000 for this purpose.

(2) To provide a grant of $160,000 to the Canadian Publishers Project Coordinating Committee for the purpose of assisting in the promotion and distribution of Canadian books.

*Source of Funds*—Vote 15—Forecast requirements for the Cultural Statistics Program will be less than was originally expected.

*Vote 20d*—To authorize a grant of $150,000.

*Explanation*—It is proposed to make a grant to support the work of the Canadian Studies Foundation. This grant is to be matched by an equal grant from the Canadian Council of Education Ministers. It will be used to develop curriculum material for the teaching of Canadian studies for use in elementary and secondary schools.

*Source of Funds*—Vote 20—Funds are available due to delays in the recruitment of qualified staff for Policy Analysis Division and from research grants which will not be required in the current year.

*Vote 35d*—To authorize grants totalling $481,000 as well as a transfer of $480,999 to this Vote.

*Explanation*—The additional funds will be used for the following purposes:

(1) To increase the grants allocated for the International Women's Year Program in order to assist organizations with the financing of projects or cultural events. ($415,000)

(2) To increase the grants to the Institut canadien pour l'Éducation des adultes and the Canadian Association of Adult Education to $75,000 and $50,000 respectively in support of their activities for the promotion of adult education and citizenship. ($66,000)

*Source of Funds*—Vote 30—Funds were originally provided for the International Women's Year Program under the Operating Vote. It is now proposed to provide this assistance in the form of grants. In addition, a further $66,000 is also available due to under-expenditures for professional and special services.

Secretary of State—National Museums of Canada

*Vote 90d*—To authorize a grant of $4,000,000.

*Explanation*—It is proposed to provide a grant to the Art Gallery of Ontario to assist in the construction of the next stage of their building program so as to enhance the education and information services to the public.

*Source of Funds*—Vote 90—Funds will be available under the National Museums Policy Contribution Program because payments formerly paid in advance are now made on a progress basis.

SCHEDULE C

ONE DOLLAR ITEMS AUTHORIZING THE DELETION OF DEBTS DUE THE CROWN AND THE REIMBURSEMENT OF CERTAIN WORKING CAPITAL ADVANCE ACCOUNTS (7 ITEMS)

Public Works

*Vote 20b*—Authority is requested for the deletion of certain debts totalling $8,982.41 and for the transfer to this vote of $349,999.

*Explanation*—Additional funds are required for the repair of a ferry terminal wharf at Tadoussac, P.Q.

It is proposed to write-off debts incurred by a shipbuilding company which has gone into receivership without sufficient resources to meet its outstanding debt. These services were provided in 1970 and the write-off of this debt has been approved by the Interdepartmental Committee on Uncollectable Debts.

*Source of Funds*—Vote 15—Funds are available due to delays in the commencement of a number of projects.

Regional Economic Expansion

*Vote 1d*—To authorize the reimbursement of the Prairie Farm Rehabilitation Stores Working Capital Advance Account in the amount of $10,342.

*Explanation*—Authority is requested to reimburse the Working Capital Advance Account for the value of stores

which have been declared obsolete and transferred to the Crown Assets Disposal Corporation for disposal.

Solicitor General

*Vote 5d*—To authorize the reimbursement of certain Working Capital Advance Accounts for the value of stores which have become obsolete, unserviceable, lost or destroyed.

*Explanation*—It is proposed to reimburse the Industrial and Stores Working Capital Advance Account in the amount of $1,023.12 for the value of stores lost by fire or declared as obsolete to the Crown Assets Disposal Corporation.

It is also proposed to provide a reimbursement of $13,787.11 to the Operational Stores Working Capital Advance Account to cover the value of stores declared as obsolete to the Crown Assets Disposal Corporation, lost by fire or otherwise certified by Departmental Boards of Enquiry as being unserviceable, lost or destroyed.

Solicitor General—Royal Canadian Mounted Police

*Vote 20d*—To extend the purposes of this vote so as to reimburse the Royal Canadian Mounted Police Clothing and Kit Working Capital Advance Account in the amount of $4,488.

*Explanation*—It is proposed to reimburse the Clothing and Kit Working Capital Advance Account for the value of unilingual shoulder badges which have become obsolete.

Veterans Affairs

*Vote 5d*—Authority is requested to delete debts totalling $78,294.91.

*Explanation*—The Interdepartmental Committee on Uncollectable Debts has recommended the deletion of these debts classified as uncollectable. The debts arose mostly from overpayments resulting from undeclared income or the failure to advise of changed marital status. Of the twelve cases involved, two debtors have died with no known estate and balance are indigent.

*Vote 30d*—Authority is requested to delete debts totalling $65,309.32.

*Explanation*—It is proposed to delete debts which are considered to be uncollectable for some eight pension recipients. Of these cases, three of the debtors died with no known estate, two are indigent, one case is classified as a liability not admitted and successful collection proceedings are unlikely and the balance are cases where the existence of an enforceable debt cannot be readily established. These debts have been reviewed by the Interdepartmental Committee on Uncollectable Debts and certified as being uncollectable by the Canadian Pension Commission. The debts have resulted mostly through overpayments resulting from undeclared income or the failure to advise of changes in marital status.

*Vote 45d*—Authority is requested to delete debts totalling $61,192.33.

*Explanation*—It is proposed to write-off the uncollectable portion of a debt for a veteran confined to mental hospitals from the time of his discharge from the Army in 1919 until his death in 1973. The Department has recovered wherever possible and it is now proposing with the approval of the Interdepartmental Committee on Uncollectable Debts to write-off the balance. The veteran was not eligible for treatment because the condition pre-existed his enlistment.

SCHEDULE D

ONE DOLLAR ITEMS WHICH AUTHORIZE AMENDMENTS TO PREVIOUS APPROPRIATION ACTS (3 ITEMS)

Agriculture

*Vote L26d*—To extend the authority of the Racetrack Supervision Revolving Fund.

*Explanation*—It is proposed to extend the activities within the Revolving Fund to include the carrying out of chemical research relating to the use of drugs on horses and for the development of improved techniques for race surveillance.

Industry, Trade and Commerce

*Vote 1d*—To extend the vote wording so as to insure loans by private lenders to Canadian manufacturers until January 1, 1979 and to transfer an amount of $299,999 to this vote.

*Explanation*—It is proposed to extend the authority under the General Adjustment Assistance Program from January 1, 1976 to January 1, 1979, to insure loans by private lenders to Canadian manufacturers. These loans provide for the restructuring and modernization of facilities.

In addition, a transfer of funds is requested to help meet the legal, accounting and appraisal fees incurred in negotiating the option agreements with Canadair and de Havilland of Canada. These expenditures were not anticipated when the Main Estimates were prepared.

*Source of Funds*—Vote 35—Funds are available due to delays in certain transportation studies.

Manpower and Immigration

*Vote 10d*—To extend the time limit for capital expenditures on Occupational Training facilities from 1975-76 to 1980-81 inclusive.

*Explanation*—It is proposed to extend the Capital Assistance Phase-Out Program for a further five years. This extension will permit the provinces and territories to account for funds provided to them under the program for the phase-out of federal payments following the termination in 1967 of the Technical and Vocational Training Act.

SCHEDULE E

MISCELLANEOUS—TO AUTHORIZE A GUARANTEE, TO INCREASE THE FINANCIAL LIMITS IN OTHER LEGISLATION, AND TO EXTEND THE INTERPRETATION OF CERTAIN LEGISLATION (6 ITEMS)

Energy, Mines and Resources

*Vote 5d*—To authorize the entering into of an agreement with the Interprovincial Pipe Line Limited.

*Explanation*—Authority is requested to enter into a Deficiency Payments Agreement with Interprovincial Pipe Line Limited related to the construction and operation of

the Montreal extension of the Interprovincial Pipe Line system and to ensure that any tolls or tariffs allowed or prescribed by the National Energy Board in respect to this agreement shall be deemed not to make, contain or result in unjust discrimination within the meaning of the National Energy Board Act.

Finance

*Vote 1d*—To amend the Canada Student Loan Act and to authorize the deletion of debts totalling $75,087.18.

*Explanation*—It is proposed to seek authority for the following purposes:

(1) To increase the annual loan limit under the Canada Student Loans Act from $1,400 to $1,800 (from $700 to $900 for a semester). This increase is recommended in order to provide more aid to needy students to help cover increased educational costs. The current overall borrowing limit of $9,800 is not being changed.

(2) To increase the basic loan provision so as to provide adequate funds to cover the increased borrowing which will follow the loan limit change. Under the current formula the basic loan provision plus the Supplementary Loan Provision for 1975-76 is estimated at $143,000,000, whereas, projections on the new loan limits indicate requirements of up to $175,000,000. The Estimates assume no change in current provincial practice respecting the loan to grant "mix" of provincial student aid plans.

(3) To delete eight debts totalling $75,087.18 which have been approved as uncollectable by the Standing Interdepartmental Committee on Uncollectable Debts. Three of these relate to Farm Improvement Loans and five to Small Businesses Loans.

*Vote 17d*—Authority is requested to provide for the transfer of certain Canada Savings Bonds between a trust governed by a Registered Retirement Savings Plan, a Pension Fund or Plan or a Profit-Sharing Plan and a Beneficiary thereof, and for the registration of the bond in the name of the Trust.

*Explanation*—Provision does not exist for the transfer of Canada Savings Bonds to a Trustee of a Registered Retirement Savings Plan, Profit Sharing Plan or Pension Fund Plan. On February 7, 1975 the Minister of Finance announced that this restriction would be eliminated from those issues now outstanding and that any such bonds purported to have been paid at any time by a taxpayer as a premium under a Registered Retirement Savings Plan shall be deemed to have been acquired as a qualified investment by the Trust. This proposed vote wording will provide for the implementation of this announcement.

*Vote L18d*—Authority is requested through this vote wording to clarify the meaning of the term "United States dollars" as it applies under section 5 of the Bretton Woods Agreements Act and under Finance Vote L37d, Appropriation Act No. 1, 1970.

*Explanation*—Under the Articles of Agreement of the International Monetary Fund, Canada's quota is stipulated in terms of Special Drawing Rights Units of Account. Until 1971, one Special Drawing Rights Unit was equal in value to one United States dollar. As a result of the formal devaluations of the United States dollar, this identity was lost and the value of the Special Drawing Rights Unit in terms of United States dollars was increased, requiring Canada to make "maintenance of value" payments to keep the Fund's holdings of Canadian dollars consistent with their value in Special Drawing Rights Unit.

This obligation was met in 1972 and again in 1973 through the use of special votes in Appropriation Acts. It is intended that the vote wording will clarify the technical definition of Canada's International Monetary Fund obligation so that further maintenance of value payments can be made when required.

Indian Affairs and Northern Development

*Vote 30d*—To extend the purpose of this Vote so as to amend the Canada Mining Regulations in respect of the number of mineral claims staked by an individual and to authorize the deletion of debts totalling $76,802.14.

*Explanation*—Authority is requested to amend the Canada Mining Regulations or any lease thereof so as to ensure that any claim shall not be held to be invalid by reason only that there are in excess of 36 mineral claims located within an area shown on a mineral claim staking sheet in a licence year by a person or someone on his behalf.

In addition, authority is requested for the deletion from the Accounts of Canada of the Crown's claim against a mining company which is now defunct. The debt amounting to $76,802.14 has been approved by the Interdepartmental Committee on Uncollectable Debts.

National Defence

*Vote 1d*—To authorize an extension to the present Vote wording and to authorize the transfer of $6,999,999 to this Vote.

*Explanation*—Authority is requested to extend the National Defence Act so as to provide for the inclusion of girls under the Cadet Training Program for 1975 and thereafter and to provide them with the same allowances as boys.

In addition authority is requested to transfer $6,999,999 to cover increased operating expenditures to the Defence program.

*Source of Funds*—Vote 5—Capital expenditures will be less than originally forecast due to the deferral of certain projects and delays in others.

APPENDIX "B" TO REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (D)

Energy, Mines and Resources—Vote 47d

Eldorado Nuclear Limited

*Pages 22 and 23—Supplementary Estimates (D) 1974-75*

In January, 1974 a $15 million five-year exploration program for Eldorado Nuclear Limited was announced. The program would be financed by the Federal Government, and this exploration for uranium ore would assist in establishing and maintaining adequate Canadian uranium reserves which could be economically exploited under current and projected technology and market conditions. The $1.7 million covered by this Vote represents the financing for the first year of the exploration program.

Environment—Vote 15d

Fisheries and Marine Program

*Pages 26 and 27—Supplementary Estimates (D) 1974-75*

This Vote provides for two items:

(1) Grants of $4 million to Canadian producers of frozen and canned groundfish, crab meat and lobster meat.

(2) Contributions of $4 million to Canadian producers of groundfish products in order to maintain fishing operations during the months of January, February and March.

The grants are to finance the extension of the cold storage assistance and inventory financing aspect of the groundfish price stabilization program from October 31, 1974 to March 31, 1975. This program was originally scheduled from July 31 to October 31, 1974, and was implemented last summer to assist fishermen who would have suffered a drop in prices due to the severely depressed U.S. groundfish market. The market conditions had resulted in a high inventory build-up and producers were offered storage assistance on the condition they would maintain prices to the fishermen.

The contributions are to provide interim assistance to groundfish producers through deficiency payments to producers who continue production. This program was announced on December 20, 1974 and is part of a $21 million program which also includes the purchasing and canning of frozen groundfish to be used in the World Food Program and the provision of working capital loans to fish processing plants in Newfoundland and Labrador that were affected by the severe ice conditions in May and June, 1974. This interim program will terminate on April 30, 1975.

External Affairs—VOTE 26d

Canadian International Development Agency

*Pages 34 and 35—Supplementary Estimates (D) 1974-75*

The purpose of this Vote is twofold:

(1) to forgive loans made by the Federal Government to the Export Development Corporation (EDC) for the purpose of financing agreements between the Corporation and the Government of Bangladesh; and

(2) to authorize the EDC, in return, to forgive Bangladesh its obligations under those agreements.

The debts being forgiven by the EDC relate to four loans made by the Corporation to Pakistan between 1962 and 1969, for the purchase of power generation, paper mill and locomotive equipment for use in East Pakistan. These debts were taken over by the Government of Bangladesh upon the formation of that state, and are being forgiven in accordance with a decision of the Bangladesh Aid Group (an international aid consortium of which Canada is a member) to provide debt relief to that country.

Since the EDC is writing off these debts at the request of the Government rather than at the direction of its Board, a compensatory adjustment is being made in the Corporation's debt to the Consolidated Revenue Fund.

This item is in fact only an accounting adjustment which does not involve a new cash flow. It appears under CIDA's Estimates because the action is being taken on development assistance grounds.

Indian Affairs and Northern Development—VOTE 40d

Northern Affairs Program

*Pages 48 and 49—Supplementary Estimates (D) 1974-75*

The major portion of this Vote is for a transfer payment to the Government of the Northwest Territories, to provide for salary and price increases during 1974-75 which could not be fully absorbed by the NWT Government. The $2 million is essentially to assist the NWT Government in meeting the requirements of new salary settlements negotiated with the NWT Public Service Association and the NWT Teachers Association. Total wage settlements for these associations involved increases in the order of 15 percent, as opposed to the 6 percent that had been provided for in Main Estimates. Similar assistance was given to the Government of the Yukon Territory through an item in Supplementary Estimates (B) 1974-75.

Another item covered by this Vote is a contribution to the NWT Government of $547 thousand for the development of a townsite at Strathcona Sound, NWT. In June, 1974 the Federal Government entered into an agreement with a Canadian company, Mineral Resources International, concerning government assistance to the company for the development of a lead/zinc mine at Strathcona Sound. Under the agreement, the government would provide development assistance in the amount of $18.3 million over a three-year period commencing in 1974-75. The funds would be used for a dock, an airport, roads and townsite development. Appropriate amounts for 1975-76 and 1976-77 will be included in the Main Estimates of Transport and Indian Affairs accordingly. However, no funds were provided in 1974-75 Estimates for this project. The NWT Government is acting as project manager for the townsite development, and this contribution would cover site planning, leasing and other pre-construction expenses.

Regional Economic Expansion—VOTE L12d
*Pages 92 and 93—Supplementary Estimates (D) 1974-75*

This Vote is to authorize a Working Capital Advance of $1.5 million that would allow the Prairie Farm Rehabilitation Administration (PFRA) to carry the recoverable portion of the costs of projects, pending repayment by the provinces, that are undertaken pursuant to federal-provincial agreements on Agricultural Service Centres and Community Water Projects in the Prairie provinces.

This Working Capital Advance is required because the payment terms of the agreements are such that provincial contributions to project costs are not usually available at the time the expenditures are being incurred, imposing a problem to PFRA of temporarily re-allocating available cash from within its overall program budget.

Transport—Vote 20d
Air Transportation Program
*Pages 114 and 115—Supplementary Estimates (D) 1974-75*

The major item within the total of $139,512,600 for this Vote is $136,279,600 for crediting to the Airports Revolving Fund. These costs were incurred through the acquisition of the peripheral lands for the new Montreal International Airport at Mirabel, Quebec, the development of the lands and interest on funds borrowed from the Federal Government. The credit reflects the transfer of these peripheral lands from the Ministry of Transport to the Department of Public Works on 1 April, 1975. An additional amount of $7,295,469 is credited in Transport Vote 15d for operating losses in a similar manner, bringing the total amount of the transfer to $143,575,069. This item is in fact only an accounting adjustment which does not involve a new cash flow.

The remaining $3,233,000 is required for a number of capital projects in progress across Canada. In addition, $5,000,000 contained in Transport Vote 25 (Grants and Contributions) for payments to former owners of property expropriated in connection with the new airport at Mirabel, Quebec, is expected to lapse due to the delay in settlements in this fiscal year. These funds are to be transferred into Vote 20 (Capital Expenditures).

The additional capital funds will go toward the continuation of various projects which include: land acquisition for the Calgary International Airport expansion and the Vancouver International Airport; runways at Fort St. John, British Columbia and London, Ontario; airport development at La Ronge and Saskatoon, Saskatchewan, and St. John's, Newfoundland; and the new air traffic control tower at Mirabel, Quebec. The escalation of construction costs and the rapid pace of construction on many projects has created the requirement for additional funds.

NATIONAL HEALTH AND WELFARE—VOTE 46d

Pages 70 and 71—Supplementary Estimates (D) 1974-75

OLD AGE SECURITY FUND[1]

(millions of dollars)

| | 1970-71 | 1971-72 | 1972-73 | 1973-74 | 1974-75 |
|---|---|---|---|---|---|
| Receipts: | | | | | |
| From Taxes | 1,914.2 | 2,118.0 | 2,219.0 | 2,496.5 | 2,740.0 |
| Credit from Appropriations | — | — | — | 235.0[2] | 700.0[3] |
| | 1,914.2 | 2,118.0 | 2,219.0 | 2,731.5 | 3,440.0 |
| Payments | 1,907.2 | 2,205.3 | 2,524.3 | 3,034.5 | 3,463.0 |
| Surplus/(Deficit) | 7.0 | (87.3) | (305.3) | (303.0) | (23.0) |
| Deposits with Receiver General | 7.0 | (87.3) | (305.3) | (303.0) | (23.0) |
| Balance at beginning of year | 721.4 | 728.4 | 641.1 | 335.8 | 32.8 |
| Balance at Close of Year | 728.4 | 641.1 | 335.8 | 32.8 | 9.8 |

1) Source for 1970-71 to 1973-74 is Public Accounts.
Source for 1974-75 is Treasury Board estimate.
2) Supplementary Estimates (B) 1973-74.
3) Supplementary Estimates (D) 1974-75.

# THE SENATE

Friday, March 21, 1975

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Daudlin has been substituted for that of Mr. Caccia on the list of members appointed to serve on the Special Joint Committee on Immigration Policy.

## APPROPRIATION BILL NO. 1, 1975

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-54, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975.

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:** Honourable senators, with leave of the Senate, I move, seconded by the Honourable Senator Perrault, that the bill be read a second time now.

**The Hon. the Speaker:** The house has heard the motion. Is there unanimous consent?

**Senator Benidickson:** Honourable senators, I do not want to develop the reputation of being a curmudgeon around here, but I do have to complain that we are constantly abridging our rules. We did so with respect to the amendments to the Canadian Business Corporations Bill just the other day, and we do so frequently.

I attempted to obtain today a copy of the proceedings of the meeting of the National Finance Committee which was the basis of the Senate study on the supplementary estimates (D). As you know, the study of supplementary estimates is a prior step to the presentation of an appropriation bill. I was unable to obtain a copy of the proceedings. The chairman of the committee presented his report yesterday, but we do not have *Hansard* yet; nor do we have the *Minutes of the Proceedings of the Senate* containing that report and the two appendices. Of course, I am familiar with those because I attended the committee meeting yesterday, but I still have not received the committee evidence from a week ago and I did not take notes at the time. Furthermore, I understand that it is not the intention of the deputy leader to do other than to explain the bill.

Under our rules we could refuse consent so that he would not be able to proceed with second reading until another sitting, and perhaps that would give me the time to obtain the evidence and any other information I would wish to look at. But I do not propose to refuse consent. I simply want to draw to the attention of the Senate that we seem to be getting further behind with respect to the time it takes to receive the printed reports of our committee sittings. For example, seeing Senator Bourget reminds me that he sponsored a bill recently, and subsequently presided over a meeting of the Transport and Communications Committee. We then passed that bill in the house before the evidence from that committee meeting was available. Indeed, I received it only this morning. For these reasons I suggest that something must be done to speed up the printing of the evidence of our meetings and our committee reports.

In so far as the supplementary estimates are concerned, in the other place they received the attention of six or even eight separate committees, and yet the evidence from those meetings was promptly printed. Indeed, at least one of those committees had three sittings before it completed its study with respect to the Department of Energy, Mines and Resources. Before we could deal with the subject, and before they could pass the supplementary estimates and have them advanced to this chamber, they had printed copies of the evidence of the committee studies. I think we should not be proceeding, as we do so often, without printed reports of the preliminary committee studies that are basic to the procedure and the bills that we are asked to advance.

**Senator Langlois:** Honourable senators, if I may be allowed to comment on these remarks, I know we have been living with this perennial problem of delay in the printing of Senate deliberations, because for a long time it has been the practice that the printing of Senate prodeedings takes second place to the printing of House of Commons proceedings. I recently drew the attention of the Leader of the Government to this situation, and I am sure that he will do his best to try and have it corrected.

As to the report of the National Finance Committee, which was presented in the house yesterday, I was informed at 10.30 last evening that copies of the appendixes to the report had not been supplied to the Debates office or to the Journals office. I do not know who is responsible for the omission, but I immediately tendered my own material to the Debates office. Subsequently, at about 11.30, I was informed that the printing of these appendixes might result in the *Debates of the Senate* and the *Minutes of the Proceedings of the Senate* not being available in time for this morning's sitting. That is why

the first thing I did this morning on reaching my office was to have my own material photocopied, and I asked that this material be distributed to honourable senators at the commencement of this sitting. I hoped this would overcome our problem.

In regard to our schedule of work for today, I have discussed this with the Leader of the Opposition and I am going to make my introductory speeches this morning on Appropriation Bill No. 1 and the interim supply bill. I understand that the debate will then be adjourned by the Opposition until Monday, at which time it will be given further consideration.

**The Hon. the Speaker:** The house has heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

**Senator Langlois:** Honourable senators, before I begin my remarks on this legislation, I would like to call attention to a typing error which was pointed out to me this morning, and which appeared in the report presented last night by the Chairman of the Standing Senate Committee on National Finance. Line 1 of paragraph 3 on page 1 reads: "The supplementary estimates (D) total $1,197 million . . .". That figure should have been $1,917 million.

**Senator Flynn:** Only a difference of $800 million.

**Senator Langlois:** I would also like to draw attention to the fact that I had two tables photocopied and distributed. The first table relates the supplementary estimates (D) to the three previous supplementary estimates we had during the present fiscal year, and to the main estimates to be voted, giving in separate columns the statutory votes and the amounts.

The second table sets out the details of the supplementary estimates covered by Appropriation Acts Nos. 2, 3, 4 and 5, giving the totals of these appropriation acts. I hope that this information will be of some assistance to honourable senators in the appreciation of my remarks. Furthermore as I have already stated, copies of the report of the National Finance Committee, including a summary of $1 items and other information presented to the committee, have been distributed. I hope that this documentation will assist honourable senators in following my remarks.

● (1110)

**Senator Benidickson:** That is what was omitted from the report last night?

**Senator Langlois:** Yes, and that is why I am having these documents distributed now.

The bill introduced today provides for full supply for the fourth and final supplementary estimates which total $1,917,165,212. These supplementary estimates (D) seek additional authority required to complete the fiscal year 1974-75, and provide information on statutory costs which have exceeded earlier estimates. You will recall that royal assent has already been given to four supply bills covering estimates for the current fiscal year, the first providing interim supply for April, May and June. The second, agreed to on October 30, 1974, provided for full supply for the balance of the main estimates as well as full supply for the supplementary estimates. The third and fourth supply bills provide full supply for supplementaries (B) and (C) for 1974-75. The estimates on which the present bill is based were tabled and referred to the Standing Senate Committee on National Finance on March 4. These estimates were discussed in committee on March 13 with the President of the Treasury Board and his officials, on March 19 with the Minister of Energy, Mines and Resources and his officials, and on March 20 with officials of the Department of Industry, Trade and Commerce.



Full estimates tabled today for 1974-75 consist of budgetary items of $26.530 billion and non-budgetary items of $1.703 billion giving a grand total of $28.233 billions. The main portion of these final supplementary estimates is due to revisions to statutory costs of $588 million, and adjustments to accounts of $860 million. The main reason for the revisions in the statutory costs is the increase in payments to provinces under the Federal-Provincial Fiscal Arrangements Act. The adjustments to accounts consist of three items: payment into the old age security fund to cover a deficit of some $700 million, the operating capital costs involved in the transfer from the Minister of Transport to the Department of Public Works of the peripheral lands at Mirabel Airport in the amount of $143.575 million, and finally the forgiveness of a loan to Bangladesh in the amount of $16,466,288.

Honourable senators, the other major budgetary items are:

(1) Items which arise from established commitments of the government, such as the Canadian National Railways deficit of $45 million. Deficits of East Coast ferry services of $33 million.

(2) Programs of policies adopted during the year, such as Bill C-4, to extend veterans' allowances, $20 million; special program for milk subsidies, $4 million; groundfish stabilization, $5 million.

(3) An additional $10 million requested for Treasury Board vote 5 to cover additional salary costs and the amounts provided in departmental estimates and the contingencies vote.

On the non-budgetary side, $138 million is proposed for investment in the Athabaska Tar Sands. Most of the other non-budgetary items are to authorize increases in revolving funds within several departments required to handle a larger volume of business at higher prices during the year.

Given a higher level of inflation during 1974-75 than expected, the actual operating costs in excess of previous estimates have been absorbed, in whole or in part, in a number of departments by exercising restraint across a department so that over-runs in one program or vote can be met by transfers from another vote.

These $1 items, which require parliamentary approval, have been grouped as follows:

(1) $1 items authorizing transfers from one vote to another, 21 items in all;

(2) $1 items for grants, 10 items in all;

(3) $1 items authorized in the deletion of debts due the Crown and the reimbursement of certain working capital advance accounts, seven items;

(4) $1 items which authorize amendments to previous appropriation acts, three items in all; and

(5) miscellaneous items to authorize a guarantee, to increase the financial limits in other legislation and to

extend an interpretation of certain legislation, six items.

The list of these $1 items, as I have already said, has been prepared and distributed to the Standing Senate Committee on National Finance for their review, and to this house.

I believe that I have covered the important features of this bill. If further explanations are deemed necessary, I will do my best to supply them to this house.

**Hon. Senators:** Hear, hear.

**Hon. Allister Grosart:** Honourable senators, I welcome the explanation of the appropriation bill given by the Deputy Leader of the Government. I have a few comments which perhaps should now be made. The first, of course, refers to the total amount of the estimates for the year, which is now $28 billion. I was glad to hear the deputy leader say that this is the last set of supplementary estimates we will receive this year. These are supplementary estimates (D), and it will be recalled that the committee in its report drew attention to this new fashion of underestimating in the main estimates the requirements for the year, and the habit that has developed of saying, "Oh, well, if we need any more money we will get it by way of supplementary estimates." All of us have probably heard senior officials say that this is almost a fashion now—"Why worry about the main estimates? We can get it later."

● (1120)

Year by year we have these fantastic increases in the difference between the main estimates and the total spending of the government. I suggest the time has come for showing considerably more restraint in this practice.

It is true, as the deputy leader has said, there are occasions when particular needs arise during the year, when it is quite necessary to ask for supplementaries. That was the original object of supplementaries, of course. But today, as I say, it has become just an easy way to get more money.

Honourable senators will view with alarm these fantastic increases in government spending. We agree, of course, that there has been inflation. We are not talking about the same dollars from year to year. But, on the other hand, the fact of the matter is that by the time we have the main estimates and supplementaries for next year, total government spending, or the government "take" from the economy, will certainly be $30 billion or more.

In 1968-69—about seven years ago—the total spending of the federal government was just over $10 billion. It has risen year by year. It was $10.8 billion in 1968-69; $12.1 billion the next year; then $13.4 billion; then $15.1 billion; then $16.5 billion; then $20.4 billion; and now $28.2 billion. We have had a statement from the government that it will exercise restraint this year so that hopefully the total increase will not be more than 15 per cent.

The deputy leader referred to what he spoke of as the restraint exercised by government departments this year. When it was found that total government spending was running to these astronomical heights, the Treasury Board apparently prevailed upon the departments to use restraint and see if they could not meet some of their new and extra requirements by transfers from existing votes. One has to wonder why, if they could do it in those circumstances, they could not do it all the time. It is an extraordinary thing to have the government now coming to us and actually boasting that in an emergency situation they were able to exercise restraint. I am sure we would all hope that the government would make it more than a *pro tem* practice to exercise restraint in their spending.

Some of the items which are referred to in the report of the committee are understandable, of course. The item of $700 million to meet the deficit in the old age security fund is a comparatively new item of expenditure. We are told, and I am quite sure it is true, that this is entirely due to the indexing of the old age pensions which came into effect in 1972. The fund was just in balance in 1970. In 1971-72 it had a deficit of $87 million, and in 1972-73 a deficit of $300 million. We are now asked to vote an additional $700 million to make up the deficit.

The fund, of course, has come a long way from quite modest beginnings. Back in 1951, as honourable senators will recall, the old age pension was $40, payable at age 70. As a result of a recommendation by a committee of this house, the guaranteed income supplement was added to take care of the needs of those who had an income less than what the committee at that time decided was the minimum level of subsistence. Both the basic pension and the supplement are now subject to indexing. It was suggested by a member of the committee that perhaps the time had come to look at this indexing of the basic pension to see if it was absolutely necessary. There was no objection raised to the indexing of the supplement.

I mention this because there was a report of the discussion which took place in committee in the *Globe and Mail*, and some of us have received quite a number of letters from old age pensioners and those interested in the subject complaining about this suggestion. I can only say that the report in the *Globe and Mail* was not entirely accurate. In the case of myself, the *Globe and Mail* reported that I had agreed to it, when the fact of the matter is that I and others in committee had said we should not take any action on it until we had more information. It is obvious that there is a problem. Unquestionably, there are those in receipt of the old age pension for whom indexing is not necessary, but there is obviously a fairly large group of old age pension recipients who fall between the two extremes. In other words, they may have fairly adequate assets—a house, for example—which do not yield income, but which would disqualify them from receiving the supplement because of the needs test involved. This fact was recognized by the committee and the chairman commented on it. It was the view of the committee that we should take no action on this suggestion until further information was acquired. I can quite see that when we have all the information there will be complete recognition of the needs of those in the intermediate class, those who are not in receipt of the supplement but who certainly appear to be entitled to the indexing of the basic pension.

On the matter of the very high level of government spending in this fiscal year just ending, I am concerned about the amount of the federal government's "take", and, indeed, the "take" of all levels of government, from the GNP. Surely, there must be a point at which the stop sign should go up. It is only two years since the suggestion was

made that all levels of government might be taking—and I use that word deliberately—for their purposes 40 per cent of the total productivity of Canada. I shall be very surprised if the figure is not close to 50 per cent when this fiscal year is out.

I hope there will be a careful examination of the impact of this huge "take" by all levels of governments from the GNP and, therefore, the well-being of all Canadians. I have seen no indication of such a study. There was one made many years ago, but none recently. I hope the government will take under advisement such a study so that we may be informed as to the government's attitude towards this heavy "take" by all levels of government from the gross national product.

Senator Benidickson, on a point of privilege in the committee, raised the matter of a government loan to Canadair. I am sure he will be speaking on it; I shall merely summarize it. There is an item in supplementary estimates (D) to provide a loan to Canadair Limited. Canadair is a limited corporation fully owned by General Dynamics, an American company. Because it is in the position of having only one shareholder, its annual statement is not published. It is, however, lodged with the Department of Consumer and Corporate Affairs and, therefore, is available to anyone who wishes to examine it. The purpose of this loan item is to provide for an option agreement on the purchase of that company, and instead of making some payment in respect of that option agreement, the contractual arrangment is that the government will loan Canadair Limited $3.3 million interest free over the term of the option agreement.

● (1130)

That seemed to the committee to be a peculiar way of going about this sort of transaction—lending a company, which you are thinking of taking over, money without interest to carry on their affairs in the meantime. We inquired into that and asked to see a copy of the option agreement. At first the department refused. On the insistence of the committee, the department agreed to make the option agreement available to the committee on a confidential basis. We had some doubts about that, wondering why 11 or 12 senators, representing the public, should be allowed to have this information on condition that they will not tell the public. However, finally we got to the bottom of it, and found that there was a formal undertaking by the federal government that this option agreement would remain confidential.

One wonders why the Department of Industry, Trade and Commerce did not tell us that when we made our first request. It would have saved us a few hours of discussion, because if they had said, "This is a contractual obligation undertaken by the government," I am sure that would have been the end of it; we would have said, "We understand that." Instead of that, we spent a couple of hours trying to find out why. Naturally some members of the committee assumed that this was another of these Air Canada-CN cases in which, when information was asked for, the reply by the government was that they would not like us to have that information because—the old excuse—it was competitive information. We thought this was that kind of case, but it turned out not to be.

[Senator Grosart.]

Reference was made to the appearance of the Honourable D. S. Macdonald, Minister of Energy, Mines and Resources, before the committee, where he gave us some evidence and full information on the participation by the federal government and some provincial governments in the Syncrude project on the Athabaska tar sands. I must say that personally I had some grave doubts about the wisdom of that government participation, but the information given us, and Mr. Macdonald's explanation, completely persuaded me, at least, that the government was taking an important and progressive step in rescuing—if I may use that term—the Syncrude project.

In committee we objected to the form in which the supplementary estimates were being presented to us, as they have been over the years, in that they do not show a breakdown of expenditures into operating costs, capital grants and contributions, as is done in the main estimates. We were not able to find out why a different form of breakdown is given. However, I am glad to say the department has agreed, on this initiative of the National Finance Committee, that future supplementary estimates will contain this breakdown.

I mention that because, as we look back over the years, the National Finance Committee, under a series of hard-working and distinguished chairmen, has introduced some important innovations into the presentation of the estimates. We are sometimes asked what the Senate does in these committees and in this chamber, and I think it is worth mentioning that we have made these very important contributions. One, of course, was a written explanation of the $1 items for the first time. The committee insisted on them. After we had been given explanations of the $1 items for two or three years we asked the deputy minister if they were being given to the Commons. He told us they were not, and when we asked why he said that the Commons had never asked for them. The Commons have now discovered them, and are spending a great deal of time requiring explanations of the $1 items.

**Senator Langlois:** Once more the Senate led the way.

**Senator Grosart:** Once more the Senate led the way. The chairman of the National Finance Committee is not here, but I am quite sure he will be sympathetic to my suggestion that the time may have come when the committee should perhaps spend even more time on this general overview of the estimates presented by the government. I suggest that because, without in any way criticizing the practices of the other place, it is true that in considering the estimates as they do now under the change in rules, committee by committee, there may be a gap in this matter of a complete overview of the estimates, main and supplementary, as a whole.

Another matter which was discussed, which I think is of some importance, was the deficiency agreement entered into by the federal government and the pipeline company which is undertaking to build a pipeline from Sarnia to Montreal. A rather unusual agreement has been entered into by which the federal government undertakes, in certain circumstances, to pay any deficiencies in the capital cost of this huge undertaking that may arise from time to time. The method is a fairly simple one on the surface. Of course, the pipeline company must present an audited statement of its costs. If there is any difference of opinion

as to the validity of that statement, the federal government may then call in a group of independent auditors, and if there is no agreement at that level the matter may go to the Federal Court.

**Senator Langlois:** Or arbitration as to the difference.

**Senator Grosart:** Arbitration would be part of the process between the two audits, and then I believe it could go to the Federal Court.

**Senator Langlois:** You are quite right.

**Senator Grosart:** What we questioned was whether there were sufficient guarantees in the document on the matter of the efficiency of the spending. It was quite clear that the audit would be directed mainly to seeing whether this money was spent, which is the normal function of an audit. We questioned whether, in either of these two types of audit, in the normal practice of auditing they would go beyond that. We asked the minister directly if he was satisfied in his own mind that in the event of a difference of opinion about the efficiency of the spending the agreement as it stood would entitle the federal government to go behind the audit. I have read the agreement two or three times. It can be said, if you read the agreement overall, that the government has that authority, but in my own mind I am not entirely sure. First, I hope the problem does not arise; secondly, if it does arise, I hope the minister is correct in his reading of the agreement.

In respect to construction, there does not seem to be any provision for the federal government to monitor construction as it proceeds. Senator Carter had some pungent remarks to make on that. I am not sure whether he was entirely satisfied, or whether we might not be running into the problem that has been run into before with these open-end type of agreements. We all remember the problem with the winter works program, where the government was in the position of having to accept the provincial government audit and not being able to go behind it. For that reason, I think there has been a general agreement amongst those responsible in these matters that open-end agreements are generally not the best ways of achieving certain purposes.

Honourable senators, there are more comments to be made on the report, because other matters of importance were raised by senators in committee. However, I am quite sure they will be dealt with as the debate proceeds. Therefore, I conclude my remarks by congratulating Senator Langlois for the great care he has gone to in giving us this information in the difficult circumstances referred to by Senator Benidickson. I am sure we all appreciate that the deputy leader does make an effort to overcome this problem of delays in printing, and so on.

On motion of Senator Flynn, debate adjourned.

● (1140)

## APPROPRIATION BILL NO. 2, 1975

### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-55, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1976.

Bill read first time.

### SECOND READING—DEBATE ADJOURNED

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Senator Langlois:** Honourable senators, with leave of the Senate, I move that this bill be read the second time now.

**The Hon. the Speaker:** Honourable senators, you have heard the motion. Is there unanimous consent?

**Senator Flynn:** On the same understanding as for the previous bill.

**Hon. Léopold Langlois:** Of course.

Honourable senators, the main estimates for 1975-76 on which this bill is based were tabled in the Senate, and referred to the Standing Senate Committee on National Finance on February 20, 1975. These estimates have not as yet been discussed in committee. However, before we are called upon to give final approval of the 1975-76 estimates, the National Finance Committee will have ample opportunity to discuss them and report to the Senate thereon.

The 1975-76 estimates total $29,585 million, consisting of budgetary expenditures of $28,242 million and non-budgetary expenditures of $1,343 million. The bill now before us is the first interim supply bill for the 1975-76 fiscal year, and will release a general proportion of 3/12ths of the votes in these estimates. There are, however, additional proportions for 27 special items to which I will refer later. The total expenditure proposed by this bill is $4,603,596,900.59.

The proportions requested in this bill are intended to provide for all necessary requirements of the public service to June 30, 1975. This bill is in the usual form of interim supply bills, and in no instance does it request release of the total amount of any item.

In general, the 27 votes which require additional proportions may be put into four groups. First are those votes from which it is necessary to pay grants early in the fiscal year. They are: Energy, Mines and Resources, vote 30; Finance, vote 5; and Urban Affairs, vote 15.

Second are those votes for which additional sums are required to finance programs until forecast revenues are received later in the fiscal year, and they are: Finance, vote 20; and Supply and Services, votes 1 and 15.

Third are those votes which provide payments required to cover accounts maintained on a calendar rather than fiscal year basis. They are: Transport, votes 40, 50 and L70; and Urban Affairs, vote 10.

Fourth are the votes for which additional portions are required for other specific purposes, and they are:

Agriculture—Vote L30

Consumer and Corporate Affairs—Vote 30

Energy, Mines and Resources—Vote L50 and 65

Environment—Vote 15

Indian Affairs and Northern Development—Vote L80

Labour—Vote 1

Manpower and Immigration—Vote 10

National Health and Welfare—Vote 40

Privy Council—Vote 5

Secretary of State—Votes 10 and 15

Transport—Votes L75 and L100

Treasury Board—Votes 5 and 10

Veterans Affairs—Vote 1

Honourable senators, clause 5 of this bill would grant borrowing authority for $4 billion, and would provide for the cancellation of all outstanding and unused borrowing authority from previous appropriation acts for the fiscal year 1974-75. This borrowing authority has been included in the bill, as usual, to authorize the issuance of Treasury bills, marketable bonds and non-marketable bonds—including Canada Savings Bonds—for the financing of the ordinary operations of the government including non-budgetary cash requirements, such as loans and advances to Crown corporations, and to meet requirements of the Exchange Fund Account. On the question of borrowing authority, I should like to add for your additional information that section 36 of the Financial Administration Act requires that:

> No money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament.

The authority to borrow for the purpose of refunding maturing issues is section 38 of the Financial Administration Act. This section provides that the Governor in Council may authorize the minister to borrow such sums of money as are required for the payment of any securities that were issued under the authority of Parliament and are maturing or have been called for redemption. Section 39 provides for authorization by the Governor in Council of temporary short-term borrowing by the minister in special circumstances.

The authority for the government to raise new money through the issue of securities is usually obtained annually. At about the beginning of each fiscal year an appropriation bill seeks new authority for the Minister of Finance to raise new money by the issue of securities, and it provides for cancellation of unused borrowing authority under previous appropriation acts. Additional borrowing authority is sought, if necessary, later in the year.

The terms and conditions for such borrowing are authorized by the Governor in Council. Section 37 of the Financial Administration Act, in part, reads as follows:

> Where authority is conferred by Parliament to borrow money on behalf of Her Majesty, the Governor in Council, subject to the Act authorizing the borrowing, may authorize the Minister
>
> (a) to borrow the money by the issue and sale of securities in such form . . . as the Governor in Council may approve; and
>
> (b) to enter into such contracts . . . relating to the borrowing . . . as the Governor in Council may approve.

New money raised through the issue of securities is used in the financing of the ordinary operations of the government, including non-budgetary cash requirements, such as loans and advances to Crown corporations, and to meet the requirements of the Exchange Fund Account.

The types of securities issued by the government include Treasury bills, marketable bonds denominated in Canadian dollars or foreign currency, and non-marketable bonds including Canada Savings Bonds.

● (1150)

The total borrowing authorized annually by Parliament in the last few years has been as follows: for the fiscal years 1964-65 to 1967-68 inclusive, $1,750 million; 1968-69 and 1969-70, both inclusive, $2,000 million; 1970-71 to 1973-74 inclusive, $3,000 million; and 1974-75, $5,500 million. By the end of the fiscal year 1974-75 the authority to borrow $5,500 million will have been used to the extent of an estimated $3,900 million. The major portion of the cash requirements for 1974-75 were met through the Canada Savings Bond campaign in October and November last.

In the coming fiscal year, as in other years, the full amount of borrowing authority should not be required. However, it is important for the government to have flexibility in its debt management planning and operations. For example, the government's practice is to have available at all times sufficient unused borrowing authority against which to charge net new borrowing by means of Canada Savings Bonds, which peak at the time of the new campaign but diminish thereafter, and to enable it to finance the unpredictable requirements of the Exchange Fund Account.

It is customary for one of the first appropriation bills of each new fiscal year to request net new borrowing authority. Accordingly, this bill now before you incorporates a request for $4,000 million.

The wording of this bill provides that its coming into force cancels only that portion of the outstanding and unused borrowing power in respect of which no action has been taken by the Governor in Council pursuant to section 37 of the Financial Administration Act.

Before closing my remarks, honourable senators, I should like to assure you that the passing of this bill will not prejudice the rights and privileges of members of this house to criticize any item in the estimates when it comes up for consideration in committee. The usual undertaking is hereby given that such rights and privileges will be respected, and will not be curtailed in any way, as a result of the passing of this measure.

Finally, I draw the attention of honourable senators to the documentation that I have caused to be photocopied and distributed. I hope each of you have received it by now. There is, first, a table, consisting of two pages, giving a summary of the items covered by this interim supply measure. There is a second table giving a summary of the statutory items and voted items, together with both budgetary and non-budgetary items of the main estimates. It is a very short resumé, but the information may be of some use to members of this house in their consideration of this bill.

**Senator Grosart:** Honourable senators, I move the adjournment of the debate in the name of Senator Flynn.

On motion of Senator Grosart, for Senator Flynn, debate adjourned.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report on the operations of the *Shipping Conferences Exemption Act* for the year ended December 31, 1974, pursuant to section 12 of the said Act, Chapter 39 (1st Supplement), R.S.C., 1970.

Report of the Canadian Transport Commission for the year ended December 31, 1974, pursuant to section 28(2) of the *National Transportation Act*, Chapter N-17, R.S.C., 1970.

Report of the Custodian of Enemy Property for the year ended December 31, 1974, pursuant to section 3 of the *Trading with the Enemy (Transitional Powers) Act*, Chapter 24, Statutes of Canada, 1947.

## ADJOURNMENT

**Senator Langlois:** Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move, seconded by Senator Perrault, that when the Senate adjourns today it do stand adjourned until Monday, March 24, 1975 at 8 o'clock in the evening.

Motion agreed to.

## PRAIRIE GRAIN ADVANCE PAYMENTS ACT

BILL TO AMEND—THIRD READING

**Senator Langlois** moved the third reading of Bill C-10, to amend the Prairie Grain Advance Payments Act.

Motion agreed to and bill read third time and passed.

## CANADIAN SOVEREIGNTY SYMBOL BILL

SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator Fergusson for second reading of Bill C-373, to provide for the recognition of the Beaver (*Castor canadensis*) as a symbol of the sovereignty of Canada.

**Senator Petten:** Honourable senators, I moved the adjournment of this debate in order to give any honourable senator an opportunity to participate in the debate. As no one has indicated they wish to do so, perhaps Senator Fergusson will close the debate.

**The Hon. the Speaker:** Honourable senators, I wish to inform you that if the Honourable Senator Fergusson speaks now, her speech will have the effect of closing the debate on the motion for second reading.

**Hon. Muriel McQueen Fergusson:** Honourable senators, I will not keep you long but in closing the debate I should like to comment on the questions asked yesterday by Senator Flynn and Senator Quart. Senator Flynn asked whether the passing of this bill would mean that there could be no further commercial use of the beaver as it is now used so frequently.

Complaint has often been made in this chamber that when we get a bill from the House of Commons we do not have the benefit of the explanatory notes which appeared in the bill as printed for first reading in the House of Commons. When I introduced the bill in the Senate I had not seen that material, otherwise, I could have answered Senator Flynn's question immediately. Indeed, had the explanatory notes been available to us, the question would probably not have been asked. In any event, the explanatory note in the bill as originally printed says:

> The purpose of this bill is to recognize the Beaver as one of the symbols of Canada's sovereignty. The importance of the beaver to the discoveries, explorations and settlements first made in Canada is, of course, basic to our history.
>
> Moreover, the beaver—although never officially recognized—became and remains a symbol with which Canadians have identified.
>
> This bill does not, therefore, remove the beaver from popular use as a trade name or other symbol: rather, the bill proposes to protect the beaver as a popular symbol reserved to Canadians by declaring the beaver a national symbol.

● (1200)

I trust that that answers Senator Flynn's inquiry.

Senator Quart asked a question about a film on Grey Owl being made by the National Film Board. I called the National Film Board, and I was informed that they were not making any such film. However, I made further inquiries, and found that a private company is making one. Indeed, I might add here that I found quite a number of clippings about it, and I cannot see how I missed them earlier. Clearly Senator Quart is more observant than I am. There are several that refer to this film, and to the five beavers imported from Utah. The producer of the film has said that he imported the beavers from Utah because it was convenient to do so. In Utah there are beaver ranches, while in Canada beavers are not kept in captivity because it is against our principles, and our legislation does not permit it. Beavers are free, and we do not keep them in captivity. The trapping of beavers is permitted, but the producer said that it costs $300 to buy a trap. He offered to buy the beavers in Canada, but there were no trappers willing to spend $300 on a trap to supply beavers to the producer at a price he was prepared to pay. I gather he paid only $100 for each beaver from Utah. That is the reason why he had to import them, not because we are in any way short of beavers.

To conclude that point, honourable senators, I should mention that an item in the Montreal *Star* of February 26 this year, which I came across in my searches, says that last winter 1,000 beavers were trapped in Ontario within 25 miles of Parliament Hill.

Motion agreed to and bill read second time.

**Senator Fergusson** 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.

## CRIMINAL CODE (THE NATIONAL FLAG OF CANADA)

BILL TO AMEND—SECOND READING

**Hon. Muriel McQueen Fergusson** moved the second reading of Bill C-223, to amend the Criminal Code (the National Flag of Canada).

She said: Honourable senators, this is a private member's public bill that has been approved by all parties in the other place. The purpose of Bill C-223 is to make the wilful destruction or desecration of the National Flag of Canada an offence under the Criminal Code, punishable on summary conviction.

On February 13, 1965, in unique ceremonies throughout Canada and abroad, a Canadian symbol, adopted by Canada and proclaimed by Her Majesty the Queen, was inaugurated as our national flag. At 12 noon on that day the Canadian flag was first raised on the Peace Tower in Ottawa, and speaking on that occasion His Excellency the Right Honourable Georges P. Vanier, Governor General of Canada, said:

> I hope and pray . . . that our Flag will symbolize to each of us and to the world the unity of purpose and high resolve to which destiny beckons us.

The chief chaplains of the Canadian forces in their prayers asked blessings on the flag. It was a proud day for Canada and Canadians.

The need for legislation to deal with desecration of the flag is of real concern. The fact that insults to the flag are rare in no way lessens the need for this protection. At many of its national conventions the Royal Canadian Legion has approved resolutions to prosecute individuals who insult the flag, which is a symbol that belongs to all the people of Canada, and as such should be treated with dignity and respect.

This bill will apply to those people who damage or insult in any way the Canadian flag in circumstances that clearly indicate a definite intent to do so.

Individuals who treat the flag with contempt are lacking in awareness of their proud heritage as Canadians. They are people who are ready to accept the rights and privileges of their citizenship but who shirk the duties and responsibilities which are also inherent in that citizenship. It is hoped that the passage of this bill will help them to realize the significance of the national symbol, and will deter them from wilfully damaging the flag in an effort to express dissatisfaction with anything that might be happening.

Honourable senators, this is not the usual sort of bill to come before us. Many democratic countries have enacted legislation to protect their national flag, notably the United Kingdom, France and the United States. I believe that we Canadians should also provide all possible protection for our own flag.

This bill was introduced in the House of Commons by Mr. Len Hopkins, and was passed by that house on March 18 of this year. In my view, it deserves careful consideration, and I hope it will receive the support of this house.

**Senator Forsey:** May I ask Senator Fergusson a question? What are the penalties under this bill? I ought to know, but I don't. I believe this is an offence punishable on summary conviction, but not being a lawyer I am not sure what that involves.



**Senator Fergusson:** I am sorry, but I did not hear you, Senator Forsey.

**Senator Forsey:** I asked Senator Fergusson if she could tell me the penalties for an offence under this legislation.

**Senator Fergusson:** It does not say in the bill what these are Senator Forsey. I would have to look up the Criminal Code to find out what the penalties are for these offences.

● (1210)

**Senator Prowse:** Honourable senators, may I be permitted to help? The penalty is a fine of up to $500, or six months imprisonment, or both.

**Senator McIlraith:** A maximum of $500.

**Senator Forsey:** Thank you very much. I wanted to be sure of that. I believe, as a result of what Senator Fergusson said, that wilful damage is involved.

I would like to also ask the question whether there have been any serious incidents connected with this matter? It seems to me a little odd that it should suddenly pop up as a subject for legislation unless there have been some serious actions which call for it. I am a little leery, myself, of legislation just for the sake of legislation. I feel that we should have some substantial ground for legislating.

I wonder if there have been any serious incidents, for example in front of the Parliament Buildings, by anarchists, Maoists, Quebec separatists or a variety of dubious characters? Have there been any serious actions that would call for this, I wonder?

**Senator Fergusson:** I cannot answer Senator Forsey's question as to whether there have been incidents. I am sure I have read of some, which I cannot quote, in which the flag was trampled on and in which it was burned.

**Senator Lamontagne:** I saw it happen.

**Senator Fergusson:** Senator Lamontagne says he saw it happen on Parliament Hill.

**Senator Forsey:** I recollect something of the sort, but I wonder if there have been a number of incidents of this nature to cause a serious need for this legislation? I understood Senator Fergusson also to say that there is legislation of the sort in Great Britain, France and the United States. I was a little surprised to hear that about Great Britain, because I have recently had information from someone who said there was no such legislation in Great Britain. Could we have elaboration of that?

**Senator Fergusson:** I am sorry, Senator Forsey; I have only had this for a day and a half, and have not had the opportunity to study it thoroughly. However, I know that Mr. Hopkins had information from Great Britain, on which it is based. I have it in my file, which I did not bring into the chamber, but I would be very glad to allow you to see it.

**Senator Forsey:** I am sorry to have been such a nuisance, but I was really trying to get information that would reassure me about this legislation, and the parallels to it in other countries.

**The Hon. the Speaker:** Honourable senators, is the debate concluded?

**Hon. Senators:** Yes.

Motion agreed to and bill read second time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Fergusson** moved that the bill be placed on the Orders of the Day for third reading on Monday next.

**Senator Grosart:** Honourable senators, I find myself in somewhat of a difficult position. I have just received a note from the Leader of the Opposition saying that he would like to adjourn the debate on the motion for the second reading of Bill C-223 because he has some comments to make in respect to it. I wonder what the disposition of the chamber is to that request?

**Senator Fergusson:** Senator Flynn can make his comments on third reading.

**Senator Grosart:** Quite possibly. I merely say he has asked me to adjourn the debate on his behalf. We have not actually voted on second reading.

**Senator Perrault:** Yes, we have voted on second reading.

**Senator Grosart:** I believe Her Honour was just putting the question.

**Senator McIlraith:** No, she had put it.

**Senator Grosart:** As Senator Fergusson says, perhaps Senator Flynn can make his comments on third reading.

Motion agreed to.

The Senate adjourned until Monday, March 24, at 8 p.m.

# THE SENATE

Monday, March 24, 1975

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

Prayers.

## CANADIAN BUSINESS CORPORATIONS 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-29, respecting Canadian business corporations, without amendment.

## RAILWAY 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-48, to amend the Railway Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Wednesday, March 26.

Motion agreed to.

## CULTURAL PROPERTY EXPORT AND IMPORT BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-33, respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Wednesday, March 26.

Motion agreed to.

## CIVIL SERVICE INSURANCE 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-26, to amend the Civil Service Insurance Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Wednesday, March 26.

Motion agreed to.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report on the Quinquennial Actuarial Examination on the state of the Superannuation Account in the Consolidated Revenue Fund as at December 31, 1972, pursuant to section 35 of the Public Service Superannuation Act, Chapter P-36, R.S.C., 1970.

Report on the Quinquennial Actuarial Examination on the state of the Public Service Death Benefit Account in the Consolidated Revenue Fund as at December 31, 1972, pursuant to section 48 of the Public Service Superannuation Act, Chapter P-36, R.S.C., 1970.

Report on the administration of the Public Service Superannuation Act, Parts I and II, for the fiscal year ended March 31, 1974, 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, 1974, pursuant to section 11 of the said Act, Chapter 43 (1st Supplement), R.S.C., 1970.

## ADJOURNMENT

**Senator Langlois:** Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move, seconded by Senator Perrault, that when the Senate adjourns today it do stand adjourned until tomorrow, Tuesday, March 25, 1975, at 11 o'clock in the morning.

**Senator Grosart:** Explain.

**Senator Langlois:** Honourable senators, if I may add a word of explanation at this stage, the reason for this motion is that we have been informed that the other place has agreed to sit late this evening to pass the emergency legislation dealing with the strike at West Coast ports. It is anticipated that this legislation will be passed by the other place this evening, and that we will be in a position to deal with it tomorrow morning. That is why it is proposed that the Senate, when it finishes its business this evening, adjourn until 11 o'clock tomorrow morning.

If it should happen that this bill does not come to us late this evening or in the course of tomorrow morning, then at 11 o'clock we would adjourn during pleasure to reassemble at the call of the bell later in the day so as to be in a position to deal with the bill as soon as it is passed by the other place.

Since it is emergency legislation, I feel sure that the Senate will agree to this motion, and sit tomorrow morning for the purpose of dealing with that legislation.

**Senator Flynn:** When the deputy leader speaks of the "call of the bell" at any time tomorrow, I assume he means that we shall meet at 2 o'clock in any event to deal with

the other business before us, even if this particular bill has not reached us at that time.

**Senator Langlois:** I suggested adjourning during pleasure to reassemble at the call of the bell, and that could be at 2 o'clock, or at whatever time the bill comes to us.

**Senator Flynn:** But we shall have other business to deal with anyway.

**Senator Langlois:** Oh, yes, I agree, but we could deal with that at 2 o'clock.

**Senator Asselin:** But what will happen with respect to committee meetings? I understand that arrangements have been made for two committees to meet tomorrow morning.

**Senator Langlois:** I have another motion to follow this one, and when I move it I shall explain what we are going to do.

Motion agreed to.

## STANDING COMMITTEES

### AUTHORIZATION TO MEET DURING SITTING OF SENATE

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

> That the Standing Senate Committee on Foreign Affairs and the Standing Senate Committee on Legal and Constitutional Affairs have power to sit while the Senate is sitting tomorrow, March 25, 1975, and that rule 76(4) be suspended in relation thereto.

**The Hon. the Speaker:** Is there unanimous consent, honourable senators?

**Senator Langlois:** Honourable senators, the reason for this motion is that when the meetings of these committees were arranged last week there was no expectation that the house would have to sit tomorrow morning to deal with the emergency legislation to which I referred earlier.

In view of the fact that witnesses from a distance have been invited to attend these committee meetings, it is impossible at this late stage to cancel those invitations. In some instances witnesses will be travelling great distances to be in attendance tomorrow. However, I am hopeful that the chairmen of these committees will be able to arrange sitting times tomorrow so that there will not be great interference with the sittings of this house. We have to keep in mind that it is difficult, if not impossible, to have two committees meeting while the house is sitting because that gives rise to problems of logistics—staffing, attendance and so on. I am sure that the chairmen of the committees will take that into consideration and try to arrange sitting time that will not, as I have said, interfere too much with the work of this chamber.

**Senator Flynn:** "Logistics"—that's a very good word.

● (2010)

**Senator Langlois:** It includes everything.

[*Translation*]

**Senator Côté:** Honourable senators, I would like to ask a question. There is also a joint committee of the Senate and the House of Commons which must sit at 9.30 tomorrow morning; what will happen with that committee? Senate business will certainly not keep it from sitting.

**Senator Langlois:** Honourable senators, as I have just mentioned, we must rely on the goodwill and cooperation of the committee chairmen, and if it is considered that their business will prejudice the sitting of this House, they can adjourn at 11 o'clock and resume a little later in the day. I understand that the witness who is to appear before your committee lives in Ottawa and can be heard by the committee later in the day, when we know what is the business of the Senate. I think we will have the kind cooperation of the committee chairmen and they will arrange their hours of sitting not to prejudice the sitting of this house.

[*English*]

Motion agreed to.

## BUSINESS OF THE SENATE

On the Question Period:

**Senator Flynn:** Honourable senators, I am not attempting to revive the discussion with regard to the emergency legislation which may come to us either tonight or tomorrow. However, I would like to ask the leader or the deputy leader what legislation it is expected that the Senate will pass before the adjournment on Wednesday, and when exactly will it be asked to pass it? I understand that we have two supply bills tonight, but is there any legislation other than these two supply bills? Is there to be emergency legislation concerning the strike at the western ports? Is there any other legislation that the leader or the deputy leader will ask the Senate to pass because it is urgent to do so before we adjourn?

**Senator Perrault:** Honourable senators, at this time I can report that important bills that were sent over from the other place this evening do not have a particular and immediate urgency associated with them. Thus, they should not prolong our deliberations this week unduly. However, if there is unanticipated urgent legislation, the Leader of Her Majesty's loyal Opposition will be informed forthwith.

**Senator Flynn:** I was just thinking of the two supply bills. Does it matter if we pass them tomorrow, or on Wednesday?

**Senator Perrault:** It is hoped that we can pass them and have royal assent this evening.

**Senator Flynn:** Even though the other legislation might not come to us from the other place this evening?

**Senator Perrault:** Yes. May I report to the house that it is hoped the other place will have dealt with the other legislation by approximately midnight. That would be rather late for any action to be taken here tonight. So, as of now we will plan to deal with the matter with dispatch tomorrow. However, that need not deter us from dealing with and disposing of matters of supply this evening.

**Senator Flynn:** I shall be even more precise. What difference does it make whether the two supply bills receive royal assent tomorrow night rather than this evening?

**Senator Langlois:** The Leader of the Opposition will no doubt recall that when I introduced these bills on Friday last, I explained that passage of the bill covering supplementary estimates (D) was urgent in that it provided, among other things, for an increase in veterans' allowances. It is hoped that the increased allowances will reach the veterans before Easter. The increase involves the sum of $20 million and, although I am not insisting, it is hoped that the bill will receive royal assent this evening. The interim supply bill could be delayed until tomorrow, but the bill with respect to supplementary estimates (D) should be passed this evening, if that is at all possible without undue pressure on anyone, because of the increase in veterans' allowances.

**Senator Grosart:** May I ask the Leader of the Government, in view of the fact that Bill C-33, respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states, has come to us this evening in the usual form, as passed by the House of Commons and without the draftsman's notes which appear in the bill as it was presented to the House of Commons on first reading, is it the intention of the government to accede to suggestions which have been made here by more than one senator that the draftman's notes appear in bills as they are presented to us by the House of Commons?

**Senator Perrault:** There is no question whatsoever that those notes are very helpful and useful, and I shall ascertain whether that can be done. There is no question that it expedites our efforts here.

## CANADIAN SOVEREIGNTY SYMBOL BILL

THIRD READING

**Senator Fergusson** moved the third reading of Bill C-373, to provide for the recognition of the Beaver (*Castor canadensis*) as a symbol of the sovereignty of Canada.

Motion agreed to and bill read third time and passed.

## CRIMINAL CODE (THE NATIONAL FLAG OF CANADA)

BILL TO AMEND—MOTION FOR THIRD READING—DEBATE ADJOURNED

**Senator Fergusson** moved the third reading of Bill C-223, to amend the Criminal Code (the National Flag of Canada).

She said: Honourable senators, on Friday last I made an error in replying to a question by Senator Forsey as to whether Great Britain had legislation similar to this. On referring to the file, I find that although the United States and the Federal Republic of Germany have similar legislation, the United Kingdom and France do not.

**Senator Asselin:** Why Canada?

● (2020)

**Hon. Jacques Flynn:** Honourable senators may remember that last Friday Senator Grosart wanted to adjourn the debate on second reading on my behalf. He was a few seconds late, however, and it was decided that the Senate had concluded debate on second reading. That is fine. I don't suppose that I am really entitled to criticize that attitude. What I would have said during debate on second reading had I had the opportunity was that some reservations have been expressed as to the necessity of having this kind of legislation. I do not think it has been conclusively proven that it is really necessary to create another criminal offence. However, that is merely an opinion and one which I will not pursue this evening. I think others have the intention of pursuing it further.

What I wanted to draw to the attention of the Senate is the wording of this bill. In comparing the English and French versions, I am left with some doubt as to whether we are not, perhaps, going too far.

Looking at the English version of the bill, it says:

> 49.1 Every one who wilfully destroys, disfigures, mutilates, defaces, defiles, desecrates—

And so forth. The French version is:

> Est coupable d'une infraction punissable sur déclaration sommaire de culpabilité, quiconque volontairement détruit, abîme, mutile, lacère, salit, profane ou discrédite le drapeau national du Canada.

—discrédite volontairement—ça va très bien.

It is one thing to wilfully cast contempt upon the national flag of Canada, but if you destroy it voluntarily, that is another matter. My concern is with the definition of "wilfully" and "voluntarily." If I want to get rid of an old flag, I want to be in a position to do so without the threat of being charged with wilfully casting contempt upon the flag. I do not want my neighbour, who may not be in accord with me, to be in a position to lay a charge against me. It seems to me that these words should be prefaced with the word "contemptuously." In other words, the wording should be clarified so as to show that contempt must exist in connection with the disfiguring or mutilating of the flag. You should be able to get rid of an old flag if you wish. In any event, looking at the French version, I should not like to be charged for having "... volontairement détruit, ou abîmé, lacéré ou même sali le drapeau national du Canada."

If I want to do it merely as a means of getting rid of an old flag, I should be able to do that with impunity, since I would not be showing contempt for the national flag of Canada. For that reason I do not think the present wording is proper.

That is what I wanted to draw attention to on second reading, and it was my hope that this bill would have been referred to committee to determine whether the officials of the Department of Justice were in agreement with the suggestion that there should always be contempt in respect of whatever is done with the national flag of Canada. Whether that is the feeling of other senators, I do not know. It is not my intention to move that the bill be referred to committee at this time, but if there are further expressions of opinion which are similar to mine, I will certainly support a motion of that type. There is no urgency in connection with this bill, and I would suggest that we look into it carefully and not rush it through.

[*Translation*]

**Senator Côté:** Honourable senators, I do not have the bill with me, but could the honourable senator tell me

whether there is a difference between the French and the English version?

**Senator Flynn:** There may be a difference. I cannot be so sure with the English text, which says "wilfully" as with the French version which says "volontairement". With respect to that French word "volontairement", if I want to burn an old flag, if I destroy it because I no longer need it, I do so "volontairement". I do not know whether in English "wilfully" means exactly the same thing, but I believe there is a difference between "wilfully" and "contemptuously".

**Senator Denis:** In a malicious way.

**Senator Langlois:** It would be a criminal matter and *mens rea* would have to be proved.

**Senator Flynn:** Voluntarily, in criminal matters the problem is just to know what you do. There is certainly a translation problem. But in my opinion, "wilfully" does not go far enough.

[*English*]

**Senator Prowse:** Honourable senators, I move the adjournment of the debate.

[*Translation*]

**Senator Côté:** Honourable senators, before the debate is adjourned I wonder if a decision should not be taken. One point should certainly be examined, if the feeling is that the French version does not convey exactly the same meaning as the English version. It should be amended one way or the other. Maybe we could do it here. On the other hand, we could pass it on third reading, subject to revision by officers in the Department of Justice.

**Senator Denis:** It will be too late.

**Senator Flynn:** It will be too late.

**Senator Côté:** Let us then amend it here.

[*English*]

**Senator Choquette:** Honourable senators, before the debate on third reading is concluded, perhaps I might be permitted to add one or two words.

I would go a little further than the Leader of the Opposition, and say that even the English version is defective and incomplete. In all these cases of malice aforethought, *mens rea* has to be proved by the Crown, by those prosecuting, and even in the English version there should be words like, "wilfully and maliciously and with intent to debase," et cetera, so that we know what the action consists of—what the accused has to face and what the Crown has to prove. The Crown would have to prove *mens rea*, taking into consideration those words that I have just mentioned, and perhaps a few more. I repeat, not only is the French version defective and incomplete, but the English version is as well.

**Senator Yuzyk:** I should like to ask a question that came to my mind when the Leader of the Opposition raised this issue. Is it still possible under our rules to send this bill to a committee?

**Senator Flynn:** Oh, yes.

**Senator Yuzyk:** I ask that because I have been asked by the chairman of the Civil Liberties League of the National Capital Region that he be given an opportunity to appear before the committee on this bill. In my experience, I have not known a bill to be referred to committee on third reading.

**Senator Flynn:** Yes.

**Senator Yuzyk:** Then I shall probably take part in a debate on a motion to refer the bill to committee.

**Senator Prowse:** If the honourable senator is prepared to move that the bill be not read the third time now, but that it be referred to a committee, I will stand my motion for the adjournment of the debate. It was not my intention to prevent anybody from speaking.

**Senator Flynn:** You might as well adjourn it.

On motion of Senator Prowse, debate adjourned.

## APPROPRIATION BILL NO. 1, 1975

SECOND READING

The Senate resumed from Friday, March 21, the debate on the motion of Senator Langlois for second reading of Bill C-54, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975.

**Hon. Jacques Flynn:** Honourable senators, Bill C-54 provides, as we have been assured by the Deputy Leader of the Government, for the last of the supplementary estimates for the fiscal year ending on Monday next.

● (2030)

**Senator Langlois:** We are adjourning on Wednesday, I hope.

**Senator Flynn:** That may be so, but the fiscal year is going to end next Monday.

**Senator Grosart:** There is still time for supplementary estimates (E).

**Senator Flynn:** The point is that the amount is not insignificant. The amount to be voted for supplementary estimates is $1.8 billion, if I remember correctly.

**Senator Grosart:** That is right.

**Senator Flynn:** Senator Grosart has dealt with the importance of this amount, especially when it follows all the other supplementary estimates, the total effect of which has been to raise the amount of the main estimates laid before Parliament about a year ago from $22 billion to $28 billion, an increase of almost 30 per cent. As Senator Grosart explained, that is a record.

I do not intend to return to that particular aspect of the bill, inasmuch as it has been dealt with more than ably by the deputy leader on this side. The first comment I should like to make on this bill particularly is that the amount of the expenditures which Parliament is called upon to vote each year, and especially the amount of the supplementary estimates which follow the main estimates, show two things: first, Parliament is really unable to provide adequate control over expenditures; and, second, the reason for this lack of control over expenses is that the decisions are being increasingly made at the level of the bureaucracy. It is quite clear, for example, that regardless of how

good a job the Standing Senate Committee on National Finance does, it is not able to provide adequate control over these expenses. The same thing holds equally true in the other place, especially as in the other place they have to deal with these matters in separate committees. Furthermore, there the members are more interested in problems which concern their own regions. While, overall, the government is the master so far as Parliament is concerned, nevertheless, it is true that the government itself becomes increasingly unable to control the expenses owing to the decisions being made at the bureaucratic level. There is certainly no doubt about that, because it is evidenced by the very amount of the supplementary estimates. In other words, if the main estimates totalled $22 billion and the supplementary estimates now total $6 billion, it is obvious that the government should have been informed of this last year.

Naturally, there are things which occur that cannot be foreseen. No one would dispute that. But, on the whole, it seems quite clear that this is definite evidence that the government is losing control over the bureaucracy so far as government expenditures are concerned. What should be done about that, I do not know, but I do know that it is a big problem which must be dealt with and solved. But when it comes to voting these supplementary estimates, what can we do, especially when we are told that it is most important to pass the bill tonight so that there can be royal assent tonight because these cheques for $20 million have to go out tonight or tomorrow? What can we do? Every time we have that kind of legislation before the Senate we are told the same thing.

It is not long since we passed the income tax bill. At that time we were told that it was urgent to pass the bill so that the refunds could be sent out right away. Incidentally, in respect of those refunds, I should like the Leader of the Government or the deputy leader to consider what I am about to say. Just after we passed Bill C-49, to amend the statute law relating to income tax, I heard the Honourable Mr. Goyer on television referring to the refund cheques. He said that the printing and forwarding of the refund cheques involved 9 million cheques for a total of $1.8 billion. The curious point I should like you to consider is that that amount is exactly the same amount as the total of supplementary estimates (D) which we now have to pass.

But are these figures realistic? How can 9 million cheques be sent out when there are fewer taxpayers than that, according to the figures which have been published. Surely, there is something strange here. Is it some form of propaganda to tell the Canadian public that the government is generous, and is sending cheques to everybody? I do not know, but it seems rather curious, indeed. I really would like to know if these figures are accurate. Are they real? Are they possible? Were there really 9 million cheques? Did the income tax refunds really total $1.8 billion?

At any rate, these are the problems we are faced with. But if we are in a difficult situation, just imagine how difficult the situation is for the people in the other place. They have strangled themselves with their own rules. After so many days of debate, so their rules dictate, a supply bill must be passed. It will be deemed to have passed after so many days, and it will pass without debate. The effect is that if there is something in a supply bill which does not tally with what is in the estimates, they have no chance to discuss it at all.

As honourable senators will remember, that was exactly the situation when we debated Bill C-42 in December. I remember I spent quite a bit of time trying, unfortunately without success, to convince the Deputy Leader of the Government to refer that bill to committee. But, no, it was too urgent. We had no time to refer the bill to committee. In any event, the committee had dealt with the estimates, and the bill was exactly the same as the estimates, so what need was there to send it to committee? But that was not true.

**Senator Langlois:** I never said that, and you know it.

**Senator Flynn:** I never said what?

**Senator Langlois:** I never said that it was the same as the estimates. I never said that.

**Senator Flynn:** I do not know if that is exactly what you said, but—

**Senator Langlois:** That is not true, and you know it.

**Senator Flynn:** Wait a minute. I am willing to amend my statement in whatever way is deemed to be reasonable, but the deputy leader certainly cannot disagree that the argument he used at the time for not referring the bill to committee was this: the committee had already dealt with the estimates, and there was no reason why we should send the bill to the committee since the committee had already dealt with the estimates. Now, whether the deputy leader said it was the same thing or not is beside the point, because it means the same thing.

**Senator Langlois:** Oh, no.

**Senator Flynn:** If he had considered that there was something different in the bill he would have agreed with me at the time that the bill should be referred to the committee, so that as far as any differences between the estimates and the bill were concerned those differences could have been considered by the committee. But he did not take that position. I am sure he will recall that he systematically avoided discussing this very matter—namely, that we should be able to deal with a supply bill as something distinct from the estimates. The record is there to show that what I am saying is correct. Anyway, the problem is that the other place is not able to do a good job, and neither is this house able to do a good job, so far as estimates and expenditures are concerned. I hope that we will find, at some time in the future, another formula which will enable us to give back to Parliament real control over the expenditures of the government.

● (2040)

I wish now to deal with the form of the bill, the very subject that I was just discussing. I say that a supply bill is not necessarily the same thing as the estimates which are laid before Parliament and studied in committee. Very often the form of a supply bill varies from the estimate upon which it is based. Not long ago we had the case of Bill C-42, where there was inserted a borrowing power of over $2.5 billion. I can't think that such a borrowing power would be considered by anyone as something unimportant.

We were denied the right to have that problem examined in committee. The Commons likewise had been denied by their own rules—which is their own problem, of course—the right to examine that problem. So the borrowing power of $2.5 billion sought by the Minister of Finance went unreviewed.

You have standard clauses in these supply bills, but you have others that are not standard. Let us look at Bill C-54. Of course, clause 1 is standard, but clause 1 in this bill reads:

> 1. This Act may be cited as the *Appropriation Act No. 1, 1975*

There is one incidental remark I wish to make here. I have said before that this title is misleading. This is the last of the supplementary estimates for the fiscal year 1974-75, and it is going to be named Appropriation Act No. 1 of 1975, based on the calendar year instead of the fiscal year. I do not see why we do not number these bills according to the fiscal year. We would not know just from reading the title whether the bill belongs to the fiscal year or to the calendar year. This bill really deals with 1974-75; it is the last of the appropriation bills for that year. Appropriation Act No. 1, 1975, should be the first one in the next fiscal year. The interim supply bill that we are going to deal with, C-55, could properly be titled Appropriation Act, No. 1, 1975-76. But, anyway, this is only incidental. I have mentioned it before, but when you come to try to correct some of these things that have been done for years and years, someone will always say, "Well, it has always been done that way; why should we change?" We are fated never to improve, I suppose.

I was saying that clause 1 of Bill C-54 is a standard form. So is clause 2. Clause 3 is standard also, but paragraph 2 of that clause is not necessarily standard. When it deals with supplementary estimates it is there. When it deals with interim supply it is not there. Clause 3(2) reads:

> The provisions of each item in the Schedule shall be deemed to have been enacted by Parliament on the 1st day of April, 1974.

I asked on a previous occasion why we need this. Is it because the government has already started spending the money provided in this bill? Is the government asking for a retroactive effect in the supplementary estimates? It says, the first day of April, 1974. If you look at Bill C-55, which is interim supply, applicable to the first of April next, you will find that this does not apply. I asked the deputy leader, on the occasion of the discussion of Bill C-42, to refer that bill to committee in order to find out what the exact purpose of such a paragraph was. Is it because the government has already taken it upon itself to start spending the money before approval by Parliament? I think Parliament would like to know. It is important that Parliament should know. That is one reason I gave on that occasion for referring the bill to committee, and I think it remains a good reason.

Clause 4 is generally standard as far as a supply bill is concerned.

We then come to clauses 5 and 6 of the present bill. This is the first time I have seen such clauses. Let me read clause 5.

> 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.

What is this for? I think I can understand it. It means that any money voted for a fiscal year may be spent after the end of the fiscal year if it is spent in the 30 days following, and before the tabling of the public accounts. I think that is the case. You have a delay of 30 days for spending the money that has been voted for a given fiscal year.

**Senator Croll:** That is normal.

**Senator Flynn:** I do not say that it is not normal, but I say it was not in the previous bills of supply.

**Senator Langlois:** You are dealing with final supply. When you are dealing with final supply you have to do that, though not in the previous supply bills.

**Senator Flynn:** I am not disagreeing with the purpose of this, I am just mentioning that this is something which should be of interest to Parliament, and that we should look into it in committee. How far do we go, and how is it that we are attributing to one fiscal year certain expenditures and not to the following fiscal year? This is a point that I have raised before, and I have never been able to get an answer. I have never been able to get such a bill referred to committee, where we might clarify this point.

Clause 6 deals with the same thing to some extent. It 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-five, 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-five.

It seems to me that you have to pay these amounts before April 30. How do you reconcile that, however, with clause 5 if, for instance, the public accounts are tabled in Parliament before the end of April? That is an interesting question. I have always wondered how they play with these amounts that are voted by Parliament. This may be only in the last supplementary estimates, but I draw attention to the fact that they were not in any previous supply bill that I remember.

**Senator Langlois:** They are always in finals. They have always been in final supply bills.

**Senator Flynn:** I do not remember that having been the case. I have raised these questions before, and I never got any answer. I remember that in dealing with Bill C-42, when I asked that the bill itself, not the estimates, be referred to the National Finance Committee, Senator Langlois and Senator Everett both refused to have these points considered in committee, and I say again—

**Senator Langlois:** What was that? Will you explain that?

**Senator Flynn:** Bill C-42. I remember very well that that was the case where we had the borrowing power for $2.5 billion in clause 5 of Bill C-42. As this matter had not been discussed by the other place, I remember asking the Senate to refer the bill to committee so that we could inquire about the borrowing powers sought by the Minister of Finance under clause 5.

● (2050)

**Senator Langlois:** I hate to interrupt my honourable friend, but that is not what he said in the first place. He said that both Senator Everett and I had refused to allow these items to be discussed in committee. They were never sent to committee.

**Senator Flynn:** That is right.

**Senator Langlois:** But you said—

**Senator Flynn:** When I said that you refused to have these items discussed in committee, I meant that you refused by not allowing the bill to be referred to committee. I think it means the same thing.

**Senator Langlois:** Does it?

**Senator Flynn:** The honourable the deputy leader was discussing the matter of saying "two and a half billion dollars" instead of "2.5 billion dollars" and now he is discussing another simple problem of semantics. When I say that you refused to have these matters discussed in committee I mean that you refused to have the bill sent to committee. It means the same thing, I hope. If it does not, then you can choose your own wording. I couldn't care less.

There was another point to which I wished to draw attention as far as the supplementary estimates are concerned. It is not, perhaps, an important point, but it is rather an interesting one. This point was raised in committee, by the way, and thank God it was raised in committee. It comes under vote 5d on page 12, under the heading of Parliament, and dealing with the House of Commons, it says:

> 5d House of Commons—Program expenditures—To extend the purposes of Parliament Vote 5, *Appropriation Act No. 3, 1974,* to provide, notwithstanding Section 10 of the *Senate and House of Commons Act* for payment to Réal Caouette of an amount based on an annual rate of $4,000 in respect of that portion of the current fiscal year commencing July 8, 1974, throughout which he is a member of the House of Commons and the Leader of the Social Credit Party of Canada and to provide a further amount of—$2,926.

That is really peanuts; there is no doubt about that. We have frequently discussed $1 items which had the effect of changing legislation. This is a $2,926 item which has the effect of changing legislation. It was explained in committee that because Mr. Caouette now heads a party of only 11 members in the other place, he is not entitled to the $4,000 indemnity as leader of a recognized party in that place. So, instead of changing the act or the rules in the other place, Parliament is asked—and the Senate is asked—to give him the equivalent, but for the current year. We are asked to give it only to him and only so long as he is a member of the House of Commons and Leader of the Social Credit Party of Canada. They seem to think that this will not be for a very long time. They do not provide this for anyone who might replace him as leader of the party. What is this? What really is this? I wonder and I would very much like to know. I know that Réal Caouette has been very helpful to the Liberal Party on many occasions, but I think it is very cheap on the part of the government to give him only $2,926 for his efforts. And it is not indicative of much pride on the part of Réal Caouette to be satisfied with such a small sum for his efforts.

I hate to think that we in the Senate are going to pass this without protest, and I want to register my own protest against this covert and underhanded way of doing things. As far as I am concerned I will have nothing to do with questionable activities of that kind.

**Hon. Léopold Langlois:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, I must inform the Senate that if the Honourable Senator Langlois speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Langlois:** Honourable senators, I shall open my remarks by dealing with the comments made by Senator Grosart of Friday last. He took the same line of discussion as was taken this evening by his leader when he attacked the "huge sum" provided in the supplementary estimates. He attributes to me the promise that these would be the last and final estimates. I never said anything of the kind. A reference to page 704 of *Debates of the Senate*, of March 21, will indicate that I merely mentioned:

> The bill introduced today provides for full supply for the fourth and final supplementary estimates which total $1,917,165,212.

That is all I said.

**Senator Grosart:** If it is final, is it not the last?

**Senator Langlois:** If you wish to look on that as a promise or an undertaking, then you can do that. But if you think I can say this, then you are barking up the wrong tree. I am not qualified to make such a promise because the introduction of supplementary estimates is in the domain of the Minister of Finance, and they are introduced in the other place as a result of a message from the Governor General. If my honourable friend did not know that, then he has learned something tonight.

**Senator Grosart:** May I ask the deputy leader if he contemplates that there might be an "after final" supplementary estimate?

**Senator Langlois:** No, I made that statement, and that is all that I made. There was no undertaking or promise given. I think I have proven that point.

Then we come to the so-called "huge amount" of these estimates. I agreed the other day that this was an exceptionally high amount for the final supplementary estimates, but I explained this in my remarks, and I quote again from page 704 of *Hansard:*

> The main reason for the revisions in the statutory costs is the increase in payments to provinces under the Federal-Provincial Fiscal Arrangements Act. The adjustments to accounts consist of three items: payment into the old age security fund to cover a deficit of some $700 million, the operating capital costs involved in the transfer from the Minister of Trans-

port to the Department of Public Works of the peripheral lands at Mirabel Airport in the amount of $143.575 million, and finally the forgiveness of a loan to Bangladesh in the amount of $16,466,288.

These were the explanations.

I wish to remind my honourable friend that the amount of $143 million to cover the transfer of peripheral lands from one department to another is not in real terms an expenditure, and he should bear that in mind when he is criticizing it. It would seem that $143 million is not important to him, but it is to me in explaining this bill to this house. I do not think I should have to comment further on this point.

The reason given in committee by the minister was that there was an unpredictably high rate of inflation that could not be taken care of in the main estimates, which were prepared a year and a half ago. Perhaps it is a case of the light only being on the other side of the house tonight, but I do not know how many on the other side can estimate, with any degree of accuracy, what the rate of inflation will be 12 months from now.

**Senator Grosart:** May I ask the deputy leader if he thinks there is the slightest possibility of any economist or anybody else even guessing at what it might be as long as the present government stays in power.

**Senator Langlois:** No economist, and nobody else either, could have predicted the decision of the Organization of Petroleum Exporting Countries to raise so drastically and unilaterally the world price of oil two years ago. No one knew that the oil price would climb that high. It was a unilateral decision taken by the OPEC countries. It was not foreseeable when the main estimates were prepared. This is recognized the world over as being the main source of the inflation problem the world is living with today.

● (2100)

**Senator Grosart:** Would the honourable deputy leader not, in the interests of reality—

**Senator Langlois:** I know you are following your general practice of interrupting my speech every two minutes or so, but go on.

**Senator Grosart:** When I rose I asked if the honourable deputy leader would object to my asking a question. If he objects, that is all right.

**Senator Langlois:** Do you call that a question?

**Senator Grosart:** If he objects, I will not ask it.

**Senator Langlois:** You have been doing that ever since I started introducing these bills in the house. Every time I utter a phrase that you do not like, you rise to interrupt my line of thought. But you will not succeed.

**Senator Grosart:** All you need do is say that you do not wish to be interrupted.

**Senator Flynn:** Don't lose your temper.

**Senator Langlois:** I am not losing my temper. The Minister of Finance has explained that he has asked the heads of departments to exercise restraint. We have a long list of $1 items which puts in black and white the effects of this request by the President of the Treasury Board when he asked the heads of departments to exercise restraint. These $1 items are to transfer funds from one vote to another in order to take care of over-runs in any program or vote. I have also explained that, and that is why my friend usually objects to this long list of $1 items each year. He says that the minister should have exercised that restraint earlier, that he should have done it a year and a half ago when he figured out what the main expenditures would be. Having all that information now, it is very easy to criticize *ex post facto*. Anyone can be an expert in that field if he waits until after the events to form an opinion and say that we should have done this or that. Anyone can be an expert in those circumstances.

**Senator Grosart:** So we should never criticize.

**Senator Langlois:** The other day my honourable friend mentioned two loans made to Canadair. He referred with particular emphasis to the loan of $3.5 million to Canadair, which is related to the option agreement into which the government entered to buy the shares of Canadair. He forgot to mention one important point. He said that this was an interest-free loan. There is nothing further from the truth. This is explained in black and white in the agreement put before us in committee. My friend had no reason to ignore that very important part of the agreement. The loan was given as a consideration for the option. This was explained, and I have the agreement here. If you wish, I will quote part of it. It was explained that this loan was given because Canadair and General Dynamics were asking for security to cover the good faith of the government in asking for this option. Instead of making a very high deposit, the government agreed to make a loan to Canadair for the important reason—and this was omitted by my honourable friend—that the agreement provided for the assets of Canadair to be frozen for the lifetime of the option period. Canadair was not permitted to sell, dispose of, or otherwise alienate its assets. These assets were frozen and Canadair and General Dynamics deserve some kind of compensation. We cannot ask a company to freeze its assets for a period of seven or eight months without compensation for the inconvenience created by such a clause in an agreement. As anyone with any experience at all in legal matters knows, it is normal practice to require a deposit to guarantee the good faith of an optioner in any option agreement.

I am now returning to this interest-free feature of the loan. It was understood and it is provided in the agreement that this loan is repayable forthwith as soon as the option lapses, reaches its end, which is October 1975, or when the government decides not to take the option or to buy the company. Then, if at that time, when this maturity date is reached, Canadair does not repay the loan, which is due immediately at that date, it must pay interest at 9½ per cent as soon as the loan becomes overdue. Also, if the option is exercised, the loan automatically becomes repayable with interest at 9½ per cent. So it can hardly be termed a tax-free loan.

**Senator Flynn:** We never criticized that. I do not know why the honourable deputy leader becomes excited about that. There was never any criticism of that. The only problem was that of confidentiality, which was cleared up in committee.

**Senator Langlois:** Yes, and I could tell you a very funny story about this.

**Senator Grosart:** Just this once, would the deputy leader—

**Senator Langlois:** Is this a question?

**Senator Grosart:** Yes, this is a question. Would he agree that I meant no criticism whatsoever of the interest-free loan and would he permit me to read the exact words I used?

I said:

> The purpose of this loan item is to provide for an option agreement on the purchase of that company, and instead of making some payment in respect of that option agreement, the contractual arrangement is that the government will loan Canadair Limited $3.3 million interest free over the term of the option agreement.

**Senator Langlois:** Yes, you have it there.

**Senator Grosart:** Yes, I made it very clear, as clear as could be. "Instead of making some payment in respect—" That is exactly what the deputy leader is saying, and I rise only because I am becoming a little sick of his comment about someone with legal experience.

**Senator Langlois:** I don't know if you have legal experience; I am not challenging that.

**Senator Grosart:** I am just pointing out that I made no such criticism.

**Senator Langlois:** My learned friend read his sentence out of context. In that sentence was the term "interest-free." It is important to explain why it was made that way, and that is exactly what I am telling the house tonight.

**Senator Grosart:** I said that it was an interest-free loan in that—

**Senator Langlois:** This is another question, I suppose?

**Senator Grosart:** Go ahead, but you are completely misrepresenting me and you know it.

**Senator Flynn:** He likes to argue tonight.

**Senator Grosart:** I know.

**Senator Langlois:** My honourable friend also mentioned this other loan of $25 million for the program of water bombers. A lengthy statement from the minister, tabled in the Standing Senate Committee on National Finance, explained in detail why this loan was made. It was the second, if not the third, of such loans made to Canadair. It was made, before any such option was contemplated, to permit Canadair to build these water bombers in order to satisfy the demand of the world market. Under this plan, some 50 aircraft have been built so far. Forty aircraft are already sold, and this vote is to provide for the building of 15 additional aircraft. That is a consideration of the loan. I should add that we were informed in committee that all the conditions of the loan had not been agreed to. This will be done by Governor in Council, and we will be provided with this information at a later date.

● (2110)

The Deputy Leader of the Opposition mentioned also a request he made in committee regarding the possibility of the Treasury Board showing in their estimates the expenditures which could be considered as investments rather than operating expenditures. He was informed by the Deputy Secretary of the Treasury Board that it would not be an easy task, although such a list was being provided in the main estimates.

As the deputy secretary mentioned, any expenditure, on the one hand, could be considered an investment, but, on the other, it could not be considered an investment. Senator Grosart added that all he was interested in—I stand to be corrected—were those expenditures for which there could be an expectation of refunding or recovery. He was told that it was not an easy task, yet he received a firm undertaking from the Deputy Secretary of the Treasury Board that he would endeavour to provide that information in the next estimates. Again, I wish to underline the position taken by officials of the Treasury Board that it is not an easy task, but they would do their best to comply with the request.

In Senator Grosart's speech, there was also reference to the extension of the system of Interprovincial Pipe Line Limited from Sarnia to Montreal. In discussing the provision for deficiency payments in the agreement between IPL and the government, he criticized the fact that apparently there was no monitoring by the government of the construction costs. If my honourable friend again reads the agreement, he will find that in it there is a safeguard provision, in that the accounting will be checked and audited. He mentioned that there was the possibility of arbitration and reference to the Federal Court. In the event of a disagreement, there is provision for joint auditing by auditors appointed by both sides. If agreement cannot be reached, there is recourse to arbitration, and, finally, reference to the Federal Court, if necessary.

The minister explained to the committee—to my satisfaction, at least—that due care would be taken in the course of audits to ensure that no undue costs were included in the construction costs of the pipeline, which naturally would have to be taken into account in recognizing any deficiency payments to be made to IPL. The minister was quite clear and definite on this point, and I believe the agreement is in accord with what he said at that time.

It can be safely said that this is another great venture, very much in the interests of Canada, and everything has been done to work out a deed which is as foolproof as possible. In my opinion, no deed can be considered absolutely foolproof, but this agreement is as foolproof as any agreement could be.

I come now to the remarks made this evening by the Leader of the Opposition. I was not surprised; I rather expected the Leader of the Opposition to rehash what took place in December when we debated the bill relating to supplementary estimates which was introduced, if my memory serves me correctly, in the other place on December 10, and finally passed by the Senate on December 19. The bill was introduced in the Senate—again, I am speaking from memory; I did not have time to check the dates from the *Debates of the Senate*—on December 11, and it was before us until December 19.

**Senator Flynn:** Imagine, one full week. Awful!

**Senator Langlois:** If you call that a rush, you are rushing slowly, my friend.

**Senator Flynn:** You seem to think that we delayed passage of the bill.

**Senator Langlois:** I am not complaining about that. That is where your imagination is getting hold of you. I did not, during the course of the debate, bring any pressure to bear on anyone. It is not my habit to do so, and I have not done so tonight. My honourable friend came back with this objection which he raised in December. He did not even have the merit of originating this argument. It was raised in the other place by a party colleague of his, Mr. Stevens, who made the discovery that there was a new clause in the supply bill, clause 5, which provided for a borrowing authority of $2.5 billion. He claimed that since clause 5 of the bill was not included in the message from the Governor General in commending the estimates to the house, that it was illegal.

The leader of the house in the other place, apparently taken by surprise—I do not want to make any excuse for him—readily agreed that apparently a mistake had been made and promised that it would not be repeated.

I said quite frankly, when we discussed this in December, that it was not good enough, because if there were an illegality in the bill, it could not be cured by a promise that it would not be repeated. But when the bill reached the Senate, I studied the situation and reached the conclusion that it was not necessary for the message to contain clause 5, because clause 5 provided merely for a borrowing authority which could not be considered as an expenditure and therefore did not require a recommendation from His Excellency. I was not content with my own research, but checked with the Department of Justice, and was confirmed in my opinion without any reservation.

I gave this information to the Senate, but my word was not accepted. I do not blame the Leader of the Opposition for not accepting it, but I do blame him when, two days later, after I returned with a written opinion from the Deputy Minister of Justice, who is charged with the legislation, stating that he supported my opinion without any reservations—and this was confirmed by the Clerk of the Senate—he again did not accept my word and the independent written opinions.

He then wanted the bill referred to the National Finance Committee for the purpose of getting Mr. Ryan or Mr. Gibson, from the Department of Justice, to appear before the committee to confirm that the letter I had in my hand—and which I had shown to Senator Flynn before the sitting—was really a letter which had come from the Department of Justice. That was going a bit too far.

● (2120)

At that time I would have been prepared to accede, but I reminded the Senate of an objection raised two days earlier by Senator Hicks who had referred the Senate to the Forms and Proceedings which form appendix II to our rules. When that reference was made by Senator Hicks, Senator Flynn took the position that the Forms and Proceedings were antiquated. I then referred honourable senators to the footnote at the bottom of page 94 of the rules, which reads as follows:

> These forms and proceedings, formerly known as "Forms of Proceedings" have been revised in accordance with present practice and the new rules of the Senate. They are included as an appendix to the rules pursuant to the order of the Senate dated December 10, 1968.

How can we call these Forms and Proceedings antiquated when they were recognized by our Rules Committee in 1968 as being "in accordance with present practice"?

Our rules clearly state that a supply bill shall not be referred to a committee of this house. That is based on a quotation which, unfortunately, I do not have before me.

**Senator Flynn:** It is all well and good to refer to general words, but you should be prepared to point to the very fact.

**Senator Langlois:** It is in our rules. Perhaps my honourable friend will give me a few moments to find it.

**Senator Flynn:** If you want to rehash the whole thing—

**Senator Langlois:** You started it.

**Senator Flynn:** I did not refer to that point at all. I referred only to the problem of referring a supply bill to a committee. In any event, if you want to rehash it, do so properly. What Senator Hicks quoted was a decision of many years ago. Simply because it is reported in our rules, or in an appendix to our rules, is not to say that it has meaning today.

**Senator Grosart:** These are not rules; they have no authority whatsoever.

**Senator Flynn:** If you want to rehash it, go ahead. I do not know what is the matter with the Deputy Leader tonight. He does not want anything left on the record without a reply, even if it is a bad one.

**Senator Grosart:** He does not want royal assent tonight.

**Senator Flynn:** He will not get it.

**Senator Langlois:** Honourable senators, I do not know whether that is in the form of a question.

**Senator Flynn:** If that is the way in which you want to discuss this matter, we will do likewise.

**Senator Langlois:** Senator Hicks is in his seat this evening. Perhaps he has the reference at hand.

**Senator Hicks:** At the time I quoted from *Bourinot*.

**Senator Flynn:** Yes, that is right.

**Senator Langlois:** Exactly.

**Senator Flynn:** You quoted from *Bourinot*.

**Senator Langlois:** It is contained in our rules. The reference to *Bourinot* is just that, a reference.

**Senator Flynn:** It is a quotation from *Bourinot* in our rules.

**Senator Langlois:** No, it is not. If my honourable friend will give me a few moments I will find it.

**Senator Flynn:** You are wasting the time of the Senate.

**Senator Langlois:** You wanted it, so you will get it.

**Senator Asselin:** We are ready to sit all night. There is no problem.

**Senator Flynn:** We will go until tomorrow. That will be the end of it. I have had enough.

**Senator Langlois:** What is this?

**Senator Flynn:** If you want the bill to go over until tomorrow, that's fine.

**Senator Langlois:** I am prepared to sit all night. I am ready to sit on Easter Sunday, too.

**Senator Flynn:** You are being vindictive. One cannot say a word in disagreement. You get carried away.

**Senator Langlois:** I will find the exact reference.

**Senator Flynn:** It is on page 136.

**Senator Langlois:** Thank you.

**Senator Flynn:** The note is: "*See Bourinot, Fourth Edition, page 443 and 444.*"

**Senator Langlois:** I will read what was quoted by Senator Hicks. I thank my honourable friend for helping me find it. What I am quoting is not from *Bourinot*. It states:

> Supply bills are not referred to a committee of the whole or to a select committee. However, the estimates on which a supply bill is based are referred to the Standing Senate Committee on National Finance when they are tabled in the Senate.

Following that there is the reference: "*See Bourinot, Fourth Edition, pages 443 and 444.*" That is merely a reference. What I have quoted is not a citation from Bourinot. The words I have quoted are not in quotation marks.

**Senator Flynn:** We will discuss it.

**Senator Langlois:** They are part of our rules.

**Senator Benidickson:** Honourable senators, I am wondering whether either Senator Flynn or Senator Langlois, both of whom have referred to this debate—and which I recall—could give us the date on which it took place.

**Senator Langlois:** It started on December 11 and ended December 17, 1974.

**Senator Benidickson:** And it was in relation to Bill C-42?

**Senator Langlois:** Yes. My honourable friend does not appear to accept that explanation. That is up to him. I know he will tell me it is not an argument. I am not putting it forward as an argument.

When this bill was before the other place, this point was not raised at all. There was no mention at all of the borrowing authority included in this bill. The other place was aware of the debate which took place in the Senate in relation to the borrowing authority included in Bill C-42. I take that as acceptance by the other place of the practice which has been followed since Confederation. I have gone that far back to check it. It has always been the practice of the government to take advantage of the vehicle of a supply bill to obtain this borrowing authority by adding a clause which merely says that borrowing authority for so much is being provided for general purposes. This has been done since Confederation. All parties over the years have agreed with this. It was raised for the first time in the Senate in connection with Bill C-42, and when this present bill was introduced in the other place, the same procedure was followed. There was not one single observation made as to the legality of that procedure, in spite of the fact that they were aware of the debate which took place in the Senate on Bill C-42.



Senator Flynn also discussed at some length the item in the present bill concerning Mr. Caouette. As he said, this was discussed at some length in committee. The position taken by Treasury Board, and rightly so, was that this did not amount to an amendment of section 10 of the Senate and House of Commons Act. The reason put forward by the Treasury Board officials for that position was that this is merely a suspension of the requirement under section 10 of the Senate and House of Commons Act in respect of the number of members of a recognized party. It says, "notwithstanding Section 10 of the Senate and House of Commons Act".

**Senator Flynn:** That is what I said.

**Senator Langlois:** You said that it was a change. It is a suspension.

**Senator Flynn:** A suspension is not a change?

**Senator Langlois:** The reason why Mr. Caouette had to be named specifically, to my mind, is that this suspension is valid only from the date of the last election to the end of the fiscal year ending March 31, 1975. Next year if there is another man in Mr. Caouette's place in the other house they would have to have a new name, and they would have to have a separate item if they want to carry on with this practice. I am not defending the point.

● (2130)

**Senator Flynn:** That is what I said. You are saying exactly the same thing as I said. You seem to be arguing with me tonight every time I am in agreement with you, except that you seem to use words other than those that I used.

**Senator Langlois:** If I have been making your remarks clearer to the house I think it was a worthwhile exercise.

**Senator Grosart:** You have been making it more confusing.

**Senator Langlois:** I am afraid you are confused by the truth. The point is that this is not an amendment; it is a temporary feature.

**Senator Flynn:** That is what I said.

**Senator Langlois:** It is a suspension of a section in the law for a limited time, which is the balance of the current fiscal year.

**Senator Asselin:** You admit that this is a precedent created by the House of Commons and the government.

**Senator Langlois:** By the House of Commons, yes.

**Senator Asselin:** And the government?

**Senator Flynn:** By us too.

**Senator Langlois:** It is a precedent. I do not know of any other precedent of that kind. I must admit that.

**Senator Choquette:** Do you know the reason?

**Senator Langlois:** Not in the other place.

**Senator Choquette:** It is compensation for past services.

**Senator Langlois:** "Past services" being what? Fighting the Liberal Party? The big opposition in the Province of

Quebec is not the Conservatives; it is the Creditistes. Everyone in that province knows that.

**Senator Flynn:** That is why you are staying in office.

**Senator Langlois:** It is a reason to explain your defeat, but I am not an expert in your own field.

**Senator Asselin:** You should question Senator Bourget about that.

**Senator Langlois:** If I may repeat in a different way what my honourable friend said, if I understood him correctly, it was that this is a hidden way of doing things.

**Senator Flynn:** Certainly.

**Senator Langlois:** It is in black and white there. Even in the $1 items this item was put in evidence. In no way was it hidden. It was there for everyone to see. Although it is a very minor point, I am not prepared to accept that argument.

Honourable senators, I am sorry if in the course of my remarks I have, as usual, been too direct with my friends opposite. I have done so to try, in my usual way, to deal with situations as I see them. The only thing I have in mind is to try, if at all possible, to throw more light on the subject in our debates.

I do not want my remarks tonight to be interpreted as my saying that I am opposed to the work done by our Standing Committee on National Finance. I am an active member of that committee, which is doing a wonderful job. If our rules permitted it, I would not be opposed to all bills dealing with financial matters being referred to such a committee. However, we have to bear in mind that the role of the Senate in money matters, in appropriations, is a very limited one indeed, and I do not think anyone would challenge that. This is one of the reasons why it has been accepted as a practice in this house—and it is evidenced by our rules—that these bills should not be referred to a standing committee for further scrutiny. The estimates are sent there, and they are discussed at length.

This year the bill that is presently before us was before the committee on four different occasions. We had two ministers in attendance. We had the President of the Privy Council, the Minister of Energy, Mines and Resources, the Deputy Minister of Industry, Trade and Commerce, and other officials of all those departments. The Minister of Energy, Mines and Resources had some ten, if not fifteen, officials with him, who in turn came before the committee to answer specific and complex questions. We had all the information in the world. All the information we wanted to have was there for our begging. I think this is a marvellous way of dealing with the estimates, and in doing that wonderful job the Senate has so far obtained great results.

The other day Senator Grosart said—and I was ready to support him—that it was thanks to the Senate that today we have before us a detailed list of these $1 items, and this year the other place decided to follow suit. During Senator Grosart's speech I was pleased to say that the Senate had again led the way, and my honourable friend agreed. This is one of the results we have achieved, and I trust that we will carry on this good work so that we will obtain still further and better results in the future.

Motion agreed to and bill read the second time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Flynn:** Next sitting.

**The Hon. the Speaker:** It is moved by the Honourable Senator Flynn—

**Senator Flynn:** No, I am not moving anything.

**Senator Langlois:** I move that the bill be placed on the Orders of the Day for third reading at the next sitting of the Senate.

Motion agreed to.

## BUSINESS OF THE SENATE

**Senator Perrault:** Honourable senators, with leave, I should like to make a statement with respect to the West Coast Ports Operations Bill—Bill C-56—which is before the other place. We have been informed that members of that house are now in the process of giving third reading to this very urgent piece of legislation. There is a real possibility that Bill C-56 will come to the Senate for action this evening. I felt that honourable senators would like to know of this possibility. It has not been finally determined yet, but we may have this legislation before us in the next fifteen minutes or so.

Honourable senators, I move that we adjourn during pleasure to the call of the bell in approximately 20 minutes from now.

● (2140)

**Senator Flynn:** I have no real objection to that, but it seems to me that there should be a time limit on it. After all, it has to be done with the unanimous consent of the Senate, and, in my opinion, if we do not receive the bill before 10.15, nothing would be gained by dealing with it tonight, because whether we pass it late tonight or early tomorrow morning they cannot resume work before Wednesday morning. In other words, I think we have to be reasonable when asking for unanimous consent.

**Senator Perrault:** Of course. In the present climate of uncertainty I quite agree with the remarks of the Leader of the Opposition. Perhaps it would be more appropriate to adjourn until 10.30 tonight. In the interim I would appreciate the opportunity of discussing the forthcoming course of action with the Leader of the Opposition.

**Senator Flynn:** Agreed.

The Senate adjourned during pleasure.

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At 10.20 p.m. the sitting was resumed.

## WEST COAST PORTS OPERATIONS BILL, 1975

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-56, to provide for the resumption and continuation of longshoring and related operations 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?

**Senator Perrault:** Honourable senators, with leave of the Senate, I move that this bill be read the second time now.

**The Hon. the Speaker:** Honourable senators, the house has heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

**Hon. Raymond J. Perrault:** Honourable senators, may I, by way of explanation, note the fact that there have been some minor amendments to Bill C-56. The copies of Bill C-56 which have been distributed in the Senate do not include these amendments, but I understand that copies of these amendments are now being distributed. For that reason, it is not necessary for me to read them to the Senate.

Honourable senators are aware that the bill before us, with its amendments, contains the legislative proposals respecting longshoring and related operations at ports on the West Coast. These proposals have won overwhelming support in the other place. Indeed, I understand there was unanimous support there. I will refer to these proposals in some detail a little later, but first it would be helpful and appropriate to recall some of the pertinent background facts and events that have led to the introduction of these proposals.

The West Coast Ports Operations Bill, 1975 has, as its principal subjects, some 4,000 non-supervisory and supervisory longshoremen represented by the International Longshoremen's and Warehousemen's Union and the British Columbia Maritime Employers' Association representing some 61 companies.

As honourable senators realize, we are contending here with two distinctly separate yet related dispute situations. With respect to the non-supervisory longshoremen who are represented by seven locals of the ILWU, a legal strike began on March 2 after unsuccessful attempts to negotiate a revision of their collective agreement which expired on December 31, 1974.

It should be pointed out that during negotiations both the union and the employers made firm recommendations that no conciliation board or conciliation commissioner should be appointed in these disputes. In fact, it was suggested by the parties that possibly conciliation board reports were partially to blame for past strikes in the port of Vancouver as such reports were invariably rejected by one side or the other, and a strike ensued. The parties felt confident that if left to their own devices, settlement could be reached in direct negotiation without resort to strike or lockout. To give the parties full opportunity to work out a mutually arrived at settlement, the conciliation procedures were waived and the parties so notified on December 31, 1974.

The parties resumed direct negotiations early in the new year. These negotiations reached an impasse, and on January 23 the union membership voted heavily in favour of strike action. Negotiations resumed following the taking of a strike vote. After a final week of very intensive negotiations an impasse was reached on March 1.

[The Hon. the Speaker.]

On March 2 last, the union called a legal strike affecting dock operations at 11 ports—Vancouver, Victoria, New Westminster, Prince Rupert, Nanaimo, Port Alberni, Chemainus, Harmac, Crofton, Cowichan Bay and Squamish.

Five days later William Kelly, the Department of Labour Assistant Deputy Minister for Industrial Relations, was appointed as mediator in the dispute. On March 16, following an intensive mediation session, this skilled negotiator succeeded in bringing the parties to a settlement, a settlement subject to ratification by the union membership. So at this stage there was reason for optimism, and particularly so when a union caucus of 55 delegates subsequently voted 67 per cent in favour of endorsing the terms of the settlement. However, as we know, this was not the attitude of the rank-and-file union membership, of whom some 55 per cent voted to reject the mediated settlement, and 45 per cent voted in favour of it.

Thus the strike continues, and so, too, continues the disruption and damage not only to many sectors of the Canadian economy, but also to those foreign countries suffering unfulfilled grain contracts. As we know, the Canadian Wheat Board has undertaken substantial commitments to many overseas customers, of whom Japan has already made alternative arrangements. This is but one very disconcerting aspect of this continuing dispute. Not only have Canadian shipments fallen seriously behind by some 60 million bushels during the current grain year, but our grain transportation facilities, the farmers and other sectors, are now facing severe strains which cannot be permitted to continue.

The mediated settlement appears to have been a most reasonable one, and it is difficult to comprehend the reasons for its final rejection by the union membership. This rejected package, this negotiated arrangement, this proposed settlement, provided for a wage increase of $1.95 an hour over two years, $1.15 in the first year and 80 cents in the second.

Honourable senators will agree that it is a difficult decision for a Minister of Labour and any government, regardless of its political persuasion, to conclude that collective bargaining has run its full course, and other measures must be taken to terminate a dispute having a serious effect on the economy of the nation, and, in this instance, having worldwide effects when starving people are asking for our aid.

One might ask: Would a further mediation attempt be successful? In the light of past experience there would appear to be little hope for early resolution of the dispute if this course of action were to be followed. In the 1969-70 dispute, for example, between the same parties, mediated settlements, with the participation of Mr. William Kelly, were obtained three times and rejected by the union before a fourth mediated settlement was subsequently ratified.

● (2230)

While I am sure that it is not the wish of any government, or of any Canadian political party and its representatives, to advance and support legislation curtailing the collective bargaining process, I am also sure that honourable senators will agree, along with our colleagues

in the other place, that we have reached a stage in the dispute where there is no alternative.

I would now refer to the second dispute situation involving 13 West Coast stevedoring companies and the ship and dock foremen, Local 514, of the ILWU. This case surrounds in part the application of Local 514 for certification by the Canada Labour Relations Board, and the parties' attempt to negotiate a first contract. Some eight months ago the union was certified by the board as bargaining agent for units of foremen for 12 or 13 companies. The exception at that time involved Pacific Coast Terminals Limited, which was subsequently certified in January of this year. However, these certifications shortly became the subject of proceedings instituted in the Federal Court by the employers against the decisions of the Canada Labour Relations Board. Nonetheless, the parties held separate and joint meetings in direct negotiations, which were unsuccessful to the extent that the conciliation officer was appointed to deal with the 13 collective bargaining disputes. Again a settlement was not forthcoming, and the union had the right to strike as of January 8. No further conciliation efforts were advanced. Further inability to reach an agreement culminated on March 22 in the foremen setting up picket lines at all 13 company locations involved.

I have already made brief mention of the damaging situation which now exists as a result of the first mentioned strike. That this situation cannot be allowed to continue is self-evident. Therefore the West Coast Ports Operations Bill, 1975, the measure before us, orders the immediate resumption of both non-supervisory and supervisory longshoring and related operations. With respect to the strike of non-supervisory employees, their strike will cease immediately on the coming into force of this legislation, and they will return to work under the terms of their collective agreement which expired December 31, 1974. This extended collective agreement will expire on December 31, 1976, or whenever a new agreement or an amended agreement comes into force before that date. No strike or lockout is to be permitted during the entire term of this extended agreement. An arbitrator is to be appointed to whom will be referred all matters relating to the amendment and revision of the collective agreement that are in dispute. The arbitrator's decisions together with other amendments previously agreed to by the parties will constitute a new collective agreement that will be in effect from January 1, 1975.

With respect to the dispute involving the supervisory employees, that is, of Local 514, their right to strike will cease immediately on the coming into force of this legislation, and they will also return to work on the same terms and conditions as applied before the work stoppage.

No company may alter any term or condition without union agreement. No strike or lockout is to be permitted prior to the establishment of a collective agreement. An arbitrator is to be appointed to whom will be referred all matters in dispute between the companies and the union.

May I say with respect to the amendments—copies of which have now, I understand, been made available to all members of the Senate—that these amendments are essentially technical only to satisfy the legal draft people. They are not amendments in substance. For example, the amendment in clause 4 adds "forthwith" to indicate an immediate return to work. This was added to remove the possibility of any ambiguity with respect to the necessity to get back on the job.

The amendment proposed to clause 7—and honourable senators have their copies of the measure before them—is to stipulate a time within which the arbitrator must report. Clause 13 is treated in the same way. Thus clause 7 and clause 13 both relate to the time in which the arbitrator must report. These are important technical additions. In other words, the action contemplated by the government is not designed to prolong indefinitely the report of the arbitrator after he assumes his duties.

The amendment to clause 16 was put in to change the previously designated "persons" to "employer or employee organizations." Clause 17 ties in with the previous amendment and represents no substantive change.

Honourable senators, members of the other place, together with the members of this house, have become increasingly concerned about the disruption in our external trade with other nations, and I think there is an overwhelming view in both Houses of Parliament that the kind of urgent action which is being contemplated here this evening is very much in the public interest. Therefore, I would urge the support of all honourable senators, wherever they sit in the Senate.

**Hon. Jacques Flynn:** Honourable senators, I am quite certain that no one in this chamber is very happy at the prospect of dealing with this piece of legislation in these circumstances. It is not, of course, the first time we have had to tackle such a problem. But at least on other occasions we have had more than a few hours and certainly more than a few minutes, to deal with a bill of this type. It is quite certain that no one here will be able to absorb and digest the legislation in detail. We know what its purpose is; we believe generally that it is adequate, and we hope that it will be effective; but that is all. We are here to solve in a few minutes a problem that is not entirely recent. But we are used to the present government's attitude towards these problems. It waits until it cannot do otherwise, and then it acts. It introduces legislation, rushes it through the House of Commons and rushes it through the Senate by declaring that we have no time, no option and any delay would be harmful to Canada. It is done with other types of legislation, too. We are told that if we delay we will create problems. But, if we have no choice, then so be it. However, I think I sense the mood of the Senate. I think I am right in saying that we are not happy and that this sort of situation is really one that should not repeat itself. But then, I have said that before, haven't I? And here we are again, faced with yet another of these situations. Honourable senators realize, I am sure, that the situation in Canada with regard to labour is very difficult. It is not one that has fallen upon us suddenly. During 1974 the work stoppages caused Canada a loss of more than 9 million man-days of work. The total number of man-days lost was exactly 9,255,120, which is a record in man-days of work lost. It represents an increase of no less than 67 per cent over the preceding year, because in 1973, 5,776,140 man-days were lost in 724 work stoppages, involving 348,527 employees. In the period between 1970 and 1973 Canada lost more days through labour disputes than any other

major industrialized country with the exception of Italy. This has been put on the record before in this house. It seems that we cannot even be best at what is worst. Certainly we have nothing to be proud of in the field of labour and labour relations.

● (2240)

As you know, 1975 is a year in which a record number of wage contracts come up for renegotiation, raising the possibility of further strikes disrupting industrial production and the delivery of that production. Strikes such as that of the longshoremen on the West Coast, if allowed to continue, could have catastrophic effects on our economy. At some point we must draw the line. At some point government must say that this has gone on too long, this is far enough, this is having, or threatens to have, too serious an effect upon the economic welfare of the country. In my estimation, that point in the case of this strike was reached some time ago.

Let us look at what has been happening out on the West Coast. The longshoremen's strike which this bill, I hope, will force to an end, is the third major strike to hit the port of Vancouver in the past six months. It has crippled the movement of grain to the country's most important customers and is posing serious questions as to the future of what is still the biggest grain port in the world. Over a quarter of this country's exports move through Vancouver harbour. But no grain has moved out of Vancouver since February 18 and in the first six months of the 1974-75 crop year, which began last August, grain export facilities were shut down 36 per cent of the time. Grain company executives say that the port's global reputation is being destroyed by industrial strikes. Our reliability as an exporter has been put in serious doubt. Our image abroad as compared with those of our principal competitors has never been more critical. At present there are 33 empty vessels waiting to load at Vancouver, and 15,000 boxcars are backed up in the West waiting to get into the port. Probably the saddest and most scandalous aspect of this strike is that some of the grain that has not been moved was destined for Bangladesh, where every day thousands die of starvation.

These stoppages of work in the last six months have followed in the wake of the worst grain loading delays on record. These delays cost the grain farmer $17 million in late delivery penalty payments in the 1973-74 crop year. They are expected to go even higher this year. Canada sells 60 million bushels of wheat annually to Japan. Recently because of the uncertainty of delivery by Canadian suppliers, Japan has switched to the American market.

This strike which we are legislating to an end could not have come at a worse time. The port of Vancouver has not recovered from the 1974 stoppages and the railways, which had serious problems in moving grain to port, were about ready to make a major effort to catch up when the federal blue-collar workers struck.

We are also threatened now with the eventual loss of our best grain customer. Delivery on our contract with China is five months behind schedule and the Chinese are unlikely to get all their wheat before the end of May, at the earliest. Some day soon we may be forced to limit sales of grain through West Coast ports to 20 million bushels a month, or less. This will greatly affect our competitive position. The port of Vancouver is threatened with death. It is no longer trusted and has lost its credibility in the eyes of exporters and importers, foreign and Canadian. This government has shown itself once more to be completely lacking in leadership. Only when the situation is completely intolerable does this government move to act.

For several years now we have been asking the government to introduce legislation setting down a course to be followed in the case of strikes in the public service which have serious detrimental effects on the economy. Some years ago the government asked our grain farmers to stop growing grain because they could not sell it. Then, as a result of no great display of initiative on the part of the government, we were faced with a rush of orders. So large were the orders that we had a hard time filling them. These days farmers are supposed to be growing for all they are worth, but the problem is now, of course, that we cannot deliver the stuff.

All this is insane and it is time order was restored. This bill is not the best way to handle such a problem, but we are forced into having to proceed in this manner because the government, I repeat, refuses to consider a more ordered way of dealing with such matters. Until we regularize our method of dealing with situations which endanger the welfare of Canada, we will have to periodically appear to be doing violence to the principle of free collective bargaining.

I do not plan to go into the details of the strike. The arithmetic does not interest me. Nor am I particularly concerned right now with who is right or who is wrong. My concern is with the necessity of the government's coming forward once and for all with legislation that will provide a mechanism to deal with these situations.

**Hon. Senators:** Hear, hear!

**Senator Flynn:** I remember very well the last time we had to deal with a strike, also affecting the port of Vancouver, when the Leader of the Government informed us that the government was considering legislation of the type I am referring to. Well, it was not the first time we had received such an assurance, and nothing has been done, and nothing appears to be going to be done. I hope that this bill, which we are going to pass in the Senate in a matter of an hour or so, to which the House of Commons was unable to devote more than five or six hours, will cure this present problem.

● (2250)

I hope this situation will impress upon the government the determination to do something about these problems and not use Parliament as a mere tool to solve a problem, that when there is nothing else to be done the government will say to the workers, "Go back to work," and, to the employers, "Take them back," and use the arbitrator to force a solution on them, as we are bound to do here. The time has come when the government should realize that this is not the way to solve the labour problems with which we are faced in Canada. I hope we shall not have to come back next week or in a few days to settle another problem.

Very well, we are passing this legislation. It will receive royal assent tonight. An order will be given tomorrow to

the employees and employers to return to work. But a lot of the damage which has been done will not be repaired. It could have been had the government acted before. I hope that this legislation will at least stop the damage, but it should have been stopped a long time ago.

**Hon. J. Harper Prowse:** Honourable senators, the Leader of the Opposition has performed his duty. In my opinion, he has laid the blame unfairly on the government. The blame for the situation which has arisen, and which places us in the position of having to do something which is repugnant to everyone in both Houses of Parliament—namely, to force people back to work—rests with the negotiators representing both labour and management. Much of the problem has arisen because of incompetence on the part of negotiators on both sides to solve the situation by means of ordinary negotiation.

The right to strike is an important tradition, and has been the means of winning a great deal for labour. However, let me make it perfectly clear—and I hope my words are listened to by everyone—that if we were to have a referendum in this country today on whether the right to strike should be abolished, I have no doubt that it would be passed with an overwhelming majority. I do not think that should happen, but it is the temper of the people today.

Perhaps where we have gone wrong is by continuing to take into our labour negotiation an adversary system which we have found to be useful in solving our legal disputes. Perhaps we should try something else. Perhaps the time has come to give labour a voice on the board of directors, and to give management a voice on the board of the labour unions. That would enable sides to always know what each other is thinking and doing, and negotiations could then be undertaken on a better basis.

I cannot but feel that for some reason or other, labour or management, or both, have deliberately refused to discharge their responsibility to reach an agreement. They have thrown the matter over to us, because somehow they think that by placing us in this embarrassing and difficult position someone will not have to pay as much as they should be paying, or someone will get a little more than they might get some other way. I do not know who is to blame. Possibly both sides are to blame by failing to reach an agreement. I agree with the Leader of the Opposition to that extent. If we can devise a way to make this kind of thing unnecessary, then let us try to do so.

**Hon. Hazen Argue:** Honourable senators, I am sure the discussion that will ensue in this chamber this evening will not in any way unduly delay the passage of this legislation. However, I feel that I should say a few words at this time.

With regard to the present labour strike, as in most other labour strikes, it seems to me that it is the innocent who suffer most. Thus the effect of this strike at Vancouver is felt substantially on the Prairies by grain producers and others. There is a feeling of strong alienation out there, the feeling that Parliament does not understand the people on the Prairies, that in the present situation Parliament is overlooking their needs, as it has done in many other instances.

I am not an authority on the Vancouver port, but I heard a knowledgeable person say recently that in the last year the port of Vancouver had operated fully for only approximately 70 days. Whether this applies to the group now on strike, or to others, the port has not functioned as it should. The problem is not easy to solve. The whole question of labour, negotiation and settlement in the Public Service is not one that is easy to settle.

The Senate has been playing its role in endeavouring, through a joint committee of the Senate and the House of Commons, to put forward recommendations that would help settle disputes in the Public Service.

The Canadian Wheat Board has done a magnificent job on behalf of grain producers of Western Canada, so much so that over the past number of years Canadian grain producers have enjoyed higher returns than grain producers in the United States. Today, Canadian Wheat Board prices are from $1 to $1.50 a bushel higher than prices in the United States. But the Canadian Wheat Board's reputation as a source of supply of grain is being destroyed. During the past few weeks we have lost sales, and some of our best customers have gone elsewhere to obtain their wheat supplies.

In addition, farmers on the Prairies are having millions of dollars taken from their pockets because of demurrage resulting from these labour disputes.

There is no easy long-term solution. A one-man royal commission is sitting in the West, looking into some of the problems that affect labour disputes in the grain industry. Certainly some very difficult problems need to be solved over the next period in order that this kind of difficulty, which results in grain being moved in a very unsatisfactory manner, will not be repeated.

Present in the Senate gallery tonight are some distinguished representatives of grain producers from the Prairies. I am happy to see them here. They are responsible leaders, doing what they can in the interests of those they represent. If I may, I should like to tender them some advice. Parliamentarians do not have adequate contact with representatives and others from the Prairies, not only at times of emergency but over the course of months and years. There always appear to be difficulties on the Prairies with regard to dealings with the federal government. It has always disturbed me that issues which are directed against Ottawa—the anti-Ottawa campaign, so to speak—are heard almost exclusively on the Prairies, but are not heard in Ottawa. This may be understandable.

● (2300)

When meetings are held on the Prairies, they receive good coverage locally, but hardly a trickle in Ottawa. My suggestion is that there should be a continuing closer contact between the people on the Prairies, the agricultural producers, in particular, and their representatives in Parliament, in both the House of Commons and the Senate.

I could mention other issues along the line of the kind of issue we are discussing this evening that provide very difficult problems in relations between the people on the Prairies and the Parliament of Canada. I might mention the Crowsnest Pass rates, for one. I might mention inland terminals, and I might mention the proposed taxation of

cooperatives which was brought forward some years ago. As a matter of fact, I hear a disturbing amount of discussion that this kind of a taxation proposal, or some other kind of taxation proposal, in respect of cooperatives might be back again.

These are the types of problems which should be discussed before they arise, before they come to a head, rather than having a head-on collision at some point in the future. My suggestion is that in the days ahead there should be closer contact between the producers on the Prairies, who are adversely affected by this kind of situation, and parliamentarians so that everything that may reasonably be done to prevent this kind of legislation having to be brought forward can be done. Perhaps by looking at these problems in this way, better solutions, more lasting solutions, more satisfactory solutions may in fact be achieved.

**Senator Forsey:** Honourable senators, I wonder if I might ask the Leader of the Government a question on a matter which I am not quite clear about? He spoke as if there was an amendment to clause 7 providing for a time limit on the proceedings of the arbitrator. In the sheets that have been handed out to us showing the amendments, I find only the amendment to clause 13 setting this 60-day time limit.

**Senator Grosart:** He explained that.

**Senator Forsey:** Does that apply to both clauses, or just the one? I may not have a complete list of the amendments. All I have is the amendment to clause 13 and no limitation, apparently, on clause 7.

**Senator Grosart:** He explained that.

**Senator Perrault:** Honourable senators, I shall be pleased to attempt to clarify that matter. The original proposal was to make this amendment only to clause 7. It was later placed in an additional position in the proposed legislation, that of clause 13, as well as amending clause 13 by adding the following subclause (3) after line 2, on page 8:

> Notwithstanding any other provision of this Act or the Canada Labour Code, the arbitrator shall be required to decide all matters referred to him under this Part within 60 days of his appointment.

The original draft listed this incorrectly, as it turned out, under clause 7, suggesting that only clause 7 be amended by adding the subclause to which I just referred after line 35 on page 4. It has now been put in in another place as well by the drafters of this legislation.

**Senator Forsey:** With great respect, honourable senators, I find that explanation somewhat perplexing, because Part II, in which clause 13 falls, deals only with the supervisory longshoring and related operations, and clause 7, as I understand it, deals with non-supervisory. So that it appears to me that there is a limitation on the arbitrator's time, the time in which the arbitrator must report, must render his decision, under Part II dealing with supervisory operations, but no limitation of time under Part I. I wonder if this is inadvertent, or if I merely got confused, or have the wrong document here.

**Senator Prowse:** The amendment applies to both clause 7 and clause 13.

[Senator Argue.]

**Senator Perrault:** Yes. As I said in my initial remarks, the proposal is to amend both clauses. However, in the speed with which this measure was passed in the other place, the supporting explanatory documentation simply has not caught up with the progress of the bill from the other place to the Senate chamber. The original text which I have in my hand shows clause 7, but it has been amended now to read clauses 7 and 13, so it applies to both.

**Senator Forsey:** I see. I did not notice that heading. Underneath it says that clause 13 be amended. It applies to both. Thank you very much.

**Senator Perrault:** In other words, the amending line designation, and so forth, may not be shown in particular explanatory documents made available to honourable senators, but the amendment applies to both clauses.

**Senator Forsey:** I am sorry I bothered you. It was just my carelessness in reading it. I wanted to be quite clear that this does apply to both parts.

**Hon. Raymond J. Perrault:** Honourable senators—

**The Hon. the Speaker:** I wish to inform the Senate that if the Honourable Senator Perrault speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Perrault:** Honourable senators, it is not my intention to speak at any length, but merely to thank those who have remained this evening in such great numbers to review this legislation.

**Senator Asselin:** Would you explain the sanctions attached to the bill?

**Senator Perrault:** I shall do my best to clarify that later, Senator Asselin.

No government likes to rush through any legislation in haste. Those words "in haste" were employed by the Leader of the Opposition. No government likes to act with such undue dispatch on a matter of such fundamental importance, but the suggestion that this bill is somehow a matter of panic on the part of the government, that this is the result of some sort of failure by the government to achieve an early ports settlement, is not, I believe, fair comment. In fact, the government has exhausted all of the resources available to it in trying to effect a settlement. No one has ever suggested to honourable senators that the collective bargaining process is an easy process. The political parties of Canada, all of which have supported the idea of free collective bargaining, have never once suggested to the people of Canada that there is not agony at times in this process, that people do not get hurt by strikes and lockouts. No one enjoys the process, but it is a remarkable thing that in our free society in just over 100 years of existence we have achieved one of the finest standards of living in the world. We are certainly in the top three or four nations in terms of living standards, some of which is due, I suggest, to the fact that we have in Canada a free collective bargaining process. This has meant gains, not only for labour, but for industry.

There are people, in present circumstances of disruption and unrest, who look at our free collective bargaining process and say it should be changed. There are all sorts of people with simplistic solutions who say that in all cases we should bring about immediate settlements and force

people to go back to work. That may be the system in authoritarian societies, but to suggest that there is merit in compulsion as a standard method of resolving labour management disputes is a useless suggestion and a vain hope.

● (2310)

I want to assure honourable senators that when we listened tonight to the statistics cited by the Leader of the Opposition chronicling the days lost, the weeks lost and the number of labour-management disputes in this country, it brought no satisfaction to me, and it brought no satisfaction to other members of this chamber. However, I would point out to the Leader of the Opposition that most labour-management relations in Canada are not under federal jurisdiction; they are under provincial jurisdiction. I look at the Conservative government in Ontario, and I find they have discovered no magical way to bring about labour-management harmony.

When we compare the success of the federal Department of Labour and federal legislation in the matter of resolving labour-management disputes, we find out that, on the whole, it has had a far better record than provincial jurisdictions during these past ten years. And why? Because the federal government, the Government of Canada, has been seeking new ways and new initiatives to bring about labour-management harmony, such as the idea of developing industry specialists. The government rejects the concept that just a few days before the expiration of a contract is the time for labour and management to get together. As far as the federal government is concerned, this outmoded approach is out of the window. I see my good friend, the former Premier of New Brunswick, nodding his head, because he had that kind of progressive approach when he was premier of that great Maritime province.

We believe that labour and management must discuss and work together during the life of a contract, that we need industry specialists, that we need new initiatives, that we need to improve the climate of negotiation. There have been many successes in the area of labour-management relations under federal jurisdiction, but the well-chronicled failures are the ones that get most of the attention. However, let us take nothing away from the fact that there has been remarkable progress by federal Department of Labour officials in improving labour-management relations under their jurisdiction over the past ten years.

I agree with the Leader of the Opposition when he says that we do not want Parliament to become the inevitable final step in the collective bargaining process. We do not want there to develop in Canada a situation whereby labour and management say, "Well, if we hang on long enough, or if we reject the settlement, we can always go to good old Parliament," because that is a distortion and an aberration of the free collective bargaining process.

Let us hope that this emergency measure, which I hope will enjoy the support of the Senate this evening, will be the prelude to a new era of better understanding in the ports of Canada, not only the West Coast ports but the ports on the Great Lakes and on the East Coast as well.

A few minutes ago the Leader of the Opposition, or perhaps it was some other honourable senator, correctly pointed out that the federal government is engaged in new initiatives to try to find out why we are having difficulty in moving grain through the ports of Canada. That study is under way. But let us not go for the apparently easy solution that compulsion of labour and compulsion of management will bring about general labour-management harmony in this country. Significantly, those countries with labour courts, those countries that bring down edicts settling labour-management disputes, have a worse strike record than we have in Canada. Compulsion as such, and as a rule, is not the answer.

**Senator Asselin:** Do you not think this bill is a compulsory means to get the workers to go back to work?

**Senator Perrault:** There is an element of compulsion in this, undoubtedly.

**Senator Flynn:** I hope so.

**Senator Perrault:** But I am saying that this is not the norm, nor should it be, in Canada's labour-management relations. Honourable senators are aware of what I mean. In the normal course of events we do not want to have this kind of settlement by governments, or by the courts, or by some authoritarian individual who says, "This is the way it will be."

**Senator Asselin:** At least twice a year.

**Senator Perrault:** We are not doing that.

**Senator Grosart:** Let the bill pass.

**Senator O'Leary:** Let us pass the bill.

**Senator Flynn:** If you do not have the last word, at least try to be very humble. This is a case for the government to be very humble.

**Senator Grosart:** Let the bill pass.

**Senator Perrault:** I think we should always be humble in public life on all occasions, wherever we sit.

**Senator Flynn:** Especially when you are the government you should be humble.

**Senator Perrault:** I was asked a question about the enforcement clause, clause 16. That clause reads:

> (1) Upon application made on behalf of Her Majesty in right of Canada, the Supreme Court of British Columbia shall make an order directing any employer or employee organization named or described in the order that has failed or refused to comply with any provision of this Act, forthwith to comply with that provision, and any employer or employee organization that fails or refuses to comply with any order made by the Court under this section that is directed to it may be cited and punished by the Court as for other contempts of court.

So, if the order of the Supreme Court of British Columbia is not complied with, that is punishable as for any other contempt matter coming before the courts. On page 10 the wording is:

> (2) Any person cited and punished for contempt of court under subsection (1) may appeal from the conviction, or against the punishment imposed, to the Court of Appeal for British Columbia in accordance with such directions, in lieu of the ordinary rules

governing appeals to that Court, as may be given by that Court to ensure that the appeal is heard and disposed of as expeditiously as possible and in priority to all other appeals.

**Senator Asselin:** If the workers do not go back to work what will happen? What will be the penalty for contempt of court?

**Senator Perrault:** I do not have the penalty list before me this evening. It will be a fine or a term of imprisonment.

**Senator Flynn:** The same as anybody else.

**Senator Langlois:** It is treated as ordinary contempt of court.

**Senator McIlraith:** Perhaps, honourable senators, it would be helpful if I indicate that clause 16 provides that:

—any employer or employee organization . . . may be cited and punished by the Court as for other contempts of court.

**Senator Asselin:** To imprisonment or to pay a fine?

**Senator McIlraith:** There is a supplementary provision in the Criminal Code that deals with any person not following the act, so in addition to the penalty provisions in the bill itself there is the general provision in the Criminal Code that would affect persons. That is why the provision in the bill deals with employers and employee organizations only, as distinct from persons.

**Senator Flynn:** Usually there is a clause creating an offence for individual persons involved. I know of the Criminal Code provision to which Senator McIlraith is alluding, but usually in this kind of bill there is an enforcement clause applicable to each individual.

**Senator Perrault:** What I think we are looking at is a fine or term of imprisonment at the discretion of the judge if an organization is found in contempt.

**Senator Flynn:** No, no; it is not the same thing.

**Senator Perrault:** This is a matter for legal interpretation. There is perhaps some room for disagreement about that.

**Senator Flynn:** That is the problem of adopting a bill like this under these circumstances.

**Senator Perrault:** Admittedly, these are not the most desirable circumstances, but I urge support for this measure.

Motion agreed to and bill read a second time.

● (2320)

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

**Senator Perrault:** With leave, honourable senators, I move that it be read the third time now.

**The Hon. the Speaker:** Honourable senators, you have heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

[Senator Perrault.]

**The Hon. the Speaker:** It is moved by the Honourable Senator Perrault, seconded by the Honourable Senator Langlois, that this bill be now read the third time. Is it your pleasure, honourable senators, to adopt the motion?

**Senator Flynn:** Yes, but I think it should be put on record that it would have been salutary to have sent his bill to committee so as to inform honourable senators of exactly what it contains, and how it will operate.

However, we are asked once again to act with blind faith, and I suppose we have to do as we are forced to do. It is too bad, but in answer to what the Leader of the Government said a few moments ago I will merely repeat what I have already said: Let the government be humble under the circumstances and let not the government use this occasion to preach in defence of a free collective bargaining system, because what it is really doing here is imposing a form of coercion on both employers and employees.

**Senator Perrault:** Honourable senators, the government certainly appreciates the enthusiastic support of the Opposition members of the Senate.

Motion agreed to and bill read third time and passed.

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

GOVERNMENT HOUSE
OTTAWA

March 24, 1975

Madam,

I have the honour to inform you that the Honourable R. G. B. Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 24th day of March, at 11.30 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant.
André Garneau
Brigadier General
Administrative Secretary to the
Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

The Senate adjourned during pleasure.

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At 11.30 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

## ROYAL ASSENT

The Honourable R. G. B. Dickson, 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 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 R. G. B. Dickson, 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 provide for the resumption and continuation of longshoring and related operations at ports on the west coast of Canada.

An Act respecting Canadian business corporations.

An Act to amend the Prairies Grain Advance Payments Act.

An Act to provide for the recognition of the Beaver (*Castor canadensis*) as a symbol of the sovereignty of Canada.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

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The sitting of the Senate was resumed.

## ADJOURNMENT

EARLIER MOTION RESCINDED

Leave having been given to revert to Motions:

**Senator Langlois:** Honourable senators, with leave and notwithstanding rule 47(2), I move, seconded by the Honourable Senator McIlraith, that the order of the Senate of this day that when the Senate adjourns today it do stand adjourned until tomorrow, Tuesday, 25 March, 1975, at 11 o'clock in the forenoon, be rescinded.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

28299—51½

# THE SENATE

Tuesday, March 25, 1975

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

Prayers.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Brewin has been substituted for that of Mr. Orlikow on the list of members appointed to serve on the Special Joint Committee on Immigration Policy.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Central Mortgage and Housing Corporation, together with a statement of accounts certified by the Auditors, for the year ended December 31, 1974, 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 respecting operations of the Medical Care Act for the fiscal year ended March 31, 1974, pursuant to section 9 of the said Act, Chapter M-8, R.S.C., 1970.

## HEALTH AND WELFARE

CONNAUGHT LABORATORIES LTD.—FURTHER QUESTION

**Senator Sullivan:** Honourable senators, I should like to comment on the replies given by Senator Perrault on Tuesday, March 11, to my questions regarding the proposed sale of land by Connaught Laboratories for high-density residential development.

First, I must emphasize that I do not wish to stress unduly the environmental hazards of hospitals and microbiological laboratories generally, with which I have been very much associated. Yet it is a sad fact that over the years many doctors and other laboratory workers have lost their lives from laboratory infections.

I must emphasize too that it is greatly to the credit of the Connaught Laboratories that there has never been in its long history, to the best of my knowledge, any case of transmission of infection from the laboratories to residents in the neighbourhood.

Some credit for this happy experience may also be due to the sustained policy of the governors of the University of Toronto to maintain a wide buffer zone of unoccupied land between the production areas of the laboratories and neighbouring residences. I know personally from my years of service on the Connaught Committee of the Governors of the University of Toronto that the maintenance of an open buffer zone around the laboratories was considered to be a policy of the utmost importance.

We must all surely realize now, as a result of recent public concern about the hazards to neighbours of lead factories and asbestos plants, how distressing and disturbing the fear of such hazards can be. Surely we do not want that kind of trouble to occur in connection with the Connaught Laboratories, which are so important to public health in Canada.

I note that Senator Perrault stated that the questions which I raised "do not come under the purview of the Department of National Health and Welfare." That being the case, I ask the following question:

> Will the Government of Canada, as sole owner of Connaught Laboratories Limited, request the Ministry of Health of Ontario to monitor all proposals for residential development in close proximity to the Connaught Laboratories with the object of preventing any possible hazard to the residents of such developments or hindrance to the work of the laboratories?

**Senator Perrault:** Honourable senators, I certainly give the assurance that the inquiry will go forward with respect to the suggestion made by the honourable senator. I think it should be recalled, however, that on Tuesday, March 11, I did state:

● (1410)

> Dangerous micro-organisms are handled in many institutions across Canada, such as hospitals and universities, which are located in residential areas. The types of facilities and methods employed in these institutions to control the spread of micro-organisms are well-established and, I have been informed, have been proven not to present a health hazard.

In any event, appropriate inquiries will certainly go forward and perhaps a statement on this subject can be made at a later date.

## AGRICULTURE

ANNUAL REPORT OF CANADIAN WHEAT BOARD—FURTHER QUESTION

**Senator Argue:** Honourable senators, a few days ago I asked the Leader of the Government if he would inquire as to when the Annual Report of the Canadian Wheat Board might be tabled. I wonder if he has an answer at this time.

**Senator Perrault:** Honourable senators, I have been informed that the Honourable Otto Lang, the minister responsible for the Canadian Wheat Board, will be receiving the report in one or two weeks. Within 15 days of his receiving the report he will proceed to table it in the other

place. Certainly, every effort will be made to have that document tabled here as soon as possible coincident with that date.

The mini report for 1973-74 has been available since early in 1975, but the full report, as I have indicated, should be available for tabling very soon.

## CRIMINAL CODE (THE NATIONAL FLAG OF CANADA)

BILL TO AMEND—ORDER STANDS UNTIL LATER THIS DAY

On the Order:

Resuming the debate on the motion of the Honourable Senator Fergusson, P.C., seconded by the Honourable Senator Inman, for the third reading of Bill C-223, intituled: "An Act to amend the Criminal Code (The National Flag of Canada)".—(*Honourable Senator Prowse*).

**Senator Prowse:** Honourable senators, I would request that this matter be dealt with later today, at which time it is my intention to yield to Senator Yuzyk.

**Hon. Senators:** Agreed.

## APPROPRIATION BILL NO. 1, 1975

THIRD READING

**Senator Langlois** moved third reading of Bill C-54, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975.

**Hon. Jacques Flynn:** Honourable senators, last night I asked that third reading be postponed until today because I did not want to reply to my very good friend, my very close friend, Senator Langlois, in the atmosphere created by his speech.

**Senator Bourget:** Do not start it again.

**Senator Flynn:** He said that he had a stiff neck. Well, his remarks were equally stiff. I do not know if he still has a stiff neck, but I am in rather good humour today.

**Senator Bourget:** Hear, hear.

**Senator Perrault:** That is an improvement.

**Senator Flynn:** I merely want to put on record a few observations. Senator Langlois takes some rather strange attitudes toward our rules. Before I go into that, however, by way of a preamble I should say that Senator Langlois appears to take all criticism from this side—occasionally criticism comes from the other side but he does not react to it in the same way—as criticism of himself personally. It seems to me that his position does not require that he defend the government on every aspect of every piece of legislation or on every decision that the government makes. I am quite sure that he does not believe any longer, if ever he did, that this government is infallible. I know that he was elected to the House of Commons in 1945 and sat in the other place until 1957, during a period when the government of the time—and I see my good friend Senator Bourget listening to me most closely—thought that it was infallible, or at least that it could never be defeated. I remember some of those words: "If we want to do it, who is going to stop us?" I am quite sure that Senator Langlois does not want to resurrect that attitude, that feeling or perspective of the government of the day. I told Senator Perrault last night that under present circumstances the government should be properly humble. I am quite sure that Senator Côté, who came into the house long after the period I am referring to, does not react in the way some of his colleagues do, even if he likes a good fight occasionally.

**Senator Langlois:** I am not that old, either.

**Senator Flynn:** You are not that old. You are about my age.

**Senator Langlois:** That is old enough for me.

**Senator Flynn:** It is old enough for me too, I can assure you. Last night is a perfect example of Senator Langlois' strange attitude. He kept, picking on everything said from this side of the house. When I said that the government was trying in Bill C-42 to borrow $2½ billion, Senator Langlois sought to correct me and said it was only $2.5 billion. I tried to find out what difference there was, what disagreement he had with me. All he could do was insist that I was not correct.

**Senator Langlois:** You were wrong at the time; you were not sure of your figures.

**Senator Flynn:** Another example was when I explained the vote about Réal Caouette. I said that it would not be continued, that it would finish at the end of March. Senator Langlois said I had put it incorrectly, but I had said exactly that.

The most interesting point was his argument concerning Senator Grosart's discussion of the so-called free loan to Canadair. Senator Langlois said, "Oh no, it is not a free loan." The wording in the bill is, "a loan without interest." I suppose there is a difference between an interest-free loan and a loan without interest. It was simply because my very good friend Senator Langlois wanted to argue last night. He wanted to get even. He wanted to have the last word. Nevertheless, we were all saying the same thing, and for one who wanted the debate to end last night I suggest that he did nothing positive to achieve his purpose. This is only by way of a preamble, and I have no desire whatever to rub it in.

**Senator Langlois:** It is a very long preamble.

**Senator Flynn:** It may appear long to you, but it has taken me only a few minutes to do it. The only question I want to raise at this time—there is another one I will raise when we deal with interim supply—is whether Senator Langlois is correct when he says that a supply bill should never be referred to a committee. I have looked this up. Of course, he quoted our rules.

**Senator Asselin:** And *Bourinot*.

**Senator Flynn:** And *Bourinot*, yes. As I recall, I had to help him find the page in our rule book. I told him it was at page 136. I helped him because he had been looking for it for about five minutes, and I thought that was a bit exaggerated for someone so expert in our rules.

**Senator Bourget:** Perhaps in the excitement he could not see it.

**Senator Flynn:** No, I rather think it was because he was very calm, in quiet possession of the truth. He was a bit stiff in the neck, mind you, and I don't suppose that helped. He quoted from our rules when I gave him the page:

> Supply bills are not referred to a committee of the whole or to a select committee. However, the estimates on which a supply bill is based are referred to the Standing Senate Committee on National Finance when they are tabled in the Senate. *See Bourinot, Fourth edition, pages 443 and 444.*

First I want to say that this is an appendix to our rules, and it was put in there merely for guidance. I have looked at our debates on the subject, and that is the only purpose of these things. They are especially to give the Senate some reference as to the forms and proceedings, not as to the rules. If my honourable friend had looked first at rule 1 he would have read:

> In all cases not provided for hereinafter, or by sessional or other orders, the standing orders, the rules, usages, forms and proceedings of the Parliament of Canada, in force up to the day on which the present rules go into operation, shall be followed so far as they can be applied to the proceedings of the Senate or any committee thereof.

● (1420)

I repeat "In all cases not provided for hereinafter"—and I shall come back to that later—the rules to be followed are those that were "in force up to the day on which the present rules go into operation." That would refer to the former rules, and I have taken the trouble to look at the rules governing this house prior to December 1969. I assure you that nobody will be able to find in those rules anything to suggest that a supply bill cannot be referred to a committee. What has been said is that we were trying to put into our rules what had previously been the practice, and it is true that supply bills, up until quite recently, had not been referred to a Committee of the Whole or a select committee. It was also true that the estimates on which supply bills are based had never been referred to committees either. But recently they have been, at least since 1967 or 1968. The practice that we have adopted in recent years is different. When I look at *Bourinot* I find that the reference there is to the effect that it was not in the past the practice to refer supply bills to a Senate committee. This is found on page 443. It is under the heading "Supply Bill in the Senate," and it says:

> XII. Supply Bill in the Senate.—The supply bill is sent up immediately after its passage in the Commons to the Senate where it receives its first reading at once.

There is nothing wrong with that.

> The bill is generally passed through its several stages on the same day—

That is practice again.

> —and is never considered in committee of the whole (a). It is usual, however, to discuss the various questions arising out of the bill at some length (b).

You will notice that in *Bourinot* there is no reference to even sending the estimates to a committee or more specifically to the National Finance Committee. So it is not a rule; it is simply a statement of what has been the practice, and there is nothing in our rules to suggest that we are bound by such a practice. On the contrary, I refer honourable senators to page 32 of our rules where they can read, with regard to bills and the National Finance Committee, the following:

> (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—

And I underline the word "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.

If a supply bill is not a bill concerning government finance, then I do not know what it is. At this point I would recall to your attention that I mentioned rule 1 where it is stated that "if it is not otherwise provided for" we have to resort to the rules, usages, forms and proceedings of the Parliament of Canada up to the day on which the present rules go into operation. But it is otherwise provided for in these rules, and there is nothing wrong with sending a bill, even a supply bill, to a committee, because it has been repeatedly said and agreed to that the Senate has the power to vote down a supply bill, or that it has the power to reduce the amount of a supply bill, but it has, of course, no power to increase the tax or any other burden on the taxpayers of Canada, no more so than has the House of Commons without a recommendation from His Excellency.

But if we have that power, and if we have the power to say in relation to a particular vote that we are going to delete it, then the only practical way of doing that would be to refer the bill either to Committee of the Whole or to a select committee, and in this case, as is provided for under our rules, it would be to the Standing Senate Committee on National Finance. I disagree entirely with the suggestion of Senator Langlois that a supply bill cannot be referred to a committee, be it Committee of the Whole or any select commiteee. The National Finance Committee is, under our rules, entitled to look into a supply bill. That is very clearly provided for and I challenge my honourable friend to find anything in the rules which would say otherwise.

The appendix to which he refers only referred to proceedings, and formulae and practices but, as I have said, this so-called practice which is mentioned at page 136 of our rules was not even to be found in the previous rules, because it is only recently that we have adopted the habit of sending the estimates to the National Finance Committee. Will my honourable friend say that when we started the practice of sending the estimates to committee that we were going against our own rules? If he says no, then he has to agree that the same problem exists as far as a supply bill is concerned. I remain very much convinced that a supply bill on some occasions would need special or distinct examination in committee from that given to the estimates themselves. That is why I wanted to put on the record my entire and absolute disagreement with the pro-

posal of Senator Langlois. There may be occasions where we will want to do something about a supply bill, and the only practical way to do it will be to refer it to Committee of the Whole or to a select committee, which under our rules is the National Finance Committee. That is the point I wanted to make as far as this bill is concerned.

There is another point which has to do with the objections I raised on Bill C-42 and which Senator Langlois rehashed yesterday, even though I had not mentioned the problem of the necessity, when you find borrowing powers provided in a certain bill, to have these preceded by a recommendation of His Excellency. That is another question I will want to deal with when we consider Bill C-55.

This having been said and, as far as I am concerned, this having been said in the interests of the Senate and its authority to deal with supply bills and the efficient manner in which to deal with such bills, I do not mind if this bill now receives third reading. It should have received it last night, but the mood of my honourable friend prevented it.

**Hon. Léopold Langlois:** Honourable senators, I just want to make a few remarks in the way of comment on what my honourable friend, Senator Flynn, has just said.

I am very honoured by the importance he has put on my brief and improvised remarks of last evening. It is probably due to his great friendship towards me that he has taken such an interest in what I had to say. I am grateful to him, and I hope he will always bear in mind what I say in this house and, on other occasions, reflect upon and remember so clearly whatever I have explained.

I do not want to rehash a debate which started in December last and which has been carried on until March, and which will likely come back in future sessions. But I was very much surprised by the argument put forward by my honourable friend this afternoon when he referred to rule 1 in our rule book. The rule reads:

> In all cases not provided for hereinafter—

And this applies to the rules themselves since we are dealing with the rules.

> —or by sessional or other orders, the standing orders, the rules, usages, forms and proceedings of the Parliament of Canada—

It happens to be that it is part of the forms and proceedings of the Parliament of Canada that we have this quotation which I cited from page 136 of our rule book last night, and which is not in quotation marks. It is not a citation from *Bourinot*. It is simply that supply bills are not referred to Committee of the Whole or to a select committee. I will leave my reference at that. And this is in the form and proceedings which were reconfirmed, so to speak, by a decision of our Rules Committee in 1968.

**Senator Flynn:** Read it.

● (1430)

**Senator Langlois:** It is at page 94 of our book of rules:

> These forms and proceedings, formerly known as "Forms of Proceedings" have been revised in accordance with present practice and the new rules of the Senate.

**Senator Flynn:** Present practice.

**Senator Langlois:** That note is important. It is a specific way to incorporate those forms and proceedings in the rules of the Senate. I see the Deputy Leader of the Opposition shaking his head, but I am not impressed by that at all.

**Senator Flynn:** You still have a stiff neck, there is no doubt.

**Senator Langlois:** Again coming back to the wording of rule 1:

> In all cases not provided for hereinafter—

I omit the long enumeration which is not pertinent.

> —the rules, usages, forms and proceedings of the Parliament of Canada—

So when our Rules Committee made these forms and proceedings part of our book of rules, they included them under rule 1, and nobody can interpret rule 1 without having that in mind. And this was done in 1968.

**Senator Flynn:** If you read that, you will find it.

**Senator Langlois:** My friend is very much impressed by the reference at page 136 to *Bourinot*, but being a lawyer, and a civil law lawyer, from Quebec—

**Senator Flynn:** No, I have never been a criminal lawyer.

**Senator Langlois:** No, a civil law lawyer from Quebec—he must have seen similar references in the Civil Code of the Province of Quebec, where there is reference after reference to the Napoleonic Code. It does not mean that this is a repetition of something provided for in the Napoleonic Code. It is only a reference in order to assist those researchers who have an interest in going further into the origin of a particular provision of the code.

**Senator Flynn:** It is a provision.

**Senator Langlois:** That is why you have this reference in our forms and proceedings to *Bourinot*, because this is the source from which this principle was taken and incorporated into our forms and proceedings; and it does not mean any more than that.

**Senator Flynn:** That is what you are saying.

**Senator Langlois:** There is no doubt whatsoever in my mind that our forms and proceedings, as they are referred to in rule 1, are part of our rules—

**Senator Flynn:** They do not amend the rules.

**Senator Langlois:** They are included—

**Senator Flynn:** No.

**Senator Langlois:** —in our rules.

**Senator Flynn:** No.

**Senator Langlois:** You can say no, but please read rule 1.

**Senator Flynn:** I read it.

**Senator Langlois:** You read it too quickly, I am afraid. I think this is quite clear.

> In all cases not provided for hereinafter, or by sessional or other orders, the standing orders, the rules, usages, forms and proceedings—

That refers to what is written in our forms and proceedings, and in the footnote on page 94.

**Senator Flynn:** You do not amend the rules by that.

**Senator Langlois:** No, but read it. Does it mean anything to you? Does it mean something to you?

**Senator Flynn:** Yes.

**Senator Langlois:** It is very clear to anyone who wishes to understand it. I am not going to discuss this point any further. We have discussed it for the last four or five months, and it is likely we will do so on other occasions. I think the point is clear, that this citation on page 136 applies to supply bills and this is part of our rules today, and should be so considered.

**Senator Forsey:** Excuse me. I wonder if the deputy leader could enlighten me as to what the rules of the Parliament of Canada are. I thought the Senate was part of Parliament.

**Senator Langlois:** If my honourable friend had been following the discussion so far, he would have borne in mind the footnote on page 94 of our own book of rules, which reads:

> These forms and proceedings, formerly known as "forms of Proceedings" have been revised in accordance with present practice and the new rules of the Senate. They are included as an appendix to the rules pursuant to the order of the Senate dated December 10, 1968.

If this does not make it part of the proceedings of the Parliament of Canada, of which the Senate is an integral part, and an important part, I do not know what would do it.

**Senator Forsey:** I quite understand that, but I am perturbed and I wonder if the deputy leader could enlighten me as to what exactly the rules of the Parliament of Canada are. There are the rules of the Senate and the rules of the House of Commons but what are the rules of the Parliament of Canada? I do not know what rule book I would find them in, and as a relative newcomer here I defer to the vast knowledge and experience of the deputy leader.

**Senator Langlois:** The rules of Parliament include both the rules of the House of Commons and the rules of the Senate, since both houses form the Parliament of Canada. I think this is elementary and need not be further explained.

I think this deals with the main point made by the Leader of the Opposition this afternoon. He made a reference to Bill C-42, and rightly so. He stated that this should have ended the discussion last night. If I have followed up on this point, it is because he started it. He made a statement. I did not want to get into this discussion at all. I just wanted to put the facts before the Senate as they should be. My honourable friend accused Senator Everett and myself of having prevented the supply bill from being discussed—

**Senator Flynn:** Referred.

**Senator Langlois:** —in committee. I took the attitude that this could not have happened, because that bill was never referred to committee.

[Senator Langlois.]

My honourable friend then said he was referring to Bill C-42, which was discussed in December 1974. Of necessity, I had to follow up on that. I gave the circumstances and the reasons why that bill was not referred to the National Finance Committee. I had, in the process, to remind the Senate of all the circumstances. And that is all I did. I left it at that; I did not argue any further on the subject. I merely put the facts fresh in the minds of all honourable senators. That was the only thing I wanted to do , and the only thing I did.

My honourable friend concluded his remarks by saying that I was to blame if this bill was not passed and given royal assent with the other bill we passed last night, because I was in such a mood. But I think the mood came from the other side. I am not the one who said no last night; he is the one who said no. If it is to be blamed on anybody's mood, then it must be blamed on the mood in which he was last night.

I can hardly accept that every time there is an exchange of views, and one does not share the same view as one's opposite number in the house, important legislation will be delayed on that score, especially after I had reminded the house last night that there was some $20 million due to veterans, that the veterans, were interested in getting their increased allowances before Easter, and if we were not going to have this law passed last night we were going to prevent this money from reaching them before Easter on account of the recess that is likely to commence tomorrow.

As to my honourable friend, I am not challenging his right to disagree—as much as I disagree with him, so much will I fight for his right to disagree with me—because that is the freedom of speech, the freedom of expression that, thank God, we still have in this country. But to say that because you do not like the views expressed by your opposite number you will delay an important piece of legislation, is beyond me, and beyond many honourable members of this house.

**Senator Flynn:** There is not much that is beyond you.

**Senator Bourget:** *Pax vobis.*

Motion agreed to and bill read third time and passed.

## APPROPRIATION BILL NO. 2, 1975

### SECOND READING

The Senate resumed from Friday, March 21, the debate on the motion of Senator Langlois for second reading of Bill C-55, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1976.

● (1440)

**Hon. Jacques Flynn:** Honourable senators, if I may start with an aside, I would suggest, since there are marked differences of opinion between my good friend Senator Langlois and myself, with respect to the interpretation of the appendix to our rules, that the matter be referred to the standing committee.

**Senator Langlois:** Which one are you referring to?

**Senator Flynn:** I am referring to the reference of a supply bill to a committee.

**Senator Langlois:** I mean which committee are you referring to?

**Senator Flynn:** The Committee on Standing Rules and Orders. We would probably have a useful debate and an enlightening conclusion from such a reference to that committee. For myself, I have always thought—and this is applicable to the present bill, because I am quite sure Senator Langlois would not want it referred to committee—that this is important so far as supply bills are concerned.

With respect to Bill C-55, which asks for interim supply, I merely wish to draw to the attention of the Senate the fact that the amount we are called upon to vote is quite substantial, being $4,603,596,900.59. Moreover, it is divided in a rather curious way:

> (a) three-twelfths of the total of the amounts of the items set forth in the Estimates for the fiscal year ending the 31st day of March, 1976, as laid before the House of Commons at the present session of Parliament—$3,919,682,567.25
>
> (b) eight-twelfths of the total of the amounts of the several items in the said Estimates set forth in Schedule A—$120,982,666.67
>
> (c) five-twelfths of the total of the item in the said Estimates set forth in Schedule B—$20,000,000.00
>
> (d) three-twelfths of the total of the amounts of the several items in the said Estimates set forth in Schedule C—$449,223,250.00
>
> (e) two-twelfths of the total of the amounts of the several items in the said Estimates set forth in Schedule D—$61,699,666.67
>
> (f) one-twelfth of the total of the amounts of the several items in the said Estimates set forth in Schedule E—$32,008,750.00

It seems to me that if the Senate wants to deal with this bill in an efficient manner it should be in a position to find out in committee from the officials just why in one case it is three-twelfths; in another case, eight-twelfths; in another, five-twelfths; in another, three-twelfths; in another, two-twelfths; and, finally, in the last case, only one-twelfth.

Senator Langlois has given us the general reasons, but I do not see that these are sufficient to allow us to properly assess the reasons for the differences among paragraphs (a), (b), (c), (d), (e) and (f) of clause 2. To me this seems to be an excellent reason for referring the bill to committee—whether it be the National Finance Committee or even Committee of the Whole—at which time we could have the officials enlighten us on these differences.

The second point I should like to make relates to clause 5, which states:

> (1) The Governor in Council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by Parliament, by any Act heretofore passed, raise by way of loan under the *Financial Administration Act*, by the issue and sale or pledge of securities of Canada, in such form, for such separate sums, at such rates of interest and upon such other terms and conditions as the Governor in Council may approve, such sum or sums of money, not exceeding in the whole, the sum of four billion dollars, as may be required for public works and general purposes.

Again we have this borrowing authority of $4 billion, which is to be related to the $2.5 billion authorized under Bill C-42. When we were dealing with Bill C-42, I pointed out that the borrowing power had not been mentioned in the estimates. It had not, therefore, been considered by our National Finance Committee. In fact, the bill was something entirely different from the estimates. When Bill C-42 was before us I raised the following question: If the borrowing power was really germane to a supply bill, then it should be preceded by a recommendation from His Excellency the Governor General. Last night, however, Senator Langlois reiterated his position that he had studied the situation. At page 721 of *Hansard* he is reported as saying:

> —I studied the situation and reached the conclusion that it was not necessary for the message to contain clause 5, because clause 5 provided merely for a borrowing authority which could not be considered as an expenditure and therefore did not require a recommendation from His Excellency. I was not content with my own research, but checked with the Department of Justice, and was confirmed in my opinion without any reservation.
>
> I gave this information to the Senate, but my word was not accepted. I do not blame the Leader of the Opposition for not accepting it, but I do blame him when, two days later, after I returned with a written opinion from the Deputy Minister of Justice, who is charged with the legislation, stating that he supported my opinion without any reservations—and this was confirmed by the Clerk of the Senate—he again did not accept my word and the independent written opinions.

**Senator Langlois:** Incidentally, Senator Flynn, that should read "Law Clerk of the Senate." It was not the Clerk, but the Law Clerk.

**Senator Flynn:** Yes, I accept that.

Surely, honourable senators, because the Deputy Leader of the Government, or the Deputy Minister of Justice or the Law Clerk of the Senate, or anyone else, expresses an opinion, we are not bound to accept it simply because it is reported to us by someone in this house, be he the Deputy Leader of the Government or anyone else. Surely, we are entitled to place matters of opinion before a committee for the purposes of discussing them. But, according to the deputy leader, the moment he says, "I have the opinion. You must accept it," that is the end of the matter. If that were so, we could never discuss anything in this house. Does the deputy leader think he is infallible, as were his friends before 1957? Is that era returning?

But all that is only incidental. The real point is this: Either his opinion as to the borrowing authority is correct, and it does not need a recommendation from His Excellency the Governor General, in which case it is not a supply bill matter; or his opinion is incorrect and the matter does require a recommendation from His Excellency the Governor General. At this point I want to draw to your attention

two of our rules. Rule 62, which is a proviso as to supply bills, reads as follows:

> The Senate shall not proceed upon a bill appropriating public money that has not within the knowledge of the Senate been recommended by the Queen's representative.

In other words, a supply bill requires a recommendation by the Queen's representative. We are all agreed on that. But my honourable friend says that the borrowing authority provided in this bill does not require a recommendation by the Queen's representative. Therefore, the borrowing authority is not in the nature of a supply bill. It is a matter foreign to a supply bill.

That leads me to rule 63 which deals with annexed clauses, and reads as follows:

> A bill of aid or supply shall not have annexed thereto any clause the matter of which is foreign to and different from the matter of the bill.

My friend has a choice. Either the borrowing authority is in keeping with the supply nature of the bill, in which case the whole thing must be recommended by Her Majesty's representative; or the borrowing authority is foreign to the supply bill and, according to rule 63, cannot be tacked on to the supply bill. If this borrowing authority has nothing to do with supply, then we should be entitled to deal with it in committee. We should be able to inquire of the Minister of Finance what his needs are, and not be satisfied merely with the information supplied by the deputy leader, the leader, or anyone else speaking on behalf of the government.

● (1450)

When we had the authority to borrow $2.5 billion included in Bill C-42 we should have been entitled to inquire about it. Of course, my honourable friend told us that it was because the Canada Savings Bonds were so successful that we needed to cover the additional borrowing. Why should we not be permitted to question the Minister of Justice as to his opinion?

I would have liked to question the Minister of Finance on this particular clause in this bill to see whether he has need of the $4 billion. My honourable friend says, "Yes. We do not expect to exhaust this authority." I believe him, but I deplore the attitude he takes, that everything he says is the last word the Senate should ask for. I have no use for that attitude. It has no place here.

**Senator Langlois:** I agree with you.

**Senator Flynn:** He cannot get away from the point I have made today. The question falls under either rule 62 or rule 63 and, in both cases, he is wrong.

**Hon. Léopold Langlois:** Honourable senators, again my honourable friend is rehashing the debate that started in December—

**The Hon. the Speaker:** I should inform honourable senators that if Senator Langlois speaks now his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Langlois:** My honourable friend is still rehashing the debate that took place in December and again last night. When he refers to this borrowing authority in clause 5 of the present bill he seems to forget that when I introduced Bill C-55 I made a very long and detailed statement on the origin and the operation of these borrowing authorities. I stated that these borrowing authorities were sought in compliance with section 36 of the Financial Administration Act, which I quoted at the time. However, I refuse now to enter into an argument which we dealt with quite fully in the earlier stages of this session.

I want to deal particularly with the reference to rules 62 and 63. Rule 62 states:

> The Senate shall not proceed upon a bill appropriating public money that has not within the knowledge of the Senate been recommended by the Queen's representative.

Rule 62 deals with a bill appropriating public money. A measure giving authority to borrow money under the Financial Administration Act is not a measure appropriating public moneys. That is an argument I made over and over again in December, and again last night. Rule 62 does not apply. This is very clear, and it is supported by the opinion the Department of Justice gave me in its letter some time in the middle of last December, and which was tabled in this chamber.

Next I come to rule 63, which says:

> A bill of aid or supply shall not have annexed thereto any clause the matter of which is foreign to and different from the matter of the bill.

The borrowing authority included in the bill before us has to do with the financing of these very estimates.

**Senator Flynn:** No.

**Senator Langlois:** If it is not germane to the supply bill, I do not know what will be germane to anything. It is not foreign to the bill; it is very germane to it. It provides the necessary borrowing authority in order to make possible these expenditures. I hope it is clear that such a clause in a supply bill is not foreign to that bill. It is very germane to it, because it is the means of implementing the votes contained in the legislation. This is the interpretation that has been placed on this rule of the Senate ever since Confederation.

**Senator Flynn:** No.

**Senator Langlois:** In December Senator Everett gave a few examples of previous supply bills—even one passed under a Tory administration, in the period from 1957 to 1963—which contained such a clause authorizing a borrowing authority, but which was not included in the message from His Excellency. This practice has been confirmed on many, many occasions by all parties in power, according to my information, ever since Confederation, and today my honourable friend wishes to change all that. He wants to put aside this continued interpretation of our rules, that such a clause is not foreign to but is germane to supply bills, and the long established practice that such a clause should not be put aside on that ground alone.

In that connection, I repeat that this is in essence based on legal advice I have received from the Department of Justice. My honourable friend can say whatever he likes about the authority behind such legal advice, but I repeat what I said in December, that we on this side of the House—and when I speak in this house I am speaking as Deputy Leader of the Government—are bound, as my

leader is bound, by any legal advice coming from the Department of Justice.

**Senator Flynn:** No.

**Senator Langlois:** We have to live by it.

**Senator Flynn:** No.

**Senator Langlois:** If you deny that, give me one example of any government in power, be it Tory or Liberal, that has gone against legal advice from the Department of Justice.

**Senator Grosart:** Many times; many, many times.

**Senator Langlois:** Give me one example. You say it has been done many times. Give me one example.

**Senator Flynn:** I will give your example. Last year on Bill C-42 you yourself said in this house that you had had very serious doubts about the legality of the proceeding, and it was only after study that you came to the conclusion that the government was right. If you had come to another conclusion, what would you have done? You would have done the same as you did, I suppose.

**Senator Langlois:** My honourable friend is again putting in my mouth words that I never pronounced.

**Senator Flynn:** I am not. That is what you said.

**Senator Langlois:** It is what I said when the bill came to me and when I was advised of the objection raised in the other place. I was impressed by that, and I took it upon myself to inform the Deputy Secretary of the Treasury Board that if this objection was well-founded in my own mind I would have only two alternatives—either have somebody move an amendment to that bill and accept it, or withdraw the bill altogether.

**Senator Flynn:** That is fine; that is what I am saying.

**Senator Langlois:** That was before I started my research. After my research was completed I was convinced in my own mind that the objection raised in the other place was wrong. However, I was not content with that. As I said last night, I telephoned the Department of Justice and obtained confirmation, which was readily given, without any reservations. From there on I had no doubt whatsoever. I had no other course of action but to follow the advice I had received from the Department of Justice. I had no alternative but to act in that way.

**Senator Flynn:** The record will show your contradiction.

**Senator Grosart:** May I ask the Deputy Leader of the Government one question?

**Senator Langlois:** The debate is closed.

**Senator Grosart:** Surely I can ask a question.

**Senator Flynn:** Not if he does not want you to.

**Senator Langlois:** Very well. If it is not another speech I am willing to accept it as a question.

**Senator Grosart:** Are you making another speech?

**Senator Langlois:** No, I am not. However, I was entitled to make a speech in reply to Senator Flynn.

**Senator Grosart:** My question is this: Is the Deputy Leader of the Government saying or implying that the members of the Cabinet, the Government of Canada, are bound by a decision of the law officers of the Crown?

**Senator Langlois:** By legal advice from the Justice Department, yes, of course.

**Senator Grosart:** No.

**Senator Langlois:** I am saying that I am.

**Senator Grosart:** Then that is all I want to know.

**Senator Flynn:** It is on the record.

**Senator Langlois:** I said that in December, too.

**Senator Grosart:** That means they are running the country.

Motion agreed to and bill read the second time.

● (1500)

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Langlois:** With leave, now.

**The Hon. the Speaker:** The house has heard the motion. Is there unanimous consent?

**Senator Flynn:** I would just like to ask the deputy leader if arrangements have been made for royal assent this afternoon?

**Senator Langlois:** Yes, royal assent has been arranged for 5.45, I am told.

**Senator Flynn:** Very well.

Motion agreed to and bill read third time and passed.

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

GOVERNMENT HOUSE
OTTAWA

March 25, 1975

Madam,

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 25th day of March, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the
Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

## CRIMINAL CODE (THE NATIONAL FLAG OF CANADA)

BILL TO AMEND—MOTION FOR THIRD READING—BILL REFERRED TO COMMITTEE

On the Order:

Resuming the debate on the motion of the Honourable Senator Fergusson, P.C., seconded by the Honourable Senator Inman, for the third reading of the Bill C-223, intituled: "An Act to amend the Criminal Code (the National Flag of Canada)".—(*Honourable Senator Prowse*).

**Hon. Paul Yuzyk:** Honourable senators—

**The Hon. the Speaker:** Is it agreed, honourable senators, that Senator Yuzyk shall have leave to proceed instead of Senator Prowse?

**Hon. Senators:** Agreed.

**Senator Yuzyk:** Honourable senators, Bill C-223 would amend the Criminal Code by adding one sentence which on the surface appears quite simple. I shall read it to you from the bill:

> 49.1 Every one who wilfully destroys, disfigures, mutilates, defaces, defiles, desecrates or casts contempt upon the National Flag of Canada is guilty of an offence punishable on summary conviction.

This sentence to me has very broad implications. It is an amendment to the Criminal Code, and its implementation and enforcement could have serious repercussions. Several senators took part in the debate on second and third readings, and raised questions which were not answered. I suggested that this bill be referred to committee. I have discussed this matter with Senator Prowse who agrees that it should be sent to committee in order to have a more detailed explanation of its implications.

I believe that before this committee we should have the Minister of Justice and other witnesses who would speak to the bill. I have already had a request from the chairman of the Civil Liberties League of the National Capital Region to appear before the committee and present his views, which will be critical.

Consequently, honourable senators, I move, seconded by Senator Prowse—who is unavoidably absent at the moment because he is attending the meeting of the Standing Senate Committee on Foreign Affairs:

> That this bill be not now read the third time but that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Fergusson, seconded by the Honourable Senator Inman, that this bill be read the third time. In amendment, it is moved by the Honourable Senator Yuzyk, seconded by the Honourable Senator O'Leary, that the bill be not now read a third time but that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Is it your pleasure, honourable senators, to adopt the motion in amendment?

Motion in amendment agreed to and bill referred to Standing Senate Committee on Legal and Constitutional Affairs.

The Senate adjourned during pleasure.

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At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

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## 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 James Jerome, 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 bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1976.

To which bills I humbly request Your Honour's assent.

The Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the said bills.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

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The sitting of the Senate was resumed.

## BUSINESS OF THE SENATE

Leave having been given to revert to Notices of Motions:

**Senator 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 tomorrow, Wednesday, March 26, 1975 at 10 o'clock in the forenoon.

**Some Hon. Senators:** Explain.

**Senator Langlois:** If I might offer a word of explanation, this unusual morning sitting tomorrow is warranted

by the expectation that a very important piece of legislation will be coming to us some time during the course of this evening and will be ready for consideration in the morning. This is the bill containing amendments to the National Housing Act. An agreement has been reached with the other place that this bill will be considered in Committee of the Whole, with the minister responsible, the Honourable Barnett Danson, in attendance in the Senate. It is hoped that this bill will be dealt with tomorrow, without putting any pressure on the Senate. This has been agreed by my honourable friends on the other side.

Motion agreed to.

The Senate adjourned until tomorrow at 10 a.m.

# THE SENATE

Wednesday, March 26, 1975

The Senate met at 10 a.m., the Speaker in the Chair.

Prayers.

## NATIONAL HOUSING 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-46, to amend the National Housing Act.

Bill read first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Senator McIlraith:** Honourable senators, I would like to ask permission of the Senate to proceed to second reading now, with a view to passing the bill today, before the Easter adjournment. This request is made, as I think honourable senators will understand, because of what we regard as the urgency of the requirement for the authority contained in the bill.

As honourable senators know, housing starts were down quite sharply in 1974. Not only were they down, but the rate of decline from the previous couple of years accelerated as we came to the end of the year. At this stage of 1975 the starts are very low—

**Senator Asselin:** Are you presenting the bill?

**Senator McIlraith:** No, I am asking for leave to proceed to second reading now. As I have said, housing starts are very low, and it looks as if we are well into this trend. There are two consequences of that failure to build houses in adequate quantities. The first is the social consequence and the second is economic. For those reasons, and because we believe that this bill, if enacted, will serve to bring about an increase in housing starts, I would ask the house for leave to proceed to second reading at this time.

**Senator Flynn:** Honourable senators, we have no objection whatever to giving leave in these circumstances. However, merely as a matter of procedure, I should like this item to be called after we have dealt with the other Orders of the Day. I understand that we shall be dealing with this legislation only and that none of the other orders will be proceeded with at this time. Nevertheless, I would ask that it be called after we have dealt with the other items.

**Senator McIlraith:** Very well, later this day.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

## MULTICULTURALISM

MINISTRY OF STATE—ORGANIZATION AND BUDGET—QUESTION

**Senator Yuzyk:** Honourable senators, I have some questions which I should like to direct to the Leader of the Government in the Senate. They are:

I. A Ministry of State responsible for Multiculturalism was established in November 1972, which lasted until the fall of 1974 as a separate ministry.

(a) What was the budget allocated to this ministry for the purposes of multicultural programs and projects and how much was spent under Dr. Stanley Haidasz?

(b) Did the minister have a separate departmental budget and, if so, what was its size and how was it spent?

II. Subsequently, the Honourable John Munro, Minister of Labour, was assigned also the portfolio of Multiculturalism.

(a) Does he have a separate department and a budget for multiculturalism?

(b) What is the size of this departmental budget?

(c) How large a fund does he administer for the purposes of multiculturalism?

(d) How much was spent by the government on multiculturalism to March 31, 1975, and how much remains to be spent?

**Senator Perrault:** Honourable senators, because of the detailed nature of this question I will take this as notice.

## WEST COAST PORTS OPERATIONS ACT, 1975

RESUMPTION OF WORK—QUESTION

**Senator Flynn:** Honourable senators, may I ask the Leader of the Government if he has anything to report concerning the resumption of work by longshoremen and related operations in the ports on the West Coast of Canada?

**Senator Perrault:** No, I do not have any immediate new information. However, I shall endeavour, before the Senate rises today, to present a report for honourable senators.

## BUSINESS OF THE SENATE

**Senator Flynn:** Honourable senators, I should like to put a question to the Leader of the Government or the Deputy Leader of the Government. Other than the act to amend the National Housing Act, is further legislation likely to come to us from the other place? In any event, is there other legislation that we might be expected to deal

with before we adjourn, as I understand it, quite possibly later today?

**Senator Langlois:** The answer is no, we are not expecting further legislation from the other place. The item presently before us is the only one with which we will be dealing today.

**Senator Flynn:** May I ask if there is any indication as to when we will return?

**Senator Perrault:** It is expected that the Senate will resume its activities on Tuesday, April 8.

## NATIONAL HOUSING ACT

### BILL TO AMEND—SECOND READING

**Hon. George McIlraith** moved the second reading of Bill C-46, to amend the National Housing Act.

He said: Honourable senators, at the outset of my remarks I wish to thank the house for waiving the notice provided in the rules of the Senate and permitting us to proceed with this bill today.

I should like to point out that this is an amending bill by way of adding or extending programs to our housing legislation. It does not in its general scheme substitute particularly new programs; it adds new and important facets to existing programs.

● (1010)

The purpose of the legislation is to give many more Canadians the help they need to buy or rent housing, particularly in the low or medium price ranges. At the same time, it is intended to stimulate the flow of private capital into the housing market and stimulate the production of housing in those same price ranges. As honourable senators well know, production has lagged behind previous years, as I indicated earlier today when I sought permission to proceed. This may be due to several factors, including inflation pressures, high interest rates in the early part of last year, but, more alarmingly, in the latter part of the year and the early part of this year, a rather cautious approach and, indeed, lack of effective demand on the part of prospective buyers of homes generally because of uncertain market conditions.

The passage of the bill will contribute significantly to a revitalized housing market and will provide an important stimulus to the whole economy. Perhaps the best way of my approaching the second reading, because of the nature of the bill, is to attempt to outline the main provisions in a summary way. There are three kinds of assistance offered in the housing clauses of this bill. First, there is assistance to home buyers; secondly, assistance for those who wish to rent moderately priced accommodation; and, thirdly, assistance for non-profit rental housing projects.

Dealing with the first category, the assistance provided for home owners takes the form of extending the provisions of the highly successful assisted home ownership program to qualified families who obtain NHA insured loans from approved lenders. To these new provisions, a family that obtains a private mortgage for a new home, not for existing housing, may receive from Central Mortgage and Housing Corporation a grant of up to $600 a year. This will substantially reduce their effective monthly payments.

The reducing grant is available only for the purchase of moderately priced new housing, with limits set by Central Mortgage and Housing Corporation in each market area. This privately funded program is designed to supplement but not replace the existing assisted home ownership plan, which will continue to serve home buyers in the lower income ranges with CMHC direct loans and grants. That is the first category of assistance for housing.

In the second category, the rental field, the bill provides owners and builders of rental accommodation with a reducing grant, provided they enter into an agreement with CMHC to keep their rents down to a certain schedule to be set out in the agreement. This agreement will be for five years, and authority is being asked to extend it for as long as 15 years. It will ensure that the tenants are the beneficiaries of the federal government's contribution. Care is taken in this section to ensure that the benefit of the federal government's assistance at this point goes to the tenant. It is estimated that these incentives will draw $1 billion or more of private capital into the housing market, where funds are most needed in the low and moderate price ranges. Much of this capital might not otherwise be invested in housing. It will therefore help to increase the housing supply and put a downward pressure on the price of houses.

The third housing provision is a series of clauses allowing Central Mortgage and Housing Corporation to buy land to be used for non-profit and cooperative housing projects. The corporation, having assembled the land for that purpose, will be authorized to lease it to the sponsors of the housing project, either a non-profit project corporation or a cooperative housing group, at advantageous rents. This will result in these two types of organizations not being required to put up the capital for the purchase of the land.

I think I should remind the house that at the present time Central Mortgage and Housing Corporation provides 100 per cent loans at 8 per cent interest for such schemes. In addition, it provides a contribution amounting to 10 per cent of the capital cost. Even with this substantial federal government support, sponsors of non-profit and cooperative housing projects, because of the high price of land, are finding it difficult and, in some cases, impossible to provide accommodation at a cost that is acceptable to the group of people they are trying to help. The arrangements proposed in this bill will provide the sponsors of non-profit and cooperative housing projects the alternative of buying the land and being eligible for the 10 per cent grant, or having Central Mortgage and Housing Corporation acquire the land and then leasing it from Central Mortgage and Housing Corporation on a long-term lease, whichever is to the greater advantage for the particular project in question.

So much for the direct immediate assistance to housing contained in this bill. There are other important provisions, one of which is the sewage treatment grant. The present program in this area is due to expire this year and this bill, if enacted, will result in the removal of the expiration date, thereby continuing that program. It will also provide for something new, the installation of storm

trunk sewers, which are required to open up new residential developments. It is obviously important that new residential land be brought into the market for building as quickly as possible, and the absence of a provision for financing storm trunk sewers has been a handicap in this connection. The proposal in this bill will materially assist communities which otherwise could not afford to service the available land.

Another provision would relieve the tax burden in areas where, because of the nature of the terrain and the smallness of the community, there may be a real problem for the municipality in putting in the required sewage facilities. The bill provides assistance by way of grants to meet special conditions which may and do arise in some communities.

The forgiveness provision under the existing legislation in respect of municipalities will be extended to municipalities that borrow money for eligible projects privately rather than through CMHC. Under the existing legislation, municipalities must borrow from CMHC. This forgiveness provision will be extended to projects financed by the municipality by borrowing from sources other than CMHC. That provision should help very materially in having these projects go forward.

Another provision makes available assistance for the preparation of regional sewage plans. With the change of structure in government at the municipal level, some unusual and undesirable anomalies have arisen.

● (1020)

The other important provisions of the legislation have the effect of increasing the statutory limits within which the corporation may make or insure loans. The aggregate amount of all loans that may be made by approved NHA lenders, and insured by Central Mortgage and Housing Corporation, is raised to $25 billion from $19 billion, and there is a provision for increasing the aggregate amount of loans that may be made by Central Mortgage and Housing Corporation for direct lending to $12 billion from $10 billion. The aggregate of loans that may be made by banks under the Home Improvement Loan Program and that may be insured by Central Mortgage and Housing Corporation is raised to $650 million from $600 million. It will be seen that that increase in authority is rather significant. There are, of course, other consequential changes that will flow from those things of which I have spoken.

Before concluding, I should like to reiterate what I sought to say in the early part of my remarks. The bill does not replace any housing programs that are already in existence. It adds to existing programs, increasing the options open to persons who are desirous of housing, home ownership, or rental.

I believe the bill is an important step forward at this time, a much needed step, and that it has the potential for helping many thousands of families to obtain suitable housing. I commend it to honourable senators.

Perhaps I should add here that at the conclusion of second reading, and if it meets with the general consensus, I shall move that the bill be referred to Committee of the Whole, and that we bring the minister into the Senate, for which there is authority under rule 18, to answer such questions as honourable senators may wish to ask.

[Senator McIlraith]

**Senator Manning:** Will the honourable sponsor permit a question?

**Senator McIlraith:** Yes.

**Senator Manning:** In the case where the CMHC purchases land and leases it to a non-profit or cooperative association for the provision of low-cost housing, are there restrictions imposed on the future sale of that property, and, if so, what is the nature of the restrictions?

**Senator Grosart:** Ask the minister.

**Senator McIlraith:** The provision is quite lengthy, and it is set out in the clause. I would prefer to answer the question in committee, because it would be a rather long-winded answer if I gave it now.

**Senator Hicks:** Perhaps my question will get the same reply. Does the honourable senator who sponsored the bill have any notes as to the nature of the changes that were made by the Standing Committee on Health, Welfare and Social Affairs in the other place? Were they significant in the effect they had on the bill as originally introduced on December 19?

**Senator McIlraith:** I do not want my answer to sound harsh, but I think the answer I would wish to give is: No, they were not. I recognize that that answer sounds a little harsher than I intended. I do not mean it to cast any reflection on the work of the committee, but in terms of the total impact on housing the answer is no.

**Hon. Allister Grosart:** Honourable senators, I am sure I will be expected to make the usual complaint about dealing with a bill of this importance under these circumstances. However, we have agreed that this is an exceptional case. It is not that we like it, but we welcome the suggestion that if we have to do it this way at least we will have the honour of having the minister here in the Senate, and in due course I am quite sure we will welcome him. Personally, I think this is an important use of one of the procedures provided by our rules. As the sponsor of the bill has said, the minister will be here when we deal with the bill in Committee of the Whole. I will reserve some of my remarks until that time, and I am quite sure that some of the questions that have already been asked will be answered by the minister at that time.

The reason, of course, that we are faced with this situation is the problem of slowness of passage of legislation in the other place. In this case the legislation was held up by the budget debate.

In any event, we have agreed here that there is urgency to pass it—an urgency for which the government must take a good deal of responsibility—and that is because in the management of the economy we have run into an unfortunate situation. As Senator McIlraith indicated, we have had a most disastrous slump in new housing starts in the last year. As a matter of fact, the drop was close to 20 per cent, being from a high of 268,000 new starts in 1973 down to 222,000 new starts in the last year. No one is quite sure what the situation will be in the present fiscal year. We have had various figures given to us; we have heard such figures as 183,000 new starts, which obviously would be a complete disaster; 198,000, which was the estimate given by the University of Toronto planning group; 200,000, the figure used by the minister and others; 210,000,

which, as the Minister of Finance indicated a few days ago, would be the target to be met; and, finally, a rather more hopeful figure from the minister, 220,000. But even if that target is reached, we will be no better off than we were last year, a year in which there was a slump of 20 per cent in new housing starts. As Canadians are well aware, this is a time when we need the opposite trend in our housing policies.

In other words, the policies of the government have not been successful. Admittedly, there are causal circumstances beyond the field of housing; there have been many problems in the economy. But there is no question that government policy, going back to 1972 when we had 250,000 starts, has not been the kind of policy which could assure for Canadians adequate housing at reasonable capital costs or rents at this particular time.

The background to this is more than the mere slump. The background is the great public debate now as to how this problem of providing adequate housing at reasonable costs, capital costs or rents, should be provided to Canadians. The government has, in its wisdom or otherwise, decided to come down on different sides of the controversy, and there is something less than general satisfaction among the experts and among the public as to whether the strategy of the government—if I may call it that—is a strategy which can be successful in the long run in solving this problem. The controversy centres around the old problem of whether the "feds" should do it, or the provinces. Some of the provinces have come up recently with strong objections to the assumption by the federal government that it has the adequate knowledge and experience to enter into this field, which is, of course, basically a provincial field. The question has arisen as to whether the answer is to be found in public housing, or in increased activity in the private sector. The government has come down, to some extent, on both sides in this particular bill, for there is provision for financial stimulation both to builders and to prospective owners.

● (1030)

The bill is under very severe criticism, and understandably so. Perhaps the major criticism is that it represents a mishmash approach. We have no overall housing policy or strategy at the moment. This is, to some extent, a function of history. The housing acts of Canada go back a good many years. I believe the first act was in 1935. There have been many amendments, major ones, in 1938, 1944, 1954, and a dozen amendments between 1954 and the major amendment of 1973, which brought in AHOP, the Assisted Home Ownership Plan, to which the sponsor referred and of which he tended to speak in glowing terms. There are contrary opinions as to whether it has been as successful as the sponsor and, no doubt, the minister, would claim, and as to whether, as the sponsor pointed out, this bill successfully extends the present assistance given by the federal government to home ownership in Canada. It does not disturb the many existing programs and projects of the federal government, some of which have been apparently highly successful, some not; but as I look over the whole spectrum, I reach the conclusion that "mishmash" is a very descriptive term. It may be a little difficult to pronounce this early in the morning, but it is the term I wish to use, and certainly it is apt. If the public generally are not aware of the benefits to which they are entitled, it is quite understandable. It would take a Philadelphia lawyer, I think, to advise any individual as to what benefits might be available to him under these many, many federal projects. I will not bother to list them now, but they are myriad.

Some of the criticisms that come to mind immediately about the bill before us are as follows. First, the apparent low emphasis that is discernible on public, non-profit and cooperative housing projects. It is said that the government has actually pulled back, that under this bill and the departmental decisions there will be less emphasis on and less support for public and non-profit housing than previously.

Canada is in a unique position in its dependence on the private sector. I am not objecting to that; however, it should be noted that public housing in Canada accounts for only about two per cent of the total. In other countries—many other countries—it is much higher. There are reasons for these differences, but the greatest criticism that was made of the bill when it was in the committee in the other place was by witnesses who objected to the emphasis on the support for the private sector building—that is, profit building. They thought that there should be greater encouragement for what many regard as an important component of good housing strategy; that is to say, an emphasis on cooperative and non-profit housing schemes by church groups, and so on, because the inflation factor is much lower in this particular area than it is in the private sector, for the obvious reason that the control of resale, and so on, of such types of housing is much greater than it is in the other 98 per cent.

Another criticism of this bill is that the government has not seen fit to put the emphasis, or as much emphasis as many people think they should, on home ownership of existing older homes. The reason is obvious: the government is attempting to spark the economy, and no doubt feels that this will be achieved much more readily by the funding of new homes. However, a very good case can be made out that this is a serious deficiency in the government's present approach. One recognizes that the government has to decide how much money it can put into housing, and then must reach a decision as to which of the various types of housing will yield the greatest results. It has certainly decided now to give very low priority to Canadians wishing to buy existing homes.

Another serious criticism that has been made is that a much better way to achieve some of the results anticipated by the bill would have been to wipe out entirely the building materials tax. The government has reduced the tax now to five per cent. It has decided to maintain that five per cent, but there are many experts in the field who are convinced that the most progressive measure which could have been taken would have been the abolition of that tax. Apparently the amount involved in government revenue is about $460 million. This is a lot of money, of course, but there are many of us who feel that the best service anyone could render to the present administration would be to restrict the amount of money that is made available to them to spend. All the evidence that I have seen recently would indicate that the only way we are going to stop this government spending us into bankrupt-

cy is not to give them the money, because as long as they have the money they are going to spend it. They have made that very clear. However, one of the criticisms here, and this is inevitable, is that in this housing program that will be implemented by this bill, the government is not spending enough money. Actually, the increase in the budget for these housing purposes this year will be about 12 per cent, or 12½ per cent, which will obviously do no more than match on-going inflation, if it does that.

There is also great concern about the adequacy of government control of the way this money is spent. Serious criticisms are being levelled about the inadequacy of CMHC inspection of projects as they develop. We are told that CMHC inspects only once a year, and then only to assess, as far as they can, the guarantee or security of their loans or grants.

● (1040)

It is rather interesting too, honourable senators, that we now have rent control—federal rent control. I do not want to go into any very long argument about the background to that. I have not seen it mentioned anywhere in the debate, but it is clear to me that the effect of one substantial part of the suggested program in this bill is to bring in rent controls. I say this because in the provision of very large subsidies to builders of rental accommodation it is provided—in fact it is a condition of the grant—that the builder control rents, as the sponsor said, for five years and possibly up to 15 years. Of course, we do not have the regulations before us and so we can only guess as to how this may be achieved, But, as I have said, there is now no question whatever that we have federal rent control in effect in Canada.

One of the existing programs called the LD, Limited Dividend, program has been in effect for some time, and there are some doubts as to whether it is working out as the government might have wished or believed it to work out. There seems to be considerable evidence that through lack of control the government is increasingly being left with uneconomical projects on its hands. In other words, they are getting them back because the builders found them to be uneconomical to operate under the conditions and regulations as laid down, and so they just walked away from them. Perhaps when the minister is before us he will be able to give us some information as to how serious that particular situation is.

A main thrust of the bill—and here I am speaking in money terms—is in the provision of rental housing. This is perhaps the most serious problem in housing today. There is some evidence—and indeed the minister himself said that he was shocked by the evidence—that a very large number of Canadian families—in fact, 107,000—are tenant families with incomes of under $3,000 who are paying more than 50 per cent of their income in rent. Furthermore, there are more than 800,000 householders who spend more than 25 per cent of their income on rent. Part of the drive of this bill is to bring that percentage down to 20 or 22 per cent, or to some percentage of income that is regarded as manageable by low-income families. I have not been able in reading the bill, or in reading the discussions that have taken place on it, to see how it will improve that situation. There again perhaps the minister will be able to enlighten us.

[Senator Grosart.]

Honourable senators, the sum of $1 billion was mentioned by the sponsor. Apparently $1 billion—it is more than $1 billion, perhaps $1.2 billion, $1.3 billion or even $1.4 billion—is the amount that the government hopes will be attracted into housing from the private sector because of the incentives in this bill. From this it would appear that the two major thrusts of the bill are, on the one hand, the provision of financial incentives to builders—that is, builders who are in the low-income rental field—and, on the other hand, the provision of incentives to individuals through reducing the interest on their mortgages.

There are substantial extensions of the conditions for qualification. This bill would extend, for example, the right to qualify to loans obtained by an individual prospective home owner from a private source, not merely those, as in the existing act and regulations, from public sources.

It has also been suggested that the new registered home owner savings plan may in itself be a disincentive to the acquisition of homes by Canadians. As honourable senators are aware, this plan permits those who do not own a home, and have not owned a home, to put by $1,000 a year for the purpose of buying a home or furniture, and to deduct that amount from their taxable income for income tax purposes. In the case of a young couple, a deduction of $2,000 is permitted. I believe advantage is being taken of this plan by many young people, but I can understand why it has been said it is a disincentive. Of course, it obviously postpones a decision to own a home until sufficient capital has been acquired to make the necessary downpayment.

I hope honourable senators will understand if I take a little time to look through my notes. I did not know I was going to handle this bill until late yesterday afternoon. Perhaps "handle" is the wrong word, and it might be preferable to say that I did not know I was going to "speak" to it.

**Senator Langlois:** Perhaps "mishandle" would be better.

**Senator Grosart:** Mishandle? I think that is going a little far. The Deputy Leader of the Government is almost tempting me to go farther than I intended, and to "manhandle" it. I can assure him that if I were under the influence of what has been called the "mood," which has been prevalent in this chamber recently, I might be tempted to be much more critical of the bill than I am.

When the minister is before us, honourable senators, I shall certainly be interested in getting from him what this bill will cost the government. I say that because, strangely enough, nowhere in all the presentations and discussions that have taken place do I find an estimate of what this will cost the government. The sum of $1 billion, of course, is not the cost to the government. That is another matter. These various programs always have tags on them, or at least some of them do, and it is my intention to ask the minister to let us know what the cost of each of these programs is likely to be so that we can assess it in relation to its possible benefit.

● (1050)

Honourable senators, I will conclude my remarks by saying again that one dislikes dealing with a bill such as this in the manner in which we are doing it. However, if

we must do it, the best way of doing it is having the minister here so that all senators will have the opportunity of hearing the government's view of the bill and asking questions of the minister. I can assure honourable senators that he has had lots of practice, because from my reading of the background he must have been before the committee in the other place for seven or eight days. I see the minister is in the gallery and he will be in good shape to answer the many questions I am sure he will receive from us.

**Hon. Senators:** Hear, hear!

**Hon. Sidney L. Buckwold:** Honourable senators, if I may be allowed a few remarks, I am one who is delighted with this bill and I take this opportunity of congratulating the minister and his department for what I consider to be a very progressive and valiant attempt to improve the housing situation in Canada. I can say generally that I believe Canadians—I say generally—are among the best housed populations of the nations of the world. That does not mean to say that we do not have problems. However, I do say that under various governments, whether the present government or that of the Right Honourable John Diefenbaker—I say this for the benefit of honourable senators across the way—the Central Mortgage and Housing Corporation has been a very beneficial instrument over the years with respect to housing throughout the country.

I was a little astounded to hear Senator Grosart indicate that the provinces are beginning to resent the intrusion of the federal government into what he claims to be basically a provincial field. I doubt whether he really means that, because in my opinion, the provinces have been delighted to have the leadership that has been given through the Central Mortgage and Housing Corporation in developing housing and other programs. I am sure that Senator Grosart would be the first to say that the provinces would stand as one to resent and protest any withdrawal of the federal government from this very important field.

There is no doubt that we have experienced a slowdown. However, I would remind the house that, although there was a drop in starts last year, the completions in 1974 were 257,243. I grant that the drop in starts may have an adverse effect in the following year. Hopefully, however, with the kind of impetus we see possible as a result of this legislation we can still maintain a good record. I would suggest that 257,243 completions in 1974 is a very significant factor in providing good housing for Canadians.

I am pleased with the variety of the programs which have been brought to the attention of this house as a result of this bill. I believe the impetus that is being given to provide housing for lower and middle income groups will be beneficial. The Assisted Home Ownership Program was a great success. I do not believe that most Canadians have been aware of how successful it has been. It exceeded the expectations of the government, the Department of State for Urban Affairs and the Central Mortgage and Housing Corporation.

The original budget was approximately $300 million and because the demand for this program which, as you are aware, assists lower and medium income approved applicants to have their interest charges reduced up to a maximum of $600, an additional $150 million had to be provided. I draw this to your attention because I believe that the progressive programs which we see being developed are further extended by the provisions of this bill.

I am slightly concerned by the non-profit aspect. I am all for the non-profit programs, but I do hope that the minister and Central Mortgage and Housing Corporation will keep in mind that this is a long-term operation and that in accepting non-profit organizations they should do so on the basis that they are very reliable organizations and likely to have extended supervision ability. In January I spent a few days in Washington attending a meeting with the Housing and Urban Development officials. One of the great problems they have encountered has been in connection with the non-profit organizations and their lack of ability to control programs. Fortunately, in Canada these organizations have shown good responsibility, which is the reason for the extension. However, again I caution the government to make sure that we do not find ourselves in a sort of vacuum with respect to these organizations as we look ahead 15 or 20 years in the lifetime of these projects.

I should like to draw the attention of the Senate to a very important part of the program, namely, the extension of the financing of sewage treatment plants and trunk storm sewer systems. From the point of view of local government, this is one of the greatest financing burdens and one in which the local politician is really reluctant to become involved. This is because a storm sewerage system is buried, and he does not really receive much credit for investing several millions of dollars in it, necessary and beneficial as it is.

These are the kind of things on which the taxpayers' money is spent and they want to know where the results are. For this reason the provision of new land for housing, which is so essential in this whole program, will be encouraged as a result of the programs and the financing repayments, forgiveness and the ability to borrow from the government through Central Mortgage and Housing Corporation. I believe that the forgiveness clause will prove to be a very real incentive. It is introduced by way of an extension of other programs which have been available, but it has been broadened. It has been broadened to the point that if a municipality finances through its ordinary channels it will be entitled to forgiveness. This works out to 25 per cent of the loan, which I calculate to be 16½ per cent of the total cost of the project, which is a real incentive.

The legislation also provides for lower interest changes, as a result of using federal government rates, which is a very important aspect when one considers the cost of the long-term financing of trunk storm sewers and sewage treatment plants. This part of the program did not receive much attention, but I can say as a former municipal person that additional benefits and features of this program are very important and welcome to our municipalities.

I therefore pass on to my honourable colleagues my conviction that this bill is essential. I say to Senator Grosart that it is probably not enough. We must do more in order to stimulate the building economy so far as housing is concerned. I do not share the view that the reduction of the sales tax will immediately have the

desired effects. The fact is that it has been reduced by 6 per cent, which will give some impetus. I presume that in due course the government will probably consider a further reduction in that tax.

There are other aspects, which perhaps we should not get into here, as to whether the government should consider allowing mortgage interest payments or local municipal taxes to be deductible for income tax purposes. This is the system used in the United States, and it has resulted in a tremendous impetus for home ownership. I would say that its greatest impetus to home ownership has been the benefits which accrue to an individual because he owns his own home. It has resulted in the United States having a higher percentage of owner occupied homes than almost any country in the world. This is a finance program that would have to be looked at in due course.

● (1100)

Honourable senators, I commend the bill. I hope that in due course the minister will be able to find some way of being able to reduce mortgage rates generally for housing. That in itself would provide the greatest impetus to the building of homes for rental and owner occupancy. I believe the bill is worthy of support, and I look forward to asking questions of the minister about the details of the bill.

**Senator Grosart:** Honourable senators, I may have been misunderstood when I made my remark about the attitude of some provinces toward the government's housing strategy. To make it clear, I was not suggesting that any province was objecting to the federal government making money available; but if Senator Buckwold thinks that the provinces are not up in arms, angry, about this, then he has not been reading the newspapers. I can assure him that they are complaining strongly that this money would be much better spent if the spending were controlled at the provincial and municipal level.

**Senator Buckwold:** I do not think that is correct.

**Senator Perrault:** They are always angry.

**Senator McIlraith:** Honourable senators—

**The Hon. the Speaker:** Honourable senators, if the Honourable Senator McIlraith speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator McIlraith:** Honourable senators, I do not propose to add to my remarks. I merely wish to thank honourable senators for the consideration they have given to second reading.

Motion agreed to and bill read second time.

CONSIDERED IN COMMITTEE OF THE WHOLE

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator McIlraith:** Honourable senators, as I indicated earlier, I propose asking the Senate to commit the bill to a Committee of the Whole, in accordance with rule 18, which, of course, carries with it an invitation to the minister to come into the chamber to answer questions.

[Senator Buckwold.]

Therefore, I move, seconded by the Honourable Senator Perrault, P.C., that the bill be committed to a Committee of the Whole presently.

Motion agreed to.

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The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on the bill, the Honourable Senator Bourget, P.C. in the Chair.

Pursuant to rule 18 of the Rules of the Senate, the Honourable Barney Danson, P.C., the Minister of State for Urban Affairs, was escorted to a seat in the Senate Chamber.

**The Chairman:** Honourable senators, the Senate is in Committee of the Whole on Bill C-46, to amend the National Housing Act. Before we commence studying the bill clause by clause, I should like, on your behalf, to welcome the minister and his officers, and to ask him if he has a preliminary statement to make.

**Hon. Barney Danson (Minister of State for Urban Affairs):** Thank you, Mr. Chairman and honourable senators. I am pleased to have been invited from the other place to be here with you. I believe that I can best serve your purpose by answering your questions rather than making a lengthy opening statement. I should like to say how grateful I am to Senator McIlraith for proposing the legislation in this house, to those who have spoken on it, and also to Senator Grosart for an extremely knowledgeable criticism of it.

The urgency in connection with this bill has already been expressed. I apologize for the urgency. I am sure you are aware of the need to stimulate the housing industry, and this bill is a very important element in that.

There are times when building can start, and there are other times when it cannot. There is reason for urgency following the delay which has occurred in the other place. I am grateful for your cooperation in this very special way. I will be pleased to answer any and all questions with the assistance of my officials, Mr. Alfred E. Coll of Central Mortgage and Housing Corporation, and Mr. Teron, the President, who will be here shortly.

**The Chairman:** Shall the title of the bill be postponed?

**Hon. Senators:** Agreed.

**The Chairman:** Clause 1. Shall clause 1 carry?

**Senator Grosart:** Stand. Mr. Chairman, I suggest that clause 1 stand because it will give us an opportunity later to ask some general questions arising out of the specific questions on the clauses.

**The Chairman:** Clause 1 stands. Shall clause 2 carry?

**Hon. Senators:** Carried.

**Senator Lamontagne:** Mr. Chairman, may we have an opportunity to ask general questions before we get to specific clauses?

**The Chairman:** I think we could do that.

**Senator Flynn:** Normally that should be done on clause 1. Possibly we could revert to clause 1 and refer the

adoption to the end. I have no objection to reverting to clause 1.

**The Chairman:** Shall we revert to clause 1?

**Hon. Senators:** Agreed.

**The Chairman:** Shall clause 1 carry?

**Senator Lamontagne:** I should like to ask the minister why this legislation is coming at this late date when we in this country have been the victim of a slump in housing starts? This was quite evident in the latter part of 1974, and even earlier in that year.

**Hon. Mr. Danson:** Honourable senators, the bill was introduced in the other place at the end of last year. There was, of course, the Christmas recess, and it has taken an inordinate length of time in the house and committee of the other place.

The turndown in starts was seen at the end of last year. At that time, my officials and I worked on the legislation as a response to the decreasing starts. We feel this would be a strong stimulus. We have met with the housing industry, and clients of the housing industry—those who wish homes, especially in the lower income groups—and have devised amendments to an already comprehensive housing program which would enrich and stimulate it further. The delay, I regret, was in the other place, not so much in the introduction of the legislation.

● (1110)

**Senator Buckwold:** A non-profit corporation is defined in clause 1 of the bill. What criteria are Central Mortgage and Housing Corporation using to assure that there will be an ongoing responsibility for a fairly lengthy period of time, and that this will not result in fly-by-night organizations, ad hoc organizations, or the kind of organizations that could lead to eventual trouble?

**Hon. Mr. Danson:** As you have noted, Senator Buckwold, "non-profit corporation" is defined. Central Mortgage and Housing Corporation takes special pains, to the point of allowing up to $10,000 in start-up grants, to make certain the corporation is well organized and on sound ground.

This program was introduced by my predecessor. It has not been as rapid in getting going in some cases as we would like because of the care we have taken to make certain that the organizations are sound, are representative and well managed. This is a matter of continuing interest and concern. As the program unfolds, of course, we see right across the country an amazingly high quality of operation by some of these organizations. Some of them do get frustrated because the expertise is not necessarily present, and we are trying to assist them through CMHC. We also find that some groups, such as the United Auto Workers or the Canadian Labour Congress, or groups such as those within organizations, who are used to administering programs and who have developed the technical expertise necessary, have done exceptionally well. There have been areas of difficulty, but no areas of failure.

This is an area of concern to me, and as we nurture this program along we see even greater areas of success. I consider the area of third sector housing to be, potentially, one of the important forces, as opposed to private sector and government housing. It has great potential growth, and we are encouraging it.

We are encouraging not only voluntary groups, such as churches, service clubs, and so forth, but many other types of organizations. In this connection, we had the announcement by the Minister of Veterans Affairs yesterday providing special incentives to veterans' groups to look at the needs of veterans at this stage.

If I may say, Mr. Chairman, I do not know of any other country in the world which has taken its veterans through another generation in looking after their needs. The Veterans' Land Act was aimed at a bunch of young veterans returning with war brides and going off to the land to till the soil and raise their babies. Those same veterans seem to have dropped that type of activity—not that they do not have the will, but the energy has changed. The government is now addressing itself to the current needs of veterans in a very special and sensitive way so that their organizations can participate in such programs as this. I think the various legions and other veterans' organizations across the country are ideal clients for such projects as this. It is also extremely important to municipalities who are establishing non-profit groups, some of which are housing corporations. This is another area which we are encouraging and expanding.

**Senator Connolly (Ottawa West):** Mr. Minister, can you tell us how many non-profit groups are participating in this program?

**Hon. Mr. Danson:** Mr. Chairman, I do not have the precise number that are now functioning. We have provided start-up grants to more than 150, but as to the percentage of them that are active organizations, I cannot say.

**Senator Riley:** Mr. Chairman, like you, I should like to welcome the minister to this chamber. Our association goes back a quarter of a century, and I did not think I would precede him to this chamber by a year.

A good many remarks commending this bill have been made by the sponsor and those who participated in the debate on second reading. Nothing, however, was said about senior citizen housing. I should like to know, as I am sure all honourable senators would, what is being done about senior citizen housing today. How far have you advanced, and at what pace are you advancing?

**Hon. Mr. Danson:** Thank you, Senator Riley. Your question touches an area of special interest to me because of my philosophical approach to life and society. My view is that a society which looks after its senior citizens adequately is a much more humane and developed society than those which do not. Some societies which we consider to be less developed, do a far better job in this area than we do.

We have come a long way in Canada in senior citizen housing over the last several years. The total number of loans made since this program began in 1946 in respect of senior citizen housing is 1,870. Those loans went to the construction of 78,186 senior citizen units, mostly apartment-type units, and the provision of 32,781 hospital beds, representing an expenditure of over $1 billion. This emphasis will continue.

Another aspect is housing for those who need assistance generally. I believe it was Senator Grosart who made reference to public housing. I might indicate that there is an increase in the area of non-profit and corporation housing from $142 million to $175 million. In addition to that, with the philosophy of the corporation and myself, we are trying to have people live in the community generally rather than building ghettos. Perhaps I can address myself to that area in response to other questions.

In so far as senior citizen housing is concerned, for those who wish to remain where they are, the rental supplements under section 44(1)(b) have been enriched and expanded. Many people will be able to stay in the community, if they wish, and as we expand senior citizen housing—some of which, as you know, is quite beautiful—our senior citizens will have the choice of moving to a senior citizen housing project or remaining in their present rental accommodation or public housing accommodation with the aid of rental supplements.

**Senator Carter:** Will cooperative societies qualify for the 10 per cent write-off provided in this legislation?

**Hon. Mr. Danson:** Yes, Senator Carter. Non-profit corporations and cooperatives are considered in precisely the same way in so far as their financing is concerned. It is 100 per cent financing of the capital cost at 8 per cent interest, plus a 10 per cent forgiveness, which is really to take into account land costs, although it is not specifically stated that way, and a start-up grant of up to $10,000 to organize and get under way.

Further to that there can be rental supplements. Where the land costs exceed 10 per cent of the capital cost of the project, we give the cooperative or non-profit corporation the option of having Central Housing and Mortgage Corporation acquire the land and lease it back to them at an advantageous rent. This is designed primarily for those major cities where land costs are extremely high, making it impossible for viable projects of this type. This measure will assist greatly in keeping the rents at an affordable level. This is a particularly valuable option in such cities as Vancouver, Toronto, Montreal, particularly where the land in question is near the centre of those cities, where a good many of our senior citizens wish to live.

**Senator Carter:** As you have already said, a group of 10 veterans, say, could form a cooperative housing group and qualify for this 10 per cent forgiveness provision. Would they, by accepting that 10 per cent forgiveness, disqualify themselves for the veterans' housing benefits which commenced yesterday, or could they have the best of both worlds?

● (1120)

**Hon. Mr. Danson:** I suppose the best of three worlds. At the moment some still qualify under the Veterans Land Act. Under the new policy announced by the Minister of Veterans Affairs yesterday, not only do they qualify for these benefits, but any non-profit group that got together, such as the ten veterans you suggest, would qualify for a further 10 per cent of the capital, which would help bring the amount down even more.

**Senator Hicks:** I should like to ask a supplementary question. Am I clear in my understanding that even though a veteran may have availed himself of the benefits of the Veterans Land Act several years ago and completely discharged his obligation, he might still qualify under an arrangement similar to the one the minister has been referring to?

**Hon. Mr. Danson:** Yes. I am always concerned about building up expectations. Certainly that would not be a disqualification. Under the announcement made by the Minister of Veterans Affairs they would also qualify for special assistance under the Assisted Home Ownership Program. In that case they could not have owned a home in the three prior years.

**Senator Carter:** I should like to make a comment on behalf of veterans. I listened very carefully to the statement made by the Minister of Veterans Affairs. I admit that for veterans with very low incomes, and veterans who have children, who can take advantage of the benefits under the National Housing Act as well as benefits from the Department of Veterans Affairs, this is a very good scheme, but as I see the picture most veterans today who will take advantage of the benefits under your department provided by this bill, or under the Department of Veterans Affairs arrangements, are now around 50 years of age. They will be looking more towards retirement, and making provision for housing for their retirement. They are not likely to have children living with them, which would qualify them to benefit under this legislation. That limits them to only benefits available under the Department of Veterans Affairs.

Take, for example, a veteran who is 50 years of age and about to retire on an income of around $10,000 a year. Twenty-five per cent of his income would be $2,500. If that veteran takes a mortgage for $30,000—and he cannot very well expect to build much of a home with a smaller mortgage than that—his mortgage payments, assuming interest at 10 per cent, would be around $3,000. The only benefit available to that veteran would be $500 a year from the Department of Veterans Affairs to bring the mortgage payments down to within 25 per cent of his income. I do not think that compares too favourably with benefits under the old act.

I readily admit that for veterans with very low incomes, retiring on, say, $6,000 or $7,000 a year, the benefits could be much greater. Nevertheless, I think the bulk of the veterans now will be in the group that receives the minimum, rather than the maximum, benefits from both pieces of legislation. Perhaps the minister would comment on that.

**Hon. Mr. Danson:** I do not know my terms of reference here, because this rather involves my colleague, the Minister of Veterans Affairs. However, perhaps I can refer to it. I guess it is a matter of trying to do all things at all times. I do not know any other country that has treated veterans better—and I say this as a veteran—than we have. Those about whom we are primarily concerned are having a tough time. Many veterans, such as some now present, are not really in need of assistance in any form whatsoever, but as veterans we had benefits available to us, regardless of income, immediately after the war, and under the Veterans Land Act which extends until this weekend.

What we want to ensure is that we look after those veterans who are aged 50 and over and who are facing retirement. First of all, I think the greatest potential here

is under the non-profit clause of the bill, where the child qualification will not matter. We waive the child qualification too when they borrow, as they can, from private lenders and still get the $600 subsidy.

It is true that the provision remains for new housing, but I would suggest that most veterans would want to rent or buy existing housing rather than build a new house, and I think this is a great incentive to them.

While, in effect, one could say it is for all veterans, it is really only for those who need assistance, which I think is fair. I believe veterans would recognize that. I do not think veterans are looking for a free ride thirty years later. Those of their comrades who are in difficult circumstances will indeed be helped, and any veteran can look ahead and, if he needs assistance, see that the assistance is there from his country. I think that is a very special thing when we carry it through to another generation.

**Senator Carter:** Why do you waive the child requirement for loans from approved lenders, and not from CMHC loans?

**Hon. Mr. Danson:** The difficulty is really one of funds. If we opened it up to everybody there would just not be enough to go around. I think we have gone a long way here, because this serves most of the people, particularly in the area of low rental accommodation. I think that is the widest possible area. If we extended it to the full range of benefits there can be interest reduction payments, bringing our lending rate down to 8 per cent, and then a further subsidy of up to $50 a month in an endeavour to get the repayment down to where it is about 25 per cent of the person's income, and that applies to all Canadians who qualify. In addition, DVA will supplement that by another $50 a month. It could work out for a low income veteran to a subsidy of about $1,500 a year. If he is a home buyer and moves into his first home, he gets as well the $500 first-time home-owner's grant this year. Of course, if he goes into rental accommodation, there are the rental supplements which are available through the provinces and ourselves.

● (1130)

**Senator Carter:** In the case of a person purchasing a house which is already built, what requirements have to be met? Are there specifications? Does CMHC or the department have regulations which might disqualify a house from being purchased under this plan?

**Hon. Mr. Danson:** Well, there are some. It is not the same as building a new house, where our inspection is very thorough. As a matter of fact, I was interested in Senator Grosart's remarks. I guess we are criticized for being too thorough at times, and at other times for not being thorough enough. It is one of those situations where you cannot win. But with used housing it becomes much more difficult. We do have soundness standards—making certain the structures are good and adequate. They are not fancy, I must say, because a structure which is considered quite satisfactory in some parts of the country may not be up to the physical standards which would apply in one of the major cities. I would say it is a commonsense approach based on acceptable standards.

**Senator Williams:** My question is rather broad. Will this bill affect and involve the Indian people of Canada, whether they be non-status Indians, registered band members, or urban Indians? By "urban Indians," I mean those Indians who have moved off the reserves and taken up residence in municipalities and cities. Will this bill in any way benefit them, or will they simply be referred to the Department of Indian Affairs and Northern Development.

**Hon. Mr. Danson:** Senator Williams, this legislation itself does not specifically deal with native peoples, but all native peoples, even on reserves, can qualify, as can other Canadians—for example, those who are non-status, the Métis, and the status Indians, and also those who are urban Indians, who may be enfranchised or not but who are living in urban centres. Further to this, however, under section 40 we have special legislation which allows even deeper subsidies in those cases. It is not dealt with in this legislation, but it exists.

If I may be permitted to say so, this is an area of special interest to CMHC. We meet with Indian housing groups and groups representing native communities generally on a regular basis, in an attempt to upgrade our programs and our delivery systems in order to assist them. We have, I believe, 35 native people in the corporation who work with native groups and bands to assist them in developing the skills, both technical and administrative, to work with the programs and to build good housing. We are enriching and expanding that program. Indeed, we are now conducting a comprehensive review to expand it even further in respect of the native peoples.

Further to that, I am engaged in discussions with my colleague, the Minister of Indian Affairs and Northern Development, on special programs for status Indians, both on and off reserves. I hope that we will be able to develop a better program which will not do more things for native peoples, but will allow native peoples to do more things for themselves.

**Senator Williams:** I gather from your reply, sir, that they are involved and that they are eligible.

**Hon. Mr. Danson:** Oh, yes, they are eligible for all these benefits plus the other special programs.

**Senator Lamontagne:** I should like to go back to the question of overall policy. We are dealing here, it seems to me, with a highly unstable industry. Surely the government has to take special responsibility for that instability, in the sense that when we reach the peak of the short term economic cycle the government, through its tight and dear money policy, creates a slump in the building industry, and in the construction of dwelling units in Canada. At that point, when the recession starts, the Minister of Urban Affairs and the representatives of CMHC have to come before Parliament to try to repair the damage which has been done through the previous stage of the short term cycle.

I would be glad to hear the minister tell us that it is his intention to introduce, perhaps for the first time in the post-war period, measures to stabilize this most important industry on a short term basis. I would also like to hear if he intends to implement some of the recommendations which were presented recently by the Economic Council of Canada in its special report on the construction industry.

**Hon. Mr. Danson:** Senator Lamontagne, in spite of economic fluctuations, the budget for housing has increased each and every year. Indeed, up until 1974 we had record-breaking years, year after year. In 1973 there were 264,000 starts, which was an all-time high. It is true that the economic conditions have altered this. I suggest that those have been international problems. I do not mean to suggest that we in the government can escape responsibility for our portion of it, but the shortage of mortgage funds is one of the major factors, and the cost of those funds. Money is the most fluid of international commodities, and has a tendency to find its own level. Interest rates reflect the real world, and the government responds to this. Of course, I need not tell you that, sir. Therefore, any time we cut the interest rate back, it has the effect of creating a subsidy, and I think we should call it that.

We have done that in this legislation, even considering the drop in starts, and that is some consolation. Our rate of starts, even at what we consider the very seriously low level of around 170,000—actually, 156,000 is the annual rate based on last month's figures—does, if you take our production as one-tenth of theirs, relate well to the American rate. I do not take any comfort from that. Perhaps as minister it gives me an excuse, but I cannot take any comfort from it. However, it does show that we are not alone. Indeed, I think we are responding well to the situation with this infusion of capital, which we are bringing in from the private sector at a price people could not previously afford but should be able to as a result of this legislation.

**Senator Grosart:** Mr. Chairman, I should like to ask the minister a general question about the cost of the amendments we are now being asked to pass. Will he give us the total cost, and show how it is broken down into the 4 or 5 major components—the $600 a year item, the low rental item, the land-lease and the sewerage program, and so on. I just want that in general figures.

**Hon. Mr. Danson:** Senator Grosart, with respect to the land-lease provisions, I will deal with 1975 and 1976 separately, because 1975 is a partial year whereas 1976 will be a full year. We estimate, for instance, that the land-lease provision in 1975 will cost $2.4 million. The estimate for 1976, the full year, is $5.2 million. Under the Assisted Home Ownership Plan, AHOP, from approved lendings—this is the subsidy on the interest rate to bring it down to an affordable level—in 1975 we estimate $6 million, and in 1976, $18.5 million, because it will be an accumulative figure.

● (1140)

Under sewage treatment program—I guess we should lump that together—the total for 1975 would be $8.9 million; for the full year of 1976 it would be $20 million. I do not believe we have any other cost involved in this legislation that is an addition to existing legislation.

**Senator Grosart:** I wonder if you have the figures for non-profit housing.

**Hon. Mr. Danson:** Senator Grosart, that is the land-lease provision. These are just the subsidy figures we are dealing with here; not the capital costs. But in non-profit and cooperative housing, in the whole package there, it is $175 million. That is capital, in addition to the subsidy portions.

**Senator Grosart:** How about the low income rental provisions? AHOP, as I understand it, covers the amount paid to individuals. What is the amount that is estimated will be paid to builders under the rental clause?

**Hon. Mr. Danson:** The amount that would be paid by way of subsidies—that would be under the rental housing provisions in the bill that we are talking about—is $6 million. There is a total of $6 million allocated there for the limited dividend rental accommodation, and $12 million for the AHOP private, as we call it, for a total of $18 million, which should lever, we estimate, about $1 billion of private sector capital that otherwise we would have to tax people for.

I heard your comments, Senator Grosart, on that. By this interest rate reduction we simply lever money from the private sector, the private lenders, who have indicated considerable interest in this, so we can negotiate at the lowest interest rate they could afford to lend at. We have to watch that very carefully, because it is part of our job, and also what the client group can pay and still get a rent that is at a figure they can afford, which we estimate would be between 22 and 25 per cent of income, as a goal and a requirement under the program.

**Senator Carter:** May I ask a supplementary question? Are approved lenders limited to private money, or can they also come and get money from CMHC?

**Hon. Mr. Danson:** The approved lenders do not borrow from CMHC. Our clients borrow from CMHC, so this gives the building industry a choice of going to the approved lenders—the private lenders—or, in some cases, to us where our programs are direct, like AHOP, and the public housing, where the funding is direct. The approved lenders are people we insure under the act, but they do not get money from us.

**Senator Carter:** How about the rates they charge? Is there any limit, or is this just determined by the market?

**Hon. Mr. Danson:** If I understand you, Senator Carter, you mean the rate at which starts are made, or do you mean the rate of interest? I am sorry, but whenever people talk "rates" to me, I think of rates of housing starts.

**Senator Carter:** Rates of interest.

**Hon. Mr. Danson:** This is something we will monitor very closely. It has to be at the very bottom end of the interest market. This is the real market we are dealing with. We are not going to be in a position of supporting higher rates than would normally be the case otherwise. It is getting down to the lower end of that market, which is still attractive to investment funds. The rate might then be 10½ per cent, but the most that one client could pay might be 9 or 9½ per cent. I do not like to use specific figures because they will vary in each case, but that difference in spread is what we are interested in. It is then possible for a person to buy a home, build a home or rent accommodation. But we do not look at that amount of 22 to 25 per cent of income as a desirable standard.

**Senator Neiman:** Mr. Chairman, the minister knows that I have had the opportunity on occasion of attending on his behalf, or on behalf of his department, at openings

of senior citizen's homes and homes for handicapped people. I might say that these are always very satisfying occasions because you feel that the federal government touches on and enters very directly into the lives of the citizens of Canada, and always with happy results.

My concern today is really with the handicapped people. I have mentioned this to the minister before, but I wonder if it is a stated, stipulated policy of his department that any public building to which it advances funds will have the proper facilities to enable handicapped people to enter—that is, for access to doorways, elevators, and facilities such as that. I also wonder, when money is advanced to public housing, whether it is done on the understanding that a certain amount of public housing will be provided or modified for the benefit of handicapped people.

**Hon. Mr. Danson:** Mr. Chairman, Senator Neiman and I have indeed discussed this, and I am pleased to say that as a result of our discussions I have learned of a rather comprehensive program in this respect, and of a publication for people who build multiple family dwellings especially, which indicates the best standards for the handicapped, with particular reference to wheelchair patients. I would be delighted to see that you get a copy of that, Senator Neiman. I should have sent you one anyway—perhaps I have, but I am not sure.

The other important factor is that whenever it is a question of multi-family dwellings being built from now on with CMHC financing, there is a requirement to accommodate wheelchair patients and to have ramps and proper access for them. Beyond our own direct lending—this is not easy to control, but we are encouraging it—it is quite incredible how much response there is to it. It seems to be a natural development that has been taking place in the last couple of years. You find that the ramps and doorways are being put in. It really does not mean much more than that, as long as people like yourself think about it and remind us. I do not want to call Mr. Teron a developer in the normal sense, but I am sure he is one of the leading and dynamic people in the field, and I imagine developers would agree that this is something that could be done very simply when it is thought about, and people are thinking about it. It applies to bathrooms, and things of that nature. That is being done, and that is a requirement.

**The Chairman:** Are there any other questions of a general nature? If not we will stand clause 1.

Shall clause 2 carry?

**Senator Flynn:** I am wondering what "less two" means in clause 2?

**Mr. Danson:** Mr. Chairman and senators, I am always startled when someone asks me what legislation means.

**Senator Grosart:** It is an unfair question.

**Hon. Mr. Danson:** I am one of the non-lawyers in the Commons, and in the Cabinet. In this case this is very specific. The act, in that section, contains the words "per cent" in error after the word "two". For example, a mortgage rate correction of 8 per cent less two produces a reduction of .16. This results in a rate of 7.84, whereas a reduction of the straight two which would result in 6 per cent. So we have managed in this case to eliminate some confusion, I hope.

● (1150)

**The Chairman:** Shall clause 2 carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall clause 3 carry?

**Senator Grosart:** I wonder, Mr. Minister, if you would indicate to us the current status of the mortgage insurance fund? It appears that you are requiring more money in that fund, and yet it seems to be solvent on an actuarial basis.

**Hon. Mr. Danson:** Indeed, senator, it is very solid. I believe the reserves in that fund are now in the range of $400 million. This was built up over a period of time. It is run on a sound actuarial basis, and this is believed to be what is needed to protect the outstanding exposure that exists now. Even though the rate of default is not all that high, we have to be prepared in case we run into a period of economic recession, which I doubt will happen under the current government. Even though CMHC is non-political, they have to be prepared for a change of government.

**Senator Grosart:** Would the minister indicate the rate of default—that is, foreclosures, powers of sale and so on? I should like to know the percentage of the defaults that have had to be covered by the insurance fund over the years, or in one particular year?

**Hon. Mr. Danson:** I am just getting that information. I have it in front of me, but the print is too fine for me to read. Perhaps you would allow me a moment. I think I can come back with that answer a little later, if you do not mind.

**The Chairman:** Shall clause 3 carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall clause 4 carry?

**Senator Asselin:** Would the minister explain why there is a mention of a maximum of $25 billion in clause 4? There we see the words ".... been issued under this Act shall not exceed twenty-five billion dollars." Why is that?

**Hon. Mr. Danson:** Mr. Chairman, this is to accommodate the accumulated insured lending of the approved lenders. I think under the last revision it was increased from $15 billion to $19 billion. We are not quite at that level yet, but we are reaching it now, so it is necessary to increase it to accommodate any other possible loan insurance obligations we might have before new amendments come through again. This allows us to incur obligations up to $25 billion, which is an accumulated or total amount.

**Senator Grosart:** At what level does that fund stand now? You are asking to go from $19 to $25 billion, and I understand the obligations are nowhere close to that yet. You have lots of leeway at the moment, so I am wondering why you are asking for this extra leeway of $6 billion?

**Hon. Mr. Danson:** I am just getting the precise figure. My recollection—because I was asked this question in committee—is that it is around $17 billion. But this is being looked up for a precise figure now.

**Senator Grosart:** I think it is less than that.

**Hon. Mr. Danson:** From the figures I have here now we are running an overdraft. It is at $19.233 billion. But that is normal when I get into a portfolio.

**Senator Grosart:** Is it the actual status at the moment that you have an overdraft? I ask this because it is quite contrary to the information given earlier.

**Hon. Mr. Danson:** I shall have to get that information for you. That is our insured loan limit. I have a recollection, from the information we had before, that we are running at about $17 billion. If you have other information, then I would really like to check that—not only for you, senator, but for my own information as well. We will get that information along with the percentage of loss under mortgage insurance.

**The Chairman:** Shall clause 4 carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall clause 5 carry?

**Senator Grosart:** Perhaps the minister would explain the purpose of the amendment made by clause 5.

**Hon. Mr. Danson:** Mr. Chairman, clause 5 is a new amendment to authorize the corporation to make payments to owners of rental housing projects who obtain loans from approved lenders. This is part of the heart of the bill. If the owners have entered into an agreement with the corporation under which they have agreed to comply with certain provisions with respect to the operation of the project, including a provision with respect to rentals to be charged,—which you, Senator Grosart, I believe, referred to as rent control; and it is that in effect, but it is a voluntary agreement between the owner and the corporation because they are getting public funds—we ask that they enter into a rental agreement to make certain that the project is not being used for people who do not need the rental subsidy. There is also provision precluding the sale of a project without the consent of the corporation, except under such terms and conditions as the corporation may provide. This is the essence of it.

In the case of home owners you can give it directly to the home owner, but in this case we have to give it to the borrower who is borrowing from the approved lender. This is the leverage factor, and for that he has to undertake these obligations. We are dealing with something in the range of $18 million. If I came before you with a program to spend even $100 million, it would seem like a fantastic program, but here, even though we are only talking about $18 million, I think everyone does appreciate the magnitude of the funds that can be borrowed from the private sector for housing.

**Senator Hicks:** As I read the section, it will apply to existing rental housing projects as well. The introductory paragraph says:

> —enter into an agreement with any person who is or proposes to become an owner of a rental housing project—

Does the minister envisage that a good many existing rental projects will now become eligible for payments under this clause, if they will subject themselves to appropriate controls that will be prescribed by the provisions of this clause and by regulations under the act?

[Senator Grosart.]

**Hon. Mr. Danson:** Mr. Chairman and Senator Hicks, normally what we are trying to stimulate here is new housing. But there are cases, particularly with respect to non-profit groups and people who are trying to generate housing or reduce rents—for example, last week in Montreal we were working on the rehabilitation of some places, and in Toronto as well—for special types of client groups, such as the deprived or the handicapped, where they can buy an existing building, fix it up and regenerate it for low-income people. But the main thrust of this particular legislation is towards new rental starts.

● (1200)

**Senator Hicks:** But the wording is rather general.

**Hon. Mr. Danson:** Yes, this gives us an opportunity to exercise the wisdom and discretion for which the corporation is noted.

**Senator Buckwold:** I should like to ask a question related to section 14.1(2), which reads:

> An agreement entered into under subsection (1) shall provide that
>
> (a) the rentals to be charged by the owner of the rental housing project shall be rentals that the Corporation deems to be fair and reasonable having regard to the probable family income of the lessees of each family housing unit;

What will be the mechanics of this in the event that tenants and incomes change? Will this be a percentage of the income that the developer or the owner will set, or will it be done on each individual basis, meaning that each time a tenant moves there must be a negotiation?

**Hon. Mr. Danson:** Mr. Chairman, the intention is to maintain this at 25 per cent or less of the tenant's income. Mechanics for it exist and forms have to be dealt with by the landlord and the corporation with respect to entry for new tenants. An audit also takes place each year during the first phase and every second year during the second phase. With respect to the limited dividend, we can easily check that on an annual basis by means of an inspection carried out by the corporation to make certain that the landlord is meeting his commitments and that the tenants are at those lower rent levels.

**Senator Buckwold:** In other words, you are saying that each time there is a change of tenants, the landlord must go through the procedure of determining the rent for the individual unit?

**Hon. Mr. Danson:** Yes. The corporation sets the rates that can be charged, but each tenant must be assessed on that basis. This is audited and it is not a rigid procedure.

**Senator Buckwold:** This appears to involve a physical problem from the point of view of a landlord. Are you not introducing difficult administrative procedures which might leave an apartment or home vacant for a period of time during which the Central Mortgage and Housing Corporation decides whether to approve or otherwise?

**Hon. Mr. Danson:** Yes, Senator Buckwold, it does appear to be complex, but we want to make certain that our subsidy is passed through to the tenant. We have had experience with this. Limited dividend accommodation is not new, but the most recent experience was when I came

to this portfolio and we did a test run with $50 million for rental accommodation and the landlords were quite receptive to it. I must say, however, that they would rather have it without those strings attached. It does create an administrative burden, but it has been honoured and has worked. In the process we have been able to ensure that that pass-through does take place. I do not suggest for one moment that there are not cases in which it is not perfect. However, were we to attempt to reach perfection we might establish an unacceptable bureaucratic procedure. It seems to have worked quite well.

**Senator Buckwold:** I only hope that some type of generalized agreement could be arranged to make it easier for landlords to rent their apartments and for tenants to enter them as soon as possible.

**Hon. Mr. Danson:** I do not believe that this has caused any delays. However, it is an interesting point, and I would like to discuss it further with my officials. I shall endeavour to obtain a more comprehensive answer for you with respect to those mechanics, Senator Buckwold, and forward it to you.

If I may now, Mr. Chairman, I have some information with respect to Senator Grosart's question. In 1974 claims against the fund were $18 million. They fluctuate rather widely through the years. During 1973 the claims amounted to $40.1 million; in 1972, to $29.3 million; in 1971, to $7.4 million; and in 1970 to $2.7 million. The amount remained in that low range until as far back as 1966, when it increased to $10.4 million. The cumulative claims since 1954 totalled $181.4 million.

**Senator Grosart:** Could I ask what percentage of that might have been recovered? I take it that that represents the gross claims, but the amount recovered by the corporation on repossession would have to be subtracted.

**Hon. Mr. Danson:** Yes, Mr. Chairman, there is a very high percentage of recovery by resale. This is, fortunately, easier when resale can be made on recovery. In many cases, particularly in the multiple family units, we have retained ownership and acted as a landlord. This is not a role we seek, incidentally, and we will endeavour to get out of it.

**Senator Carter:** Mr. Chairman, I am not sure that I have the details accurately, as I am speaking from memory. If I recollect correctly, in his budget the Minister of Finance announced some tax concessions to private investors in new housing subject to the regulations established by CMHC. They would be permitted to write off some of that private investment against personal income tax. Perhaps the minister would correct me if I am wrong. If that is the case, is it related to this legislation?

**Hon. Mr. Danson:** No, Senator Carter, it does not apply to this legislation. That is legislation of the Minister of Finance under the registered home ownership savings plan, which we welcome because we hope it will channel much more investment funds into the housing field.

**Senator Carter:** But it does not relate to this legislation?

**Hon. Mr. Danson:** No.

**The Chairman:** Clause 5. Shall clause 5 carry?

**Hon. Senators:** Carried.

**The Chairman:** Clause 6. Shall clause 6 carry?

**Hon. Senators:** Carried.

**The Chairman:** Clause 7. Shall clause 7 carry?

**Hon. Senators:** Carried.

**The Chairman:** Clause 8. Shall clause 8 carry?

**Hon. Senators:** Carried.

**Senator Flynn:** With respect to Part II, perhaps the minister would like to give a word of explanation of what is contemplated by this program of acquisition of land?

**Hon. Mr. Danson:** Yes, Senator Flynn. This is a new section and it enables the corporation to purchase land and lease to non-profit or cooperative associations or corporations. This is an option to the 10 per cent forgiveness which applied previously. It relates to especially high land costs, such as those in major cities where non-profit corporations or cooperatives wish to build. It enables the client to prefer this as an option. The corporation would then apply a lease-back at what would be considered to be a fair rental. In some cases it might be $1, or 1 per cent, and in other cases considerably more. It would depend on what would provide an economic rent in the project.

**Senator Flynn:** The corporation would only lease the land, rather than resell it.

**Hon. Mr. Danson:** No, it remains the property of the Crown and CMHC in perpetuity. The land lease may be for 50 or 60 years, but the title would remain that of the corporation.

**Senator Flynn:** It would be a kind of emphyteutic lease; is that how you would describe it? What would happen to the building erected on the land leased by the corporation? Does it continue to be the property of the corporation at the expiration of the lease?

● (1210)

**Hon. Mr. Danson:** In essence, as a non-lawyer, I understand the building would become part of the land. The intention is to have leases for a time that allows an economic amortization. At the end of that time, another judgment is made, according to the economic and social conditions of the time. It might remain as it is, or it might be recycled to another use or a new type of housing, or there could be some other use. It is in the public domain at that time.

**Senator Flynn:** There would be an obligation for the lessor to build on it, and at the end of the lease it becomes the property of the owner of the land.

**Hon. Mr. Danson:** I was not familiar with the terms, Senator Flynn. Thank you.

**Senator Cook:** We have had a lot of experience in Newfoundland with this type of lease. We found that as the lease began to run out, there was difficulty in making the lessee keep the buildings in good repair. Have you given any consideration to that matter? As the lease begins to run out, and the building reverts to the landlord, there is no incentive on the part of the tenant to keep it in good repair, and you end up with large sections of slum land. In Newfoundland the landlord was forced to renew

the lease at an economic rent, in which case the lessee maintained the building.

**Hon. Mr. Danson:** In this case, we have not yet had the experience which the former oldest colony has had. In our arrangements with the lessee, we have provision for negotiation or renegotiation 10 or 15 years before the time the lease expires, in order that they may declare their intention on it. That is determined in advance. So, indeed, the situation does not occur. We are talking primarily of non-profit and cooperative groups. They usually have a different interest than that of a landlord.

**Senator McIlraith:** Honourable senators, at the conclusion of the second reading debate Senator Manning asked a question. I notice he is not in the chamber at present. I undertook to answer the question during the committee stage. I believe the question has been fully answered in the replies given to Senator Flynn's questions.

**The Chairman:** Shall clause 8 carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall clause 9 carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall clause 10 carry?

**Senator Grosart:** This is the maximum liability clause. I am not questioning the increase from $600 million to $650 million. I wonder if the minister would explain the necessity for this kind of clause, which, in effect, says that when the aggregate of the loans by the corporation has reached a certain level, no one else who has lent money under the provisions of the act will have a claim. How would people who are contemplating lending money under the act know that the limit had been reached? What would happen?

**Hon. Mr. Danson:** Basically it is a provision to impose a limit, so that we have to come back to Parliament for further expansion or approval. This is a clarifying amendment, to some extent, by inserting the word "any" in the phrase "in respect of loss." The aggregate principal amount of guaranteed home improvement loans and guaranteed home extension loans payable under this section is increased from $600 million to $650 million. We are up to $591 million now.

May I take the opportunity to refer to a previous question, in answer to which I said we are overdrawn? I meant we are overdrawn in respect of commitments, not expenditure; but we are getting very close to the limit.

**The Chairman:** Shall clause 10 carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall clause 11 carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall clause 12 carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall clause 13 carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall clause 14 carry?

**Hon. Senators:** Carried.

[Senator Cook.]

**The Chairman:** Shall clause 15 carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall clause 16 carry?

**Senator Flynn:** The minister has already commented on these loans for sewerage projects. The minister has answered questions on this matter.

**The Chairman:** Shall clause 16 carry?

**Hon. Senators:** Carried.

**The Chairman:** Should we revert to clause 1? Shall clause 1 carry?

**Senator Grosart:** There was some reference to existing legislation which will expire on March 31. Could the minister inform us what legislation it is, involved in this area, that will expire on March 31?

**Hon. Mr. Danson:** This is the forgiveness portion of the sewage treatment loans. As you are aware, this has been limited to the sanitary sewers. This legislation adds the storm sewers, but it removes the deadline of March 31 on the forgiveness provisions of the sewage treatment loans. There is a cut-off date on the new aspect of it, which is the storm sewers. In providing a reasonable period of time, five years, we have a chance to reassess it. If it is working successfully, presumably we would remove any restrictions there; if not, it gives us an opportunity to look at it again.

**Senator Grosart:** Would the minister describe briefly the degree of public protection provided by the warranty provisions?

**Hon. Mr. Danson:** The warranty is not covered in these amendments, but I would be pleased to comment on it.

**Senator Grosart:** It is covered in the amounts required.

**Hon. Mr. Danson:** This is an independent group which has been established after long negotiation so that no one group dominates it. A great deal of initiative was taken by the industry itself through HUDAC, the Housing and Urban Development Association of Canada, who were obviously concerned about those in the industry who were not meeting high standards, and also to satisfy concerns among home purchasers.

It was thought by many that, as this is largely a provincial jurisdiction, we had to consult with our provincial colleagues. They had to arrange separate provincial dealings. It would seem to be generally accepted that there should not be one group that would be in control.

It was a rather protracted negotiation, which resulted in the establishment of an advisory council of 35 members—ten from the provinces; three from the federal government; 13 from the Housing and Urban Development Association of Canada, one of whom is in the home manufacturing field; one from the suppliers; two from the lenders; one from the mortgage insurers; and, most importantly, five representing the Consumers Association of Canada, which we were particularly interested in seeing satisfied. I believe that totals 35. The first meeting of this council will take place on April 11 in Ottawa. It is an independent council without domination by anyone. We are acting as host in the sense of bringing them together, but the interests of all parties will be fully respected.

● (1220)

**Senator Grosart:** I have a final question, Mr. Chairman. Would the minister indicate how serious, or otherwise, is the problem of these LD units that have come back into the hands of the department?

**Hon. Mr. Danson:** I have just been handed some figures, Senator Grosart, which indicate that out of 91,533 limited dividend units that have been built under section 15, a total of 9,123 have come back to us, which is under 10 per cent. These units, of course, have remained in operation. Some of them required refurbishing. We are operating them in many cases, and we will also consider selling them to private investors.

**The Chairman:** Clause 1. Shall clause 1 carry?

**Hon. Senators:** Carried.

**The Chairman:** Shall the title of the bill carry?

**Hon. Senators:** Carried.

**The Chairman:** Honourable senators, on your behalf I thank the minister and his officials for the very helpful information they have given us.

Shall I report the bill without amendment?

**Hon. Senators:** Agreed.

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**The Hon. the Speaker:** The sitting is resumed.

REPORT OF THE COMMITTEE OF THE WHOLE

**Senator Bourget:** Madam Speaker, the Committee of the Whole, to which was referred Bill C-46, to amend the National Housing Act, has considered the said bill and has the honour to report the same without amendment.

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator McIlraith:** With leave of the Senate, now.

**The Hon. the Speaker:** Honourable senators have heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

**Senator Flynn:** Honourable senators, I should just like to put on record that the exercise of the Committee of the Whole has been rather interesting and beneficial. I suggest we might use it again.

**Hon. Senators:** Hear, hear.

**The Hon. the Speaker:** It is moved by the Honourable Senator McIlraith, seconded by the Honourable Senator Cook, that this bill be now read the third time. Is it your pleasure, honourable senators, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

The Senate adjourned during pleasure.

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At 5.45 p.m. the sitting was resumed.

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

GOVERNMENT HOUSE
OTTAWA

March 26, 1975

Madam,

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 26th day of March, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant.
André Garneau
Brigadier General
Administrative Secretary to the
Governor General

The Honourable
The Speaker of the Senate,
Ottawa.

## DOCUMENTS TABLED

**Senator Langlois** tabled:

Copies of a statement entitled "James Bay Hydro-Electric Project" relating to environmental concerns and recommendations for protection and enhancement measures, dated March 24, 1975.

## OFFICIAL LANGUAGES

REPORT OF COMMISSIONER TABLED

**The Hon. the Speaker:** Honourable senators, I have the honour to table the Report of the Commissioner of Official Languages covering the period from April 1, 1973 to December 31, 1974, pursuant to section 34(2) of the Official Languages Act, Chapter 0-2, R.S.C., 1970.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Orlikow has been substituted for that of Mr. Brewin on the list of

members appointed to serve on the Special Joint Committee on Immigration Policy.

## BUSINESS OF THE SENATE

Leave having been given to revert to Notices of Motions:

**Senator 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, April 8, 1975 at 8 o'clock in the evening.

Honourable senators, before the question is put, I should like to give a brief outline of what we can expect when the Senate resumes after the Easter adjournment.

As honourable senators will have noted, there are three bills from the other place on the Order Paper for second reading, namely: Bill C-48, to amend the Railway Act; Bill C-33, respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states; and Bill C-26, to amend the Civil Service Insurance Act. We will proceed with these bills on the evening of Tuesday, April 8, and then continue with other items on the Order Paper. It is expected that Bill C-13, to amend the Northern Canada Power Commission Act, and Bill C-19, the two-price wheat bill, will have reached us by the time the Senate resumes on April 8.

With respect to the committee, it is difficult at this time to give a complete schedule for the first week after the adjournment. However, I understand that the Special Joint Committee on Immigration Policy will meet at 9:30 a.m. on April 8, and on the same day at 2 p.m. there will be a meeting of the Standing Senate Committee on Legal and Constitutional Affairs to consider Bill C-43, to amend the Law Reform Commission Act. Also at 2 p.m. on that day the Standing Senate Committee on Agriculture will meet to consider the annual submission of the Canadian Federation of Agriculture.

So far there are no committee meetings scheduled for Wednesday, April 9, but on Thursday, April 10, the Standing Senate Committee on National Finance will meet at 9:30 a.m. to continue its study of the Manpower Division of the Department of Manpower and Immigration, and the Special Joint Committee on Immigration Policy will meet at 3:30 p.m. on that day.

Motion agreed to.

## LEGAL AND CONSTITUTIONAL AFFAIRS

### COMMITTEE AUTHORIZED TO SIT DURING ADJOURNMENTS OF THE SENATE

**Senator Langlois**, with leave of the Senate and notwithstanding rule 45(1)(i), moved:

> That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit during adjournments of the Senate.

Motion agreed to.

The Senate adjourned during pleasure.

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At 6 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

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## 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 bill:

> An Act to amend the National Housing Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

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The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, April 8, at 8 p.m.

# THE SENATE

Tuesday, April 8, 1975

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

Prayers.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Brewin has been substituted for that of Mr. Orlikow on the list of members appointed to serve on the Special Joint Committee on Immigration Policy.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Canadian Livestock Feed Board for the crop year ended July 31, 1974, including its accounts and financial statement certified by the Auditor General for the fiscal year ended March 31, 1974, pursuant to section 22 of the Livestock Feed Assistance Act, Chapter L-9, R.S.C., 1970.

Copies of Report entitled: "Price Effects—Removal of Federal Sales Tax on Clothing and Footwear", issued by the Department of Consumer and Corporate Affairs.

Capital Budget of Atomic Energy of Canada Limited for the fiscal year ending March 31, 1976, 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. 1975-527, dated March 6, 1975, approving same.

Report of the Anti-dumping Tribunal for the year ended December 31, 1974, pursuant to section 32 of the Anti-dumping Act, Chapter A-15, R.S.C., 1970.

Report on operations under the Bretton Woods Agreements Act and the International Development Association Act for the year ended December 31, 1974, 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 Canada Deposit Insurance Corporation, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1974, pursuant to section 46 of the Canada Deposit Insurance Corporation Act, Chapter C-3, R.S.C., 1970.

Capital Budget of the Royal Canadian Mint for the year ending December 31, 1975, 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. 1975-574, dated March 13, 1975, approving same.

Report of Statistics Canada entitled "Private and Public Investment in Canada, Outlook 1975", dated April 1975, published by authority of the Minister of Industry, Trade and Commerce.

Copies of Report of the Minister of Justice, pursuant to section 3 of the Canadian Bill of Rights, with reference to Bill S-10, intituled: "An Act to amend the Feeds Act".

Report of the Tax Review Board for the year ended December 31, 1974, pursuant to section 17 of the Tax Review Board Act, Chapter 11, Statutes of Canada, 1970-71-72.

Report of The Canadian Wheat Board for the crop year ended July 31, 1974, 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.

Copies of Tables relating to the breakdown of the cost of fertilizer production, issued by the Department of Agriculture.

## LAW REFORM COMMISSION ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Goldenberg,** Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, reported that the committee had considered Bill C-43, to amend the Law Reform Commission 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?

**Senator Perrault** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## AGRICULTURE

CHANGE IN COMMITTEE MEMBERSHIP

**Senator Petten,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator McDonald be substituted for that of the Honourable Senator Benidickson on the list of senators serving on the Standing Senate Committee on Agriculture.

**Senator Flynn:** Have you consulted Senator Argue? Is there unanimous consent?

**The Hon. the Speaker:** Is there unanimious consent, honourable senators?

**Hon. Senators:** Agreed.

Motion agreed to.

## UNITED NATIONS PEACEKEEPING FORCE

METHOD OF DEALING WITH PENSION BENEFITS OF DEPENDANTS OF CANADIAN SOLDIER KILLED IN CYPRUS—QUESTION

**Senator O'Leary:** Honourable senators, I would like to ask a question of the Leader of the Government. Could he tell the house whether in the case of the Canadian soldier killed in Cyprus last week his pension to his widow or whatever other pensions his dependants may be entitled to will be paid by the so-called army of the United Nations or by the people and the Government of Canada? I believe the people of Canada are a little confused in this respect and would like to have the facts.

**Senator Perrault:** I would think that the pension would be paid by Canada. However, I will take the question as notice and attempt to provide an answer for the honourable senator as soon as possible and as completely as possible.

## RAILWAY ACT

BILL TO AMEND—SECOND READING

**Hon. Eric Cook** moved the second reading of Bill C-48, to amend the Railway Act.

He said: Honourable senators, Bill C-48, being an act to amend the Railway Act, is a short bill. It has only one purpose. In view of this fact, one wonders why, when it was read a first time in the other place on December 19, 1974, it did not receive third reading until March 21, 1975, a period of three months. However, having read the debate in the other place, and the proceedings of their Transport and Communications Committee, it is apparent—

**Senator Flynn:** It was sidelined.

**Senator Cook:** Oh, I see. Well, while it was being considered, it is apparent that some honourable members seized the opportunity to air their complaints against our railways, even though their complaints had nothing whatever to do with the subject matter of the bill itself. I merely make this observation in passing to possibly forestall those of my colleagues from the East and the West who may wish to deal with issues beyond the scope of the bill. It is hard not to dwell on the many terrible problems which arise daily in our regions because of the tariffs imposed by the railways, not to speak of the terribly poor service from which we may suffer. However, I just wish to point out that my duty tonight is to try to explain the bill, and should the debate wander away from the principles of the bill itself, I cannot promise to attempt to explain or defend the operations of the different railway systems.

This legislation is a direct result of the western provinces expressing a wish for such legislation. This is yet another example of an attentive Liberal government responding to the wishes of a particular region.

As you know, at the Western Economic Opportunities Conference, the Prime Minister promised the western provinces disclosure of railway costs on a confidential basis. However, the legislation is not restricted to the western provinces but has been extended to apply to all provinces in an effort to put all Canadians on an equal footing.

Until now, the railways have not had to disclose the financial details of their operations unless the Canadian Transport Commission decided specifically that disclosure was in the public interest. The passage of this bill would make provision of such information, on a confidential basis, mandatory. Such information has, in the past, been made available to the Federal-Provincial Committee on Western Transport when needed for major studies. The federal government, through the Canadian Transport Commission, has also, since the Western Economic Opportunities Conference, arranged for cost information to be provided to the provinces for the purpose of policy making. However, ministers from the West have pressed to have cost disclosure provisions included in the Railway Act, and therefore the purpose of this legislation is to ensure that the federal government will be able to continue to fufill its commitments in this regard to the provinces. Of course, the legislation we are considering today is primarily an interim measure which would be superseded when a transportation information act is introduced to take in the whole transportation system, including all modes.

The sections to be added to the Railway Act are: section 331.1, which is a direct result of the Western Economic Opportunities Conference and provides for disclosure of railway cost information to a province on a confidential basis. Cost is defined as the cost of "transportation services and operations" or "costs of a specified movement of a specified commodity," such as a carload of cattle from Calgary to Toronto.

Section 331.2 stipulates that the minister also has the right to obtain such information from a railway company. While this provision does not spring from the Western Economic Opportunities Conference commitment, it can be readily appreciated that the minister should be able to obtain information which the provinces can obtain.

In section 331.3 we recognize our responsibility to the railways and stipulate that cost information cannot be communicated or published other than to the concerned ministers and public servants in the federal and provincial governments. However, the section goes on to say that such information furnished to the federal or provincial governments may be published if it is relevant to a proceeding under specified acts.

Section 331.4, the final section, is designed to ensure compliance by the railway companies on a request from the minister. Upon failure to comply, the minister may turn to section 82 of the National Transportation Act.

The minister, under section 82 of that act, may summon witnesses, enforce their attendance and compel them to produce any materials or testimony required, as is the case with any court in civil actions.

Honourable senators, I commend the bill to your attention.

● (2010)

**Hon. Jacques Flynn:** Honourable senators, as Senator Cook has indicated in his explanation of the bill, C-48

deals with some rather technical subject matters. The main purpose of the bill, of course, is to force railway companies to produce evidence when needed in the public interest. As Senator Cook further indicated, the other place took a good deal of time in dealing with it.

In order to hasten consideration of this bill by the Senate, I feel it should be read a second time now, following which it can be referred to the Standing Senate Committee on Transport and Communications, where it can be dealt with much more thoroughly.

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?

**Senator Cook** moved that the bill be referred to the Standing Senate Committee on Transport and Communications.

Motion agreed to.

## CULTURAL PROPERTY EXPORT AND IMPORT BILL

SECOND READING—DEBATE ADJOURNED

**Hon. Maurice Lamontagne** moved the second reading of Bill C-33, respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states.

[*Translation*]

He said: Honourable senators, I am pleased to sponsor this bill for I am thus reverting to the subject which was of considerable interest to me as Secretary of State. When I assumed that responsibility in February 1964, for the first time all federal cultural institutions were placed under the authority of one minister. The Department of the Secretary of State thus became an actual department of cultural affairs.

That administrative reorganization made way for the development and enforcement of a more aggressive and better co-ordinated federal cultural policy. In the past ten years, under the leadership of my successors, that policy has kept growing and acquired new dimensions. Such progress had become necessary, for it has become increasingly obvious that affluent and post-industrial societies like ours have to insist on the quality of life if they are to preserve their energy and their vitality. Within that framework, the cultural policy of a nation becomes a matter of utmost importance and should deserve priority attention.

Before dealing with the study of this bill proper—which I shall do just after this—let me stress that no detailed, public and objective analysis of or enquiry into the cultural life of our country and the institutions and policies serving it has been carried out in over 25 years, that is since the study of the Massey Commission whose report was published in 1951. A number of individuals and agencies agree that it is time to proceed with a new systematic examination of that essential tenet of our national life. Those individuals and agencies also believe it might be better to have that study carried out by a special committee of the Senate instead of a royal commission. I received several oral and written representations in that respect, and I know several other senators did too. I for one have come to the conclusion that such an inquiry would greatly benefit Canada as a whole and the Senate in particular. I hope we will soon be in a position to have it under way.

[*English*]

Bill C-33, which is now before us, deals mainly with the export from Canada of cultural property and the import into Canada of similar objects illegally exported from other countries. I am sure it will be of interest, as far as its content and purpose is concerned, to many of my colleagues who are collectors of such items. I refer perhaps more particularly to Senator Paterson. The bill has been in active preparation over the last three years in response to the growing need to ensure better the preservation in Canada of our country's heritage in movable cultural property.

The substance of the bill and the control system it proposes were the subject of detailed consultations with provincial governments, all of whom voiced their approval and active support. It was also discussed thoroughly with the various groups concerned; that is, custodial institutions, collectors and the trade. As soon as the bill was introduced in the other place, these groups in the private sector had an opportunity to consider it in detail and it has met with a remarkable degree of support from all quarters. Furthermore, as a result of suggestions received during this consultation process, amendments were proposed and adopted during its consideration in the other place. The point I wish to establish with honourable senators at the outset is that while a few people raised some objections with respect to the provisions dealing with cultural objects of foreign origin, and the maximum delays imposed on their rather exceptional circumstances, most of the individuals and groups concerned agree that the legislation is fair and represents a workable compromise between the public interest and the legitimate private interests of persons who will be affected. For instance, the Professional Art Dealers' Association of Canada, the Canadian Antique Dealers' Association and The Council for Business and the Arts in Canada have given it their support. I should also mention that the proposed legislation has received the unanimous approval of the other place.

I wish to emphasize that this bill does not establish any world precedent in terms of the restrictions it imposes on the export of cultural property. A great number of countries have sought, through similar measures, to protect their national heritage. Indeed, it can be said that while the bill creates a system corresponding to our own needs, it is very similar to provisions which have been enacted already in such countries as the United Kingdom and France and which have worked reasonably well in practice over the years.

There is no doubt, however, that the proposed legislation will to a certain extent infringe upon existing rights of a number of individuals and organizations, that it will interfere with the free international movement now prevailing in Canada of certain outstanding cultural objects and that it contains provisions which will lend themselves to a good deal of subjective interpretation. While I believe that the bill represents a serious attempt to minimize

these unavoidable difficulties created by legislation of this kind, I feel it is my duty to underline them so that we will have a closer look at the possible vagueness and subjectivity which is contained in the legislation. That is why I want to make a rather detailed presentation of the proposed legislation and, for that purpose, to divide it into five main parts. I will first deal with the export control provisions which constitute the main as well as the most complicated portion of the bill.

● (2020)

The System of Export Control:

The control system establishes two procedures under which a permit for the export of cultural property can be obtained.

The first and usual method may include several possible steps, and this is where the difficulties begin. Initially, it is based on a Canadian cultural property export control list to be established by order in council. The list will cover domestic and foreign objects deemed to constitute the national heritage in Canada, but the bill provides for the following exclusions:

1. Foreign objects imported into Canada within 35 years before an export permit is requested;

2. Canadian decorative art less than 100 years old and other items less than 50 years old;

3. Objects made by a person who is still living;

4. Items having a fair market value below certain minimums varying from $500 to $3,000 according to the category to which they belong, except for objects recovered from the Canadian soil and waters, in which case no minimum is provided.

Thus, the composition of the list will be based mainly on age and value, which are considered to be the easiest criteria to apply. Moreover, the system provides for broad exceptions so as to detect those things which may be of real national significance without making the net so tight that too much is caught and the system becomes oppressive and unworkable.

Under this proposed procedure, the exporter will be required to apply for a permit at a customs office in the appropriate province. If a customs officer decides that the object is or might be included in the list, he will refer the application to a designated local expert examiner. If the examiner determines that the object is not included in the list, he will advise the officer to issue a permit. Otherwise, he will further determine forthwith whether the object is of outstanding significance and of significant national importance. If the examiner finds that the item does not meet one of these two tests, he will advise the officer to issue a permit.

When an export permit has been issued by the customs officer, either on his own initiative or on the examiner's advice, the minister will have the authority to amend, suspend or cancel that permit. However, the bill does not provide any compulsory procedure designed to keep the minister informed that such a permit has been issued. Moreover, the minister's decision to amend or cancel a permit is not subject to appeal.

If the examiner determines that the object meets the two tests just mentioned, he shall advise against the issue

[Senator Lamontagne.]

of a permit. The customs officer will then send to the applicant a notice of refusal, giving the examiner's reasons for such refusal. If the applicant accepts this decision, no export permit shall be issued for at least a period of two years from the date a notice was sent, but after the expiration of that period he will be allowed to make a new application. However, the applicant may appeal the examiner's refusal, within 30 days, before the Canadian Cultural Property Export Review Board to be established under the legislation.

In reviewing the application, the board, like the examiners, will have to determine whether the item is included in the control list, and whether it is of outstanding significance and of significant national importance. The board will be required to render its decision on these issues within four months. If the board upholds the examiner's appraisal and is of the opinion that a fair offer to purchase the item might be made by a Canadian custodial institution or public authority, it shall establish a delay period of not less than two and not more than six months, and notice shall be given of such a delay to the applicant and to those potential buyers.

When an offer is made and refused by the applicant, the board shall, upon the request of the applicant, or of the custodial institutions willing to buy, determine the amount of a fair cash price. If it is satisfied that such an offer has been made, the notice of refusal will be maintained and no export permit will be issued, at least during the remainder of the period of two years from the date the notice was given. In all other cases, that is, if the board disagrees with the examiner's refusal, if no offer to purchase is likely to be made or if one is made but the cash price is not fair, the board will direct the customs officer to issue an export permit and the notice of refusal will be rescinded.

As honourable senators will realize, this first control procedure provided by the bill can be cumbersome and time-consuming. Under this system a potential exporter may have to wait for about a year before he is allowed to export an outstanding cultural object, and if he has received what the board considers as a fair purchase offer he will not get the export permit. In my view, such limitations can only be imposed in the name of the public interest and be justified only because it is highly desirable for a country to try to preserve the most significant objects of its national heritage.

**Senator Everett:** Could I ask the honourable senator a question? You made the point that the country should preserve the most significant objects of its national heritage. How do objects brought in from foreign countries come under that definition?

**Senator Lamontagne:** Well, because some of these objects which have great intrinsic or outstanding value, like a Picasso or other items of a similar nature, if they have remained in Canada for a period of over 35 years, may gradually, by age, become part of our national heritage. That is why they would come under this legislation.

I am inclined to agree that the full sequence of the procedure just outlined will apply to a relatively small number of items and that it will not unduly infringe upon the rights of Canadian owners of cultural property.

The bill also provides for an exceptional control procedure, as opposed to the usual one which I have described. This second method could be faster, more flexible and presumably designed to meet the particular needs of dealers who have traditionally imported for export purposes, and who can be expected to make a large number of export transactions. According to this second approach, the minister may issue to any resident of Canada a general export permit or he may, with the concurrence of the Minister of Industry, Trade and Commerce, issue generally to all persons a general permit to export any objects within any class included in the control list. These appear to be very broad and discretionary powers.

I understand that the British legislation has similar provisions. This other procedure is not intended to circumvent the review board but to expedite matters in cases where there is a strong presumption that it would authorize the export. The issue of those ministerial permits or bulk licences, as they are called in Great Britain, will presumably be restricted to reputable dealers who undertake to give all the information required by the minister about their transactions and to draw to his attention any object that might be of significant importance, in which case he could request that the usual procedure be followed. Thus, this exceptional procedure will be largely based on mutual trust. If the minister were to find that the applicants are not worthy of his confidence, he would refuse or cancel the permit immediately and report any wilfully false or misleading information or misrepresentation that has been given to him.

● (2030)

**Senator Flynn:** To whom?

**Senator Lamontagne:** To the courts, because the bill provides for the reporting of any misleading information to the courts.

Financial Assistance to Custodial Institutions:

The bill also establishes a financial assistance program for custodial institutions. The purely negative system of export control which I have just described cannot be very effective in the long run if prospective exporters cannot find a domestic market where they can sell their cultural property at a fair price. To achieve this objective, the financial position of Canadian custodial institutions must be strengthened. Two different methods of assistance are proposed.

First, the minister may make grants and loans to such institutions as museums and art galleries for the purchase of objects for which export permits have been refused or which are located outside Canada but are related to the national heritage. Secondly, a Canadian heritage preservation endowment account will be created for the same purpose. This fund will be constituted of gifts and bequests received from private individuals and corporations.

While it would be unrealistic, in my view, to expect that the proposed fund will make a substantial and continuing contribution, it will allow individuals, groups and corporations to participate financially, if they so desire, in the preservation of the Canadian heritage. The only danger I see is that the two methods may tend to be mutually self-defeating. If there is money in the fund which has been given without restrictions, the minister will undoubtedly be told by Treasury Board to use that money first rather than his own appropriations to make grants, so that there may not be any accumulation in the account. As this strategy becomes evident, prospective donors will realize that they are in fact helping the government rather than custodial institutions and they will decide not to contribute to the fund. If the government really wants to encourage private donations, a better arrangement than that provided in the bill will eventually have to be made, through the setting up of non-lapsing appropriations or otherwise. But the minister has already stated that he could live with the proposed financial assistance program for the time being. In the meantime, let us hope that he will be able to get sufficient appropriations to meet the real needs and to devise a workable and fair system, enabling him to determine when to make a grant or a loan, when to use his own appropriations or the fund, and what custodial institutions deserve financial assistance, in what form and to what extent.

Tax Incentives for the Sale or Donation of Cultural Property to Canadian Custodial Institutions:

I come now to tax incentives which are provided for in the bill. Indeed, this bill is not only intended to increase the purchasing potential of custodial institutions, as I have just explained, but it also provides for tax incentives designed to encourage owners of valuable cultural property to sell or give it to such institutions as designated by the minister.

These incentives will be limited to all objects which have been identified by the review board as being of outstanding significance and of significant national importance. But they will not be restricted to the items included in the control list or for which an export permit has been refused. One tax amendment will exempt from the capital gains tax all those objects which are disposed of to designated custodial institutions. The other amendment will permit a taxpayer to make a deduction of up to 100 per cent of his income in any given year and in the preceding year when he gives these outstanding objects to designated institutions. At present this deductibility feature is limited solely to agencies in the right of the Crown.

These are very important provisions which will greatly encourage private owners of outstanding cultural property, whether or not it is covered by the control list, to sell or give it to appropriate Canadian custodial institutions rather than to attempt to export it. These incentives have been warmly welcomed by collectors, by the trade associations representing dealers in art and antiques as well as by the custodial institutions. They will help in a significant manner to preserve and improve our national heritage, to spread it more equitably on a regional basis and to make it more accessible to the public.

The Review Board:

As I have shown previously, the bill assigns very important and complex functions to the review board. It will determine in the last resort whether or not a cultural object is of outstanding significance or of significant national importance and what is its fair value. This appraisal, in a number of important cases, will serve to decide whether or not a cultural object can be exported, when custodial institutions are eligible for a public grant or loan

and when a private owner of cultural property is entitled to the tax exemptions provided in the bill.

**Senator Choquette:** What is this review board? How is it constituted?

**Senator Lamontagne:** Do you mean the composition of the board?

**Senator Choquette:** Yes. I would like to know how they would be appointed.

**Senator Lamontagne:** The composition of the board must be seen and appraised in the light of these important and complex responsibilities which will inevitably involve a good deal of value and subjective judgments regarding the disposal of private property and public funds. It would seem to me that the membership of the board, under ideal conditions, should reflect two different requirements: expertise and impartiality. It is all the more important for the board to be and to appear to be impartial in order to have credibility in that its hearings will be held in camera, unless an applicant for an export permit requests that they be held in public.

The bill provides for a chairman and not less than six or not more than twelve members. But the minister will be obliged to choose these members in equal number from officers and employees of custodial institutions on one side, and from art and antique dealers and collectors on the other.

● (2040)

It seems to me that such a provision unduly restricts the freedom of the minister to select competent and impartial persons who do not actually belong to either of these two communities. For instance, as the bill stands, the minister would not be able to select, except as chairman, an expert who has retired from an art gallery, a museum, or from the art and antique business, or who is an art critic, or a teacher in a university, without being directly associated with one or the other of the two fraternities. I find this provision too restrictive. While all the board members should be recognized for their professional knowledge in their respective fields, I feel that the minister should have a much wider range of choice, so as to be able to establish a more balanced and more widely representative body.

I intend, at the committee stage, although I am the sponsor of this bill, to move an amendment which would accomplish this purpose. I am prepared to give that greater freedom to the minister, because he should be the first interested in creating a board which will have credibility both in terms of expertise and impartiality and in ensuring that quorums are adequately representative, not only of diverging interests but also of the disciplines and the professional knowledge involved in the particular application before the board. Eventually, if the minister makes bad appointments under these wide powers, he will have only himself to blame when he is criticized either by Parliament, the public at large or the organizations immediately concerned.

Prohibition of Illegal Exports into Canada:

I would like now to refer briefly to the fifth and last portion of the bill, which deals with the illicit international traffic in cultural property. There has been a growing concern in recent years over such movements. The proposed legislation would make it illegal to import into Canada any cultural property illicitly exported from a country with which we have a treaty to that effect, or which is a party to an international agreement preventing this illicit traffic. A UNESCO convention approved in 1970 covers such movements. When this bill is enacted, if it is enacted, and the appropriate consultations with the provinces are completed, it is the intention of the Canadian government to ratify that convention.



The bill provides that action may be taken in the courts to recover cultural property illegally imported and return it to the country of origin. However, the object will not be returned until its bona fide Canadian owner has been paid a just compensation as determined by the courts.

In conclusion, I would like to emphasize again that the main intention of this bill is to retain in Canada the outstanding cultural objects which constitute the core of our national heritage and to help our custodial institutions across the country to acquire these objects so that they will be accessible to the public at large. In its attempt to achieve these objectives, the proposed legislation relies to an important extent upon fiscal incentives, which is highly desirable.

In so far as administrative export controls are concerned, I believe that the bill is, on the whole, both fair and realistic. It is fair because export delays and constraints will apply only to owners of cultural property of exceptional significance, which is more than 50 years old, made by a person no longer living and, in the case of a foreign object, which has been in Canada for 35 years or more.

**Senator Choquette:** And the artist not living?

**Senator Lamontagne:** Yes; the controls will not apply to objects made by a person still living.

In those rather limited cases, and I believe, indeed, that they will be rather limited, the maximum delay possible provided by the bill will be about 12 months, but very likely much less in practice. Ultimately, the owner will be denied an export permit only if he receives a fair cash offer as determined by a review board upon request. If he accepts that offer he will be further entitled to an exemption from the capital gains tax. Such controls and compensations seem to me to be reasonable, especially if delays can be kept to a minimum, which will undoubtedly be the case with a large board able to sit with a small quorum.

This bill is also realistic. It does not seek to impose a tight and rigid system of controls which would undoubtedly require a large bureaucracy and paralyze the trade. This would surely be most undesirable. However, the high degree of flexibility and freedom remaining means that the proposed controls could not be effectively enforced in many cases without the active cooperation of custodial institutions, dealers and collectors, who will be subjected to this legislation. This is why the minister has been so anxious to secure that cooperation and why the bill provides for a large degree of self-regulation. As I indicated before, in my view it goes even too far in this direction.

On the whole, the bill will greatly help us, if we so wish, as Canadians to keep in Canada the outstanding objects of our national heritage and to make them more accessible to the public, even on a wider regional basis than if these

outstanding objects could only be given or sold to national institutions located in Ottawa, as happened so often in the past. It strikes just the right delicate balance, in my view, between restrictions and incentives, which is necessary for its successful implementation.

For all these reasons, I hope that the second reading of this bill will be approved by all honourable senators. If it is approved, I intend to move at the appropriate time that this proposed legislation be referred to the Standing Senate Committee on Health, Welfare and Science.

**Senator Choquette:** May I ask the sponsor a question? This law and these restrictions have existed in France and, I believe, in Great Britain for years. What prompts our present administration or government now, at this late date, to emulate these countries and to enact such legislation?

**Senator Lamontagne:** I agree that it may be late in doing so, but the government considered this question for approximately three years, after reviewing the British experience. I do not know for how long the French experience has lasted, but I believe that the system in these two countries was established about 35 years ago and has worked reasonably well during that period. Also, I suppose the government was impressed by the fact that a great deal of pieces and objects, which could have been interpreted as being part of our national heritage, had been exported in the past because we did not have the proper procedure to prevent such exports. In my opinion, it is time for us to follow other nations and try to protect in this way our national heritage. I hope we will do it as quickly as possible.

● (2050)

**Senator O'Leary:** Honourable senators, as one of a vanishing breed of small "l" liberals in this country, I would like to move the adjournment of this debate.

**Senator Hicks:** Honourable senators, may we ask a few questions before the debate is adjourned?

**Hon. Senators:** Yes.

**Senator Everett:** I have a question for Senator Lamontagne. He referred to the fact that the British legislation was the precedent on which this legislation was established. Can he tell us whether the British law deals with non-indigenous cultural properties as does the Canadian law? If it does, what value and number of years of ownership are required to bring the items under the British act?

**Senator Lamontagne:** I am quite sure the British legislation deals with this and covers those objects. I understand it does not cover items which have been imported within less than 50 years, as opposed to the 35 years provided in this bill. I am told that the reason for this difference is that after the Second World War, we became more important importers of such objects and it would be desirable for us to be a little more restrictive than the British have been.

**Senator Everett:** Does the honourable senator know what value restriction is placed in the British legislation?

**Senator Lamontagne:** With regard to imported objects? There is no minimum with regard to imported objects. There is none here either.

**Senator Everett:** Am I to understand that, regardless of any item which is imported into Canada—

**Senator Lamontagne:** For imported objects, the rule of 35 years applies. Of course, the customs officer will have to go further and see if the imported object is included in the control list. All the exclusions which I have described would apply to those imported objects. On the whole, the system proposed for Canada would be relatively similar to the British system, with the exception that in certain cases objects of less than 100 years old are not covered in the United Kingdom, while here most items less than 50 years old would be exempted.

**Senator Everett:** Did I not understand that one of the criteria was that the object had to be worth more than $3,000?

**Senator Lamontagne:** It is not that simple. In some categories where the objects have been recovered on Canadian soil or in Canadian waters, there is no minimum value imposed by the legislation. It would cover all those objects whatever their value. Then, according to the various categories described in the bill, the minimum values would vary from $500, for manuscripts and things like that, up to $3,000, to be included in the control list.

**Senator Everett:** That is what I am asking. What is the comparison with the British legislation?

**Senator O'Leary:** Order, please. I moved the adjournment of this debate.

**Senator Everett:** There was a request that we be permitted to ask questions.

**Senator O'Leary:** Not several questions.

**Senator Flynn:** It now turns out to be a discussion.

**Senator Everett:** Indeed, it is not a discussion. I am merely trying to elicit an answer to my question. I have asked one question and I am still trying to obtain an answer to it. I think that is perfectly fair. I propose to proceed and ask Senator Lamontagne if the values in the British act—which was part of my original question—are similar in this respect to the Canadian act.

**Senator Lamontagne:** Regarding the values, I really could not say. I presume we will have to wait until we reach the committee stage to obtain that kind of detailed information.

**Senator Hicks:** Honourable senators, I should like to question the sponsor concerning the definition of "institution" in clause 2. Can he assure me that this includes museums, galleries, and educational institutions, a great many of which are owned by boards of trustees? I question whether they come under the definition in clause 2, which says:

> "Institution" means an institution that is publicly owned and is operated for the benefit of the public and not for the benefit of a private person, that is established for educational or cultural purposes—

I think that is a further restriction on the meaning, not an addition of an extra category.

> —and that conserves objects and exhibits them or otherwise makes them available to the public;

I should like an assurance, either from the sponsor of the bill now or from the committee to which the bill is referred, that this will in fact include institutions such as museums and universities which are owned by private boards of trustees.

**Senator Lamontagne:** I cannot give you any formal guarantee of that, because I will not be the minister administering or interpreting the bill. However, I am told by the Department of Justice that private museums which are publicly owned and available to the public will be covered. This would include your museum at Dalhousie University which is not owned by a private individual.

**Senator Flynn:** It is non-lucrative.

**Senator Lamontagne:** It is a private institution which is publicly owned. I understand from officials of the Department of Justice that this definition—and I do not necessarily agree with it—would include private museums like the Montreal Museum of Fine Arts, museums in universities, and others.

**Senator Connolly:** Perhaps the question I wish to ask should be asked in committee, but since I am not a member of that committee, perhaps someone would ask it. The honourable senator has spoken about the export of art objects and of the restrictions which the bill proposes to place upon such export. I take it that what he is talking about generally is export for permanency. I am wondering whether there is any latitude to be provided for exports for exhibition purposes, and also for appraisal purposes, because people and even institutions in Canada who have valuable art objects might not be able to obtain satisfactory appraisals within Canada.

**Senator Lamontagne:** I am sure that if the honourable senator reads the bill he will find there a specific provision which makes it compulsory for a customs officer to issue automatically and forthwith an export permit exactly for that purpose.

**Senator Paterson:** May I ask senator if there is a list of cultural objects?

**Senator Lamontagne:** There is no such list at the moment, but this list will have to be produced by the Governor in Council. What this legislation provides is the broad criteria which will be used by the Governor in Council to compose such a list.

● (2100)

On motion of Senator O'Leary, debate adjourned.

## CIVIL SERVICE INSURANCE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Azellus Denis** moved the second reading of Bill C-26, to amend the Civil Service Insurance Act.

[*Translation*]

He said: Honourable senators, before attempting to analyze this bill, I feel it might be well to give you a brief summary of the history of the Civil Service Insurance Act.

This act, passed in 1893, is not a new act. It was intended as a complement to the Pension Act. It guarantees the families of civil servants an insurance upon their death.

[Senator Hicks.]

In 1954, with the advent of the Public Service Superannuation Act, new policies ceased to be issued as early as in January 1955.

To that date, 19,000 insurance policies had been issued; of that number, 7,500 are still in force. This bill therefore applies only to those 7,500 policies.

The changes proposed by Bill C-26 can be summarized thus:

First, where the present act mentions "children", adopted children are now being included.

Second, at the present time, sharing of the proceeds of the insurance to the beneficiaries is governed only by such statements as are included in the insurance policy or annexed to it; the present amendment will also authorize sharing, among others, by will or codicil.

The purpose of the third amendment is to give equal rights to man and wife as the insured. At the present time, the legislation does not allow a woman to designate her husband as beneficiary, due to the fact that when a female employee would get married she would cease to work and the policy would expire. She could then receive a paid up policy through an annuity, or the cash surrender value. Thus, this amendment which applies, as I said, to 7,500 insurance policies now in force enables an unmarried woman to take out insurance on behalf of her future husband and future children.

This proposed legislation will give authority to the government to amend the present tables used in the calculation of payable annuities As everyone knows, these annuities, determined a long time ago, are far from being adequate from an actuarial point of view.

Finally, the amendments to this proposed legislation do not apply to insurance policies whose proceeds have become due before the passing of this new legislation.

[*English*]

To summarize, honourable senators, this bill, if adopted, will allow the designation of beneficiaries and the apportionment of insurance money to be made by means of a will. It will modify the meaning of "children" for purposes of the act to include adopted children. In addition, it will preserve, for a woman who marries, her rights under the contract as a single woman and permit her to designate her husband as a beneficiary. It will also allow for the fixing and updating of tables used in the calculation of annuities payable under the act.

I am sure all honourable senators will agree that this bill, if enacted, will benefit the remaining holders of policies issued under the act, and I commend it for your approval.

[*Translation*]

Honourable senators, may I add that in the other place there was no discussion on this bill and it was unanimously adopted. That is why I wonder if it is really necessary to refer this bill to a committee. However, as always, the decision is yours.

**Senator Flynn:** Honourable senators, I am sure that this bill was not as eloquently sponsored in the other place as it is here. I feel therefore that we should wait at least until

tomorrow to read the pieces of wisdom we have heard today. Then we shall see whether there is anything that can be added.

[*English*]

On motion of Senator Flynn, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, April 9, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of Uranium Canada, Limited, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1973, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

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, 1974, pursuant to section 134(2) of the said Act, Chapter S-9, R.S.C., 1970.

Green Paper entitled "Members of Parliament and Conflict of Interest", dated July 17, 1973.

## UNITED NATIONS PEACEKEEPING FORCE

METHOD OF DEALING WITH PENSION BENEFITS OF DEPENDANTS OF CANADIAN SOLDIER KILLED IN CYPRUS—QUESTION ANSWERED

**Senator Perrault:** Honourable senators, a question was posed on Tuesday, April 8 by Senator O'Leary relating to a Canadian soldier killed in Cyprus. The essence of the question was whether in the case of that Canadian soldier killed in Cyprus the pension to his widow or, as the honourable senator stated:

> ... whatever other pensions his dependants may be entitled to will be paid by the so-called army of the United Nations or by the people and the Government of Canada?

The pension, I have been informed, will be paid by the Government of Canada under the Canadian Forces Superannuation Act. No pension will be paid by the United Nations. The widow may be entitled to other benefits, depending upon what insurance had been taken out by the deceased through the armed forces.

This information was obtained from the office of the Minister of National Defence.

**Senator O'Leary:** Thank you very much. That is what I expected.

## LAW REFORM COMMISSION ACT

BILL TO AMEND—THIRD READING

**Senator Perrault** moved the third reading of Bill C-43, to amend the Law Reform Commission Act.

Motion agreed to and bill read third time and passed.

## CULTURAL PROPERTY EXPORT AND IMPORT BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the debate on the motion of Senator Lamontagne for second reading of Bill C-33, respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states.

**Hon. M. Grattan O'Leary:** Honourable senators, my first word must be to congratulate the sponsor of this measure in this house, because he was able to apply his own thoughts to the bill and not be chained to the ghost writing of some faceless bureaucrat.

My second thought is that I—I am sure like most people in this country—favour, let us say, the intention of this bill. What I am afraid of is that in seeking the goal, the government is not seeking it in the right way, and that we are here again with a thing that bothers, me and must bother every liberal with a small "l" left in the country, and there are not many of them, especially on that side of the house. However, I have been going over the Orders of the Day for the last five weeks or so, and the astonishing thing to note is that in a country such as this, a so-called free enterprise country, 75 per cent of the proposed measures have been measures enthroning the state, putting the state above all else.

Yes, we talk about freedom; we talk about free enterprise; we denounce socialism and the authoritarian states, but the fact is that in Canada—and there is no escaping it—day after day, month after month, year after year, we are falling into the belief that the state must look after us from cradle to grave. More than that, and even more dangerous than that, we are falling into the belief that the state must control, must tell us whether we should turn east or west, and why; that the state must tell us what we should do, how we should do it, when we should do it, and so forth. This is not the political faith that I was brought up in, nor is it the political faith and belief that most of us in this house, whether on this side or the other, held to be the right life for people like ourselves. This is what I am afraid of. I have been in this house now for 12 years, and more and more I find the people of Canada, through their legislators, falling increasingly into the dangerous belief that the state must look after the individual.

What does this bill do? It creates a new bit of bureaucracy. What frightens me are the discretionary powers given to the minister in administering this legislation. My honourable friend Senator Lamontagne, in his speech last evening, referred to some doubts he had in this connection, but curiously enough, having expressed his doubts in relation to one part of the bill, he went on to say that in certain other areas the minister should have more discretionary powers. I am prepared to say that if in the administration of a bill of this kind we could have minis-

ters of the civilized mind of Senator Lamontagne, I would probably be willing to accept it.

**Senator Lamontagne:** I can go back.

**Senator O'Leary:** But unfortunately, very unfortunately, very strange people get into cabinets these days. We are not always going to have Senator Lamontagnes running things. When I think about some of the ministers we have today—and I am not looking at the Leader of the Government in the Senate—frankly, I would not trust them to give advice as to how this legislation should be carried out. I am sure most senators on both sides of the house would agree with me. I know of ministers who would not know a Krieghoff from some cartoon, and other ministers who would not know a Picasso from a pickax. And I object. I am afraid of people of that kind being given such discretionary powers to determine what I should do about a Krieghoff I might own. I do not own a Krieghoff, but let us suppose I did, and let us further suppose that I had a friend in New York who knew I owned it and knew I was short of money—he would probably be right—and because of that he offered me $50,000 for my Krieghoff. Are you meaning to tell me that I would have to apply to some bureaucratic board which would determine whether or not I should sell that Krieghoff to my friend in New York for $25,000 or $50,000 in order, say, to put my daughter through university?

We are coming to the point in this country where the individual is disregarded; where his hopes, his views, his aspirations for his family, for himself, are limited and determined by someone sitting in a bureaucratic chair.

I appeal to this house to guard against this type of thing. I have mentioned this often in this house. Sir Clifford Sifton, a great Liberal chieftain in his day, when talking about the responsibilities and functions of the Senate, said that the chief function of the Senate in days to come would be, not to look after minorities and not to look after the provinces but to see to it that the bureaucracy does not interfere with the free thought, not only of the legislatures but of the government itself. This is true.

● (1410)

Undoubtedly we have come to the point where the bureaucracy is the real government in this country. Don't tell me that Parliament is free, that Parliament can do this and can do that. True, it can, but it is not doing it. Today the Government of Canada is not being controlled and not being directed by the two legislative Houses of Parliament. It is being controlled and directed by the bureaucracy. These are very able men. Some of them are my long-time personal friends and I have great regard for them. But that is not the point. The point is that when the two Houses of the Parliament of Canada lose control of the Government of Canada we have then lost control of the thing we call our democratic or parliamentary government. There will be no such thing as parliamentary control and parliamentary government if we continue week after week and year after year with bills of this kind in this house and have people accept them.

There is something else I want to say. This bill has in it an element of chauvinism. It is the same sort of bill as the one we had about the beaver being the symbol of Canada. What nonsense! It is the sort of bill talking about seeking for a Canadian identity. What do we mean by a Canadian identity? Do you think the British people built up their great position in the world by looking at their identity? Do you ever hear Englishmen today talk about seeking for the identity of Englishmen in England?

Culture cannot be imposed from the top. Culture can exist in this country only if we give our people education of the right kind, if we educate them to love truth and beauty for their own sakes. If we do that, if we give our people that kind of education, culture will take care of itself. I am not afraid of people talking about culture. I believe that the Canadian people probably have as good an idea of what is good for cultural education as any people in the world. I am not one of those who continually compare us with our neighbours to the south and say that we are better than they are. I am not one of those like Vincent Massey, who did more harm to the securing of cultural thought in Canada than any man of his time. He did for Canadian culture what a certain gentleman in the United States did to thought and education in that country. I do not go for that, and I do not think the young people of Canada go for it.

I believe that there is now a revolt against this nonsense of Canadian national sentiment, of giving our newspapers and magazines a nationalist crutch to rest upon. I was horrified the other day when I heard people in Canada lamenting the fact that *Saturday Night* was going to be lost to us. My friends, the death of *Saturday Night* will not diminish me spiritually one iota, nor will it diminish any other person spiritually. The death of *Saturday Night* took place when B. K. Sandwell, a civilized man, ceased to be editor, and that is all there is to this sort of thing.

This business of going around saying that we must get a Canadian nationalism is nonsense. Let us be ourselves, true to ourselves; let us be true to Canada, and let us do it not as anti-American and not as anti-British. Goodness knows, if there is any man in this house who would be anti-British it would be me. But I am not. I was brought up as an Irish rebel, but when I went to Britain for the first time I discovered who were the best people over there. Whatever may be said against England, at least let it be recognized that in the last two world wars she made one of the most magnificent recompenses for whatever may have been her sins of the past.

These are the things we must avoid in this country, this narrow nationalism, and this business of letting the government, the state and bureaucrats, determine for us how we should live, where we should live, when and why.

In the name of common sense, is there anything in Canada, either in thought or in any sphere of human life, that is helped by my being told: "O'Leary, if you have a Krieghoff, you cannot sell it without getting the permission of some bureaucrat or some minister"? I am sure my friend Senator Lamontagne, in his better moments, would agree with every word I have said. I think he is one of the few men on that side of the House—I might include Senator McIlraith, but that is a fleeting thought—one of the few Liberals entitled to spell that label with a small "l". Indeed, I sometimes think, I sometimes fear, that I am the only liberal left in this country, or one of the few, entitled to spell the word with a small "l". This was my party, The Liberal Conservative Party—until some people had the crazy notion of calling it The Progressive Con-

servative Party. I did not vote for that. I stood up and voted against it and spoke against it in Winnipeg. Not that there is anything antagonistic between the two, because we are the progressive party. However, let it go at that.

My friends, I am against this bill. I am against it, not because of the goal but because of the philosophy by which they are trying to reach the goal. It is the wrong philosophy: the philosophy of control, control of my life, of your life, of the lives of every Canadian. Let us try to avoid that. Let us get away from the idea that some bureaucrat or some bureaucratic organization or some government is going to control our lives—and I do not care whether it is a Liberal or a Conservative government. I would be just as much opposed to, and would fight just as hard against, the Conservative government doing the sort of thing proposed by Senator Lamontagne as I would against the so-called Liberal government.

My friends, that is all I have to say today; but I will vote against this bill because I am a "liberal".

**Senator Buckwold:** Would the honourable senator allow a question?

**Senator Choquette:** Oh, yes, you must try to straighten out this "liberal" question.

**Senator Flynn:** I am sure he would be a big help.

**Senator Buckwold:** I might surprise you.

**Senator Smith:** He is a former "progressive."

**Senator Buckwold:** I do have a serious question to pose to the last speaker.

**Senator Flynn:** You do not have to say that.

**Senator Buckwold:** What should I say?

**Senator Flynn:** I mean that you do not have to preface your question.

**Senator Buckwold:** Does Senator O'Leary feel that there should be absolutely no restrictions on the export of indigenous, valuable, historical Canadian art or artifacts?

**Senator O'Leary:** I do not think we need it at all, to be quite frank. But just listen to me. One of the greatest relics of any nation, and certainly a fine example for the Canadian nation, is the Book of Kells in Ireland. I hope you have seen it. If you have not, I suggest that you go to Trinity College in Dublin and look at the Book of Kells. It is a magnificent treasure which has never been equalled. Did Ireland need a law to keep that Book of Kells in Ireland? For God's sake, what is all this nonsense!

There are some lines I had intended to quote to you, but my friend Senator Hicks used them as we were leaving the dinner table today so I put them aside. These are the lines:

> The wise nation preserves its records, gathers up its muniments, decorates the tombs of its illustrious dead ... and fosters national pride and love of country by perpetual references to the sacrifices and glories of the past.

That was Joseph Howe. He did not say, however, that one must have a law to do that. It is an invitation to common sense, to common patriotism. He did not say there had to be a law to prevent Grattan O'Leary, or my friend Senator Buckwold, from selling a painting in New York. For God's sake, give us some freedom on this earth!

[Senator O'Leary.]

On motion of Senator Everett, debate adjourned.

● (1420)

## CIVIL SERVICE INSURANCE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator Denis for the second reading of Bill C-26, to amend the Civil Service Insurance Act.

**Hon. Jacques Flynn:** Honourable senators, as I told you last night, I was subdued by the eloquence of the sponsor of the bill and I wanted to have an opportunity for sober second thought. In other words, I wanted to be able to read today what he said yesterday. I did that this morning, and after reading the bill I find I have nothing to add to what has already been said. What the good senator had to say, I must add, is much more comprehensible when read. Senator Denis, you know, has a way of charming you and one is always well advised to be guarded about agreeing with him too quickly. I support the bill and do not consider that it needs to be referred to a committee.

**Senator Denis:** Honourable senators—

**The Hon. the Speaker:** I wish to inform the Senate that if the Honourable Senator Denis speaks now, his speech will have the effect of closing the debate.

[*Translation*]

**Hon. Azellus Denis:** Honourable senators, I just want to say a few words to thank the Leader of the Opposition for his congratulations. If as a result of my convincing arguments the bill is not referred to a committee, I will always try to be as charming as possible in a debate. I hope that in the future I will please the Leader of the Opposition.

[*English*]

Motion agreed to and bill read second time.

**The Hon. the Speaker:** When shall this bill be read a third time?

**Senator Denis** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## SENATE (INTERSESSIONAL AUTHORITY) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, February 26, the debate on the motion of Senator Flynn for the second reading of Bill S-22, to provide for the internal economy and administration of the Senate between sessions of Parliament and between Parliaments.

**Hon. Raymond J. Perrault:** Honourable senators, there seems to be a rare spirit of cooperation and brotherly love here this afternoon. I enjoyed very much the speech made by the Honourable Senator O'Leary in his usual eloquent way.

The purpose of the bill under discussion, Bill S-22, is to provide for the internal economy and administration of the Senate between sessions of Parliament and between Parliaments.

The Leader of the Opposition should be thanked for bringing this bill to the attention of the Senate, and he should also be thanked for the moderate approach he took during his very useful second reading remarks. Let me assure the honourable senator that I intend to be equally moderate in anything I have to say this afternoon about the bill.

The subject matter appears to be important in at least two main respects. As those who have studied the proposed measure are aware, in the first place it would provide a statutory basis for the administration of the internal economy of the Senate between sessions and Parliaments. Secondly, it would permit, subject to certain stated safeguards, a Senate committee to meet for the taking of evidence between sessions and Parliaments.

In reviewing some of the background of this proposal, it is my understanding that at least the first of these suggestions has been before the Standing Senate Committee on Internal Economy, Budgets and Administration for some time, but as yet no recommendation has been forthcoming. Accordingly, while perhaps it could be conceded that these proposals are of potential importance, it can also be conceded that it may be more difficult to regard them as involving any element of pressing urgency. As I recall it, the Leader of the Opposition indicated that he did not regard this as being an urgent matter but rather as a matter which should be given consideration by the Senate.

Honourable senators, the Senate has been functioning since Confederation without the adoption of either proposal, and no insurmountable difficulty appears to have arisen. We certainly need not and probably should not rush into legislation of this kind at this time, but in saying this I am not suggesting we should dismiss the proposals as being in any way irrelevant. They are useful and interesting.

There are, moreover, certain legal problems which arise in connection with these proposals which, while they may or may not provide insuperable barriers to the passage of this legislation through both houses, certainly merit serious consideration before we accept the principle of this bill. There are one or two considerations that should perhaps be set before the Senate.

One of these is that it could be argued, if not in this chamber at least in the other place, that this could be regarded as a money bill in that the Intersessional Authority is to be empowered to make expenditures of public money. Since there is no appropriation involved, I would not agree that this is a money bill. My position accepts the stance taken in the Ross Report of 1918, which the Senate has consistently taken on numerous occasions since that date, so really all I am saying is that another view might be taken elsewhere, and this is a consideration to be borne in mind.

Secondly, a further difficulty which could be rather awkward could arise from the existence of section 18 of the British North America Act, which reads as follows:

> 18. The privileges, immunities, and powers to be held, enjoyed and exercised by the Senate and by the House of Commons, and by the Members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that any Act of the Parliament of Canada defining such privileges, immunities, and powers shall not confer any privileges, immunites, or powers, exceeding those at the passing of such Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the Members thereof.

It will be noted that by this section the powers that may be conferred on the Senate are limited to those enjoyed by the House of Commons at Westminster. It is clear that the House in England has no power of continuation of committees between sessions and Parliaments such as would be conferred by this bill. Here I would refer honourable senators to *May*, Eighteenth Edition, page 256. It is true that the Parliament of Canada may amend the British North America Act in regard to federal matters, and here I refer to section 91.1 of that act. Although conceivably the present bill could be reworded so as to override the aforementioned section 18, in its present form it does not purport to make a constitutional amendment of any kind.

Finally—and there may be other points of which I am not presently aware—Her Majesty's prerogatives may be affected by this bill. These, of course, could not be affected by statute without the prior consent of the Crown. It is essential to mention this point because the proclamation dissolving Parliament discharges all members and senators "from their attendance and duties." If senators continued to sit as members of Senate committees between sessions and Parliaments, they would surely be exercising certain of their duties. Most, if not all, of these difficulties would, of course, be resolved if the present bill were a government bill introduced in conjunction with whatever prior royal consent was required, as the Honourable Leader of the Opposition is aware.

● (1430)

I wish to say this afternoon that I am prepared to discuss with my colleagues in cabinet the possible introduction of a government bill along the lines of the present one. However, this is a private member's public bill, which may be vulnerable to some of the difficulties I have set forth. In light of my comments and of my assurance, which I give again, of cabinet consultation, I hope that this bill, after it has been given second reading, will be referred to the Standing Senate Committee on Legal and Constitutional Affairs, because it certainly merits thoughtful consideration.

**Hon. John J. Connolly:** Honourable senators, I have nothing profound to add to the remarks made by Senator Flynn and Senator Perrault. However, I have perhaps a contribution to this discussion arising out of my own experience with the problem which Senator Flynn has envisaged.

In a practical way, in my opinion, it has been found through the years, as the note contained in Senator Flynn's bill indicates, that the internal economy problems which have faced the Senate have been satisfactorily resolved by the rather informal arrangement which has prevailed. The arrangement is that towards the end of a session, the Senate authorizes the Leader of the Government, or his nominee, and the Leader of the Opposition, or his nominee, and another senator to be appointed by the

Leader of the Government, to do whatever is necessary by way of—

**Senator Choquette:** Light housekeeping.

**Senator Connolly (Ottawa West):** Light housekeeping is a very good word. Senator Choquette is very familiar with it, because he served on the committee a good many times. To formalize it more than that, of course, does involve going to the House of Commons and I am of two minds as to whether we wish to go as far as that. Frankly, I am a great believer in making the rules work in a practical manner. I am sure no one is more convinced of the wisdom of this course than is Senator Flynn, because when we were responsible for the leadership here together no one cooperated in a more complete manner than he. That is very important.

I rather deprecate the tendency on our part to stick to rules, to try to govern ourselves strictly by rules. I know we cannot run an organization as big as this without rules, but for many years there were few senators who knew what the rules were, yet the place worked very well. In my opinion, when our arrangements are functioning to the optimum, then the Senate runs smoothly and to the satisfaction of both sides of the house. So, for what it is worth, I would like to see a continuation of the present system.

We have, of course, the right to authorize committees to sit during adjournments of the Senate for the purpose of taking evidence, and so on. We have exercised this right from time to time, and the arrangement has worked out very well. However, I would not like to see arrangements whereby Senate committees would sit after the dissolution of Parliament. I do not think it would be wise for committees of an appointed chamber to sit during an election period—regardless of what party is in office—particularly if the election is especially controversial. There would always be the possibility of partisan members or partisan chairmen of committees using their position to stir up a controversy or to intensify one that has been going on in the country at large. This would not be a good thing for a chamber such as this.

Honourable senators, I put these views on the record for what they are worth.

**Hon. J. Harper Prowse:** Honourable senators, I should like to refer to one specific point. It is possible that what I have in mind could be covered by the informal arrangements to which Senator Connolly made reference. I agree with him that it might be undesirable for a Senate committee to hold open meetings when an election is in progress, because certain things could happen which could be construed as interfering with the election.

Let me point out something which caused us a great deal of concern when our Standing Senate Committee on Legal and Constitutional Affairs was studying the parole system in Canada. During the entire period of our study there was a minority position in Parliament, and because of this we expected Parliament to be dissolved at any moment. This meant that it was impossible for us to enter into medium or long-term contracts for research work which we deemed to be necessary. This work would ordinarily have been commissioned by way of contract with schools of social work or schools of criminology in local universities. Had we proceeded with the type of research we had in mind, a number of graduate students and others would have been employed for the summer or perhaps for a minimum of six months. That would have been fine and dandy, but if suddenly on May 1 or May 15 or May 31 Parliament had been dissolved, these people would have been given two weeks' notice and would have been out of work for the summer. In all probability it would have been too late for them to obtain alternate employment. Thus we had to proceed with our study and produce a report without benefit of this particular research work. This is something which is going to apply particularly to special committees from time to time.

● (1440)

We could have made an arrangement whereby any government department could have taken up our contracts and covered them for us, but that would have prejudiced our position in carrying out independent research. It would have been the department's research, not the committee's. It would have interfered with our independence and left us subject to the charge, and properly so, that we had been content to use research arranged for us by the departments.

If it is possible, as apparently it is, for various departments and ministries of government to have research undertaken by them during that period, I would think that would fall within the limitations mentioned by both speakers. We could do as much as the House of Commons is able to do through the cabinet. This is being done now by the cabinet. Certainly it seems a shame that during an election period this house should be in complete—

**Senator Flynn:** Limbo.

**Senator Prowse:** Yes, limbo, where we cannot do a thing because of this type of regulation. There are all kinds of things we could do, including holding meetings in camera. After all, each of us is not needed on the hustings. As a matter of fact, many candidates look upon us—for better or worse—as though we were dinosaurs, representatives of another day. Well, although we may appear to be like dinosaurs, many of us have a store of knowledge that could be made available to them. In any event, I would like to see some arrangement whereby our committees could engage the services of well-intentioned young

people to do research work, without our being concerned that simply because of an anomoly in our regulations they may suddenly be left high and dry without summer employment.

On motion of Senator Petten, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, April 10, 1975

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

Prayers.

## FOREIGN AFFAIRS

CHANGE IN COMMITTEE MEMBERSHIP

**Senator Petten,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

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

Motion agreed to.

## NATIONAL FINANCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF SENATE

**Senator Petten,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Standing Senate Committee on National Finance have power to sit while the Senate is sitting on Wednesday next, April 16, 1975, and that rule 76(4) be suspended in relation thereto.

Motion agreed to.

## BUSINESS OF THE SENATE

**Senator Petten:** 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, April 15, at 8 o'clock in the evening.

Before the question is put, I should like to give a brief outline of the work schedule for next week. Starting with the committees: On Tuesday the Committee on Legal and Constitutional Affairs will meet at 11 a.m. and again at 2 p.m. to hear witnesses on Bill S-19. At 8 p.m. on Tuesday there will be a meeting of the Special Joint Committee on Employer-Employee Relations in the Public Service. The Committee on Banking, Trade and Commerce will meet on Wednesday at 9:30 a.m. to continue its study of competition in Canada. The National Finance Committee will meet at 3:30 p.m. on Wednesday to continue its examination of the Manpower Division of the Department of Manpower and Immigration.

On Thursday at 9:30 a.m. the Special Joint Committee on Employer-Employee Relations in the Public Service will hold another meeting. Also at 9:30 a.m. on Thursday, the Standing Senate Committee on Transport and Communications will meet to consider Bill C-48, to amend the Railway Act. The Special Joint Committee on Immigration Policy will meet at 8 p.m. on Thursday.

In addition to the items already on the Order Paper, it is expected that on Tuesday next we will receive from the other place Bill C-13, to amend the Northern Canada Power Commission Act and Bill C-34, to amend the Farm Credit Act, and possibly later in the week we will have Bill C-44.

Motion agreed to.

● (1410)

## CONFLICT OF INTEREST

GREEN PAPER REFERRED TO STANDING SENATE COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS

**Senator Perrault,** with leave of the Senate and notwithstanding rule 45(1)(e), moved:

That the Green Paper entitled "Members of Parliament and Conflict of Interest," tabled in the Senate on Wednesday, April 9, 1975, be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

**The Hon. the Speaker:** The house has heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

Motion agreed to.

## ENERGY

INTERNATIONAL CONFERENCE OF OIL-PRODUCING AND OIL-CONSUMING COUNTRIES—QUESTION ANSWERED

**Senator Perrault:** Honourable senators, on March 10 Senator Desruisseaux directed a question in the Senate concerning the International Conference of Oil-producing and Oil-consuming Countries. By way of response, may I say that, speaking in the other place on March 5, the Minister of Energy, Mines and Resources pointed out that the meeting being held in France this week between a limited number of participants is only a preparatory meeting to establish an agenda for a later full conference, assuming that the preparatory meeting is successful.

Canada has been in favour of a meeting between the producing and consuming countries, and the developing countries as well, and has sought to participate in the preparatory meetings being held in Paris this week. It was felt, however, that the conference should be confined to a limited number of participants in the three categories: oil producers, industrialized oil consumers and the developing nations. While the Government of Canada would have preferred to have participated in the preparatory meeting, the increase in the size of the meeting, with Canada and all other countries participating, would have perhaps hindered the making of effective arrangements in the preparatory meeting. We therefore agreed not to participate.

Canada is not the only country not represented directly at the preparatory meeting. Some members of the International Energy Agency—Austria, New Zealand, Norway, Spain, Sweden, Switzerland and Turkey—did not have direct representation in the discussions, but the chairman of the agency, Viscount D'Avignon, attended the meeting as an observer, along with representatives of OECD, OPEC and the United Nations. The meeting was convened by the French Government, which is not a member of the IEA. Invitations were issued to countries suggested by Mr. Ahmed Zaki Yamani in June of last year. These are as follows: for the oil producers—Iran, Saudi Arabia, Algeria and Venezuela; for the industrialized oil consumers—the United States, the European Economic Community and Japan; for the developing nations—Brazil, India and Zaire.

Should this preparatory meeting be successful, then a full conference should take place later this year. The Government of Canada will be keeping in close touch with these discussions and with the participants at the conference of the International Energy Agency, and we will, of course, make our views known. We have been assured that should there be a full conference, Canada will be a full participant.

**Senator Desruisseaux:** Honourable senators, I thank the Leader of the Government for giving a thorough explanation. My wish is that the media should report rightly and fully what has to be reported, and so avoid what may sometimes cause disturbance in the minds of Canadians. I am very pleased to hear that Canada will be represented at the conference, because I think it may be one of the most important conferences of the year.

## CIVIL SERVICE INSURANCE ACT

BILL TO AMEND—THIRD READING

**Senator Denis** moved the third reading of Bill C-26, to amend the Civil Service Insurance Act.

Motion agreed to and bill read third time and passed.

## MEXICO

VISIT OF CANADIAN PARLIAMENTARIANS—DEBATE ADJOURNED

**Hon. Muriel McQueen Fergusson** rose pursuant to notice:

> That she will call the attention of the Senate to the visit of a delegation of Canadian Parliamentarians to Mexico, 6th to 10th January, 1975.

She said: Honourable senators, perhaps because Spanish, with which most Canadians are unfamiliar, is the official language of Mexico; perhaps because formerly the distance between our two countries presented almost insurmountable transportation barriers which no longer exist; in the past Canadians have in their minds linked Mexico with the Latin American countries of Central and South America, which also have Spanish as their official language and which, geographically, are much closer to Mexico than is Canada.

Although Mexico is a Latin American country, it is also a North American country and has much in common with the other two North American countries, Canada and the United States of America. Quite possibly, Mexico and Canada have more in common with each other than either has with the great, powerful and rich neighbour which lies between them. Indeed, there is similarity in the common history of our two countries, for both have experienced poverty and misery. The income of some of the citizens of both countries does not provide them with a standard of living adequate for the health and well-being of themselves and their families as set out in the Universal Declaration of Human Rights. Both countries are now making up for lost time in a determined effort to meet those standards. Both countries are heavily dependent on the United States of America for trade and are seeking additional sources; both are seeking additional outlets for their own products.

Canada and Mexico are influential middle powers which also have much in common in the field of international policy. That would include the desire for peace and disarmament, the record of their relations with the People's Republic of China, the support they gave each other in the United Nations Law of the Sea Conference held in Caracas, Venezuela, last year and the desire of both nations to be independent in national affairs. With these and other common interests, it would be of mutual benefit if knowledge in each country about the other could be increased.

Senators are aware that for the past 17 years there have been annual meetings between the Canada-United States Interparliamentary Group, and another such meeting is to take place in Canada in Quebec later this month. These are not meetings for confrontation; they are to find ways to cooperate, so that members of Parliament and members of Congress of the United States will know more about each other and will have a better understanding of each other's policies. For some time there has been a feeling, both in Canada and in Mexico, that similar meetings between those two countries could provide more understanding and communication, and would result in a closer relationship.

There was an expansion of Canadian-Mexican relations when a joint ministerial committee met for the first time in 1971. Even prior to that, in 1970, a Canadian-Mexican businessmen's committee was formed, which, since then, has held meetings in Mexico City and also in Toronto. Regular youth exchanges are taking place between the two countries, and tourism, which takes citizens of each country into the other, is expanding.

The visit to Canada in 1973 of Mexico's dynamic President Echeverria and his wife, Senora Echeverria, during which he addressed the two Canadian Houses of Parliament in the House of Commons chamber, did much to make Canadians generally aware of the possibility of a meaningful bilateral relationship between Canada and Mexico, and that such a relationship could be of great value to both countries.

On the occasion of the visit to Ottawa of His Excellency, President Echeverria, an invitation for a visit by Canadian parliamentarians was extended. This invitation was accepted, and in January last I was fortunate enough to be a member of the parliamentary delegation to Mexico, together with two other senators and eight members of the House of Commons. The delegation was ably led by the

Speaker of the House of Commons, the Honourable James Jerome.

I do not know how familiar you are with Mexico, but I thought I would just give you a few facts about it. Mexico is 762,500 square miles in area, about the same as the combined area of our three Prairie provinces, Manitoba, Saskatchewan and Alberta. We were told while there that the population of the urban area known as Mexico City is 10 million, which would make it the sixth largest city in the world. About one-fifth of the population of the whole country of Mexico live in the capital city, which is both beautiful and historic.

When we arrived in Mexico City we received a friendly welcome from a delegation from the Congress, designated by the Chamber of Senators and Chamber of Deputies. It was very heart-warming, and we were delighted to see such strong evidence of goodwill and empathy between our two countries. The excellent plans that had been made for our visit gave us adequate time for extensive discussions on topics of mutual interest, and also gave us opportunities to see and learn much about the historical, cultural, economic, technological and social background of that country. This led to a much greater understanding of national policies and should broaden the cooperation that now exists between our two countries.

● (1420)

It was of great interest to all of us to learn that the Mexican political system is very different from our own, although they also have a Senate and a Chamber of Deputies. In Mexico, one party has been in power for over 40 years and that same party always gets re-elected at the polls.

**Senator Perrault:** Good organization.

**Senator Fergusson:** There are 64 members of the Senate, two coming from each federal state and all belonging to the Institutional Revolutionary Party. Two members of the Senate are women, and one of them was appointed to the delegation named to meet and entertain our group. Senators are elected for a six-year term and cannot be re-elected.

The Chamber of Deputies has 233 seats, of which 196 are filled by direct election. But to assure that there are always some members to speak for the opposition, 37 additional seats are awarded to minority parties on the basis of their electoral performance in the previous election. Roughly speaking, five members are appointed to the Chamber of Deputies from opposition parties for every 1½ per cent of the vote which was polled by them in the most recent election. The term for members of the Chamber of Deputies is three years, and they cannot be re-elected immediately, but I gather that they can be re-elected after they have been out of the chamber for at least a term.

To be considered legally constituted, a party must have a registration of at least 65,000 members. There are four such parties in Mexico. Of the 233 members presently in the Chamber of Deputies, 189 belong to the PRI, the Institutional Revolutionary Party, which is the party now in power. Each one of these members was elected directly at the polls. Then you have the PAN, the National Action Party, which elected four at the polls but which also has 21 *diputados de partido* who are appointed on the basis of the number of votes received by the party in the last election. Then there is the PARM, the Authentic Party of the Mexican Revolution, which elected two members in the last election but has six *diputados de partido*. Finally, there is the PPS, the Popular Socialist Party, which, while it did not have any members elected at the polls, has been assigned 10 seats based on the votes they polled in the election.

This seemed to me, honourable senators, to be a very ingenious method of providing that there is always an opposition in the Chamber of Deputies. I might add, however, that there were no members from the opposition parties on the Mexican delegation which entertained us, although our own group of delegates from Canada had members from three of our Canadian parties.

I was pleased, of course, that one of the members of the Mexican delegation appointed by the Chamber of Deputies to meet us was a woman, and another woman on that delegation represented the Senate. I was also pleased to learn that a woman holds a very important position as Minister of Justice in the Mexican Cabinet. There are 18 women in the Chamber of Deputies.

The President of Mexico is elected by direct popular vote for a term of six years, the same period as senators are elected for, but he, like the senators, cannot be re-elected.

Due to this ban on re-election, the President and the members of both houses really cannot make a career of politics as is done in so many countries. It would seem that in Mexico such service for Members of Congress is regarded as a training ground from which, if they have done well, they may go on to other service in the country, such as becoming governors or filling other important positions.

The delightful climate of Mexico and the warm and friendly attitude of the Mexicans toward visitors has led to a rapid growth of tourism. Last year some 170,000 Canadians visited Mexico, but only about 25,000 Mexicans visited Canada. However, we were told that Mexican tourists spend much more in Canada than Canadian tourists spend in Mexico, so that perhaps balances it somewhat. This interchange of tourists is considered to be very valuable by both countries and considerable discussion took place at our meetings as to what each country might do to encourage this interchange. The more the peoples of our two countries know about each other, the more they will be interested in visiting each other's country. While we were there our delegation visited the marvelous pyramids at Teotihuacan outside Mexico City, about which most of us had known little or nothing. We visited the world famous Anthropological Museum and spent some time in the National Palace viewing the murals painted by Diego Rivera, which depict so vividly the history of Mexico. This morning during the meeting of the Special Committee of the Senate on the Clerestory of the Senate Chamber it occurred to me that we might make use of similar murals in our own chamber to depict the history of Canada. They certainly were vivid, and after we had seen them all we really felt we knew some background of the history of Mexico. Both the Canadian and Mexican delegations agreed that mutual awareness and understanding between the two countries could be promoted by sending to Canada a major exhibition of Mexican culture and art represent-

ing the pre-Columbian up to and including modern periods. This exhibition had been sent to a number of countries in Europe, with great success. I am sure it would be of interest to Canadians and would give us a much better idea of Mexico and its culture.

Mexico is now Canada's most diversified trading partner among the so-called Latin-American countries. Trade has increased both ways between the two countries, and we were told that it is possible it may reach a total of approximately $300 million this year. Discussion of bilateral trade made it plain that, although such trade between the two countries now favours Canada, there is willingness on both sides to increase trade and bring it more in balance. One matter that interested me and was discussed was an agreement between our two countries regarding seasonal agricultural workers, which permits migrant farm workers to come to Canada for certain specific periods of time to assist in agriculture in this country. This agreement has been in effect for only one year and only between 100 and 200 workers were involved, but it seems to have worked satisfactorily for both the Canadian employers and the Mexican workers. If it is proposed to continue it, these numbers will probably increase. The Canadian government has taken strict measures to see that these Mexican workers receive the same wages as Canadian workers doing the same job. Although this arrangement is considered valuable because it brings foreign currency into Mexico, we were told that one of the chief reasons for its support in Mexico is that it is a means of obtaining better training for the individual agricultural workers.

● (1430)

Honourable senators, because I had not visited Mexico previously, I remained in the country for several days after the conclusion of the parliamentary visit. I would like to tell you a few things I learned during that time, which gave me an opportunity to visit some very beautiful parts of the country outside Mexico City.

You might suspect that I would be greatly interested in the position of women in Mexico where the ancient cult of machismo—or male superiority—had prevailed for many years. This cult overvalued one of the personality characteristics that for a long time defined Mexican women—that is, submission or denial of her personality to men. This had resulted in women's main function being the care of home and children which, although fundamental work and a basic responsibility, was given little social recognition.

Mexico, which is faced with the problem of unequal development, realizes that the help of women beyond work in the home is necessary for the improvement of general living conditions in their social context. Women are now being brought into national programs such as family planning, responsible paternity, community development, rural promotion, practical nursing and other fields, and this necessitates legal reforms and changes in mental attitudes toward women. Under this program, the Ministry of Health and Social Security Institute provides family planning information, but not on abortion, to anyone requesting it.

More than 100,000 women have been trained to work in social improvement. In 36 centres for Development of the Community, state financing and the volunteer work of interested women are teaching knowledge of new foods that are cheaper and more nourishing than those formerly in use. They are helping to establish nurseries, kindergartens and playgrounds. These centres are known as INPY. I visited one of these centres, and felt that many countries, including our own, could well benefit through similar centres. I was impressed that the wives of the Mexican section of our group—the parliamentary group from Mexico—were all involved one way or another with this work to improve living conditions in their country and that each gave many hours a week to this service. Much of the success is due to the inspired leadership of Senora Echeverria, the wife of the President.

This participation by women in social improvement brought about an acute consciousness in the country that a legal frame should be provided to stimulate and increase the full integration of women into contemporary life.

In 1974 President Echeverria introduced into the Chamber of Deputies legislation aimed at granting women complete equality before the law and to facilitate the participation of women in all aspects of national life, including broader educational opportunities, equal pay with men in the job market and greater participation in political affairs. It was approved by the Chamber of Deputies this year and it is hoped it will be in operation when the United Nations International Women's Year Conference takes place in Mexico City in June of this year.

It is my hope that when our Canadian delegates go to that United Nations Conference in Mexico, they will be able to give as good a report of what Canada has done to implement the objectives of International Women's Year.

Because of my concern about senior citizens, I found it interesting that many retired Canadians are making Mexico their permanent home, attracted by the climate and regulations that provide exemption from income tax for those on pension. I was told that such an expatriate can take into Mexico a reasonable amount of furniture without paying customs duties, and if they have a minimum income of $240 and are not working they do not have to pay income tax.

I should mention, before closing, that at the conclusion of the formal meetings between the two groups of parliamentarians, an invitation was extended by the leader of the Canadian delegation, the Honourable Speaker James Jerome, for Mexican parliamentarians to visit Canada in 1976.

I am grateful for having had the opportunity to visit Mexico, and I hope that the Mexican parliamentarians, whom we trust will accept our invitation to visit Canada next year, will find their visit to our country as instructive and pleasant as I found my visit to Mexico.

On motion of Senator Choquette, for Senator Flynn, debate adjourned.

The Senate adjourned until Tuesday, April 15, at 8 p.m.

# THE SENATE

Tuesday, April 15, 1975

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

Prayers.

## THE LATE HONOURABLE THOMAS A. CRERAR, P.C.

TRIBUTES

**Hon. John J. Connolly:** Honourable senators, Senator T. A. Crerar died in Victoria, British Columbia, on April 11 last. I know it was a very sad occasion for those in this house who knew him.

Senator Crerar last spoke in this chamber on May 25, 1966, just before his retirement. On that occasion he spoke on the Address in reply to the Speech from the Throne. He spoke for about 45 minutes without notes, with good material, a completely faithful memory and with vigour of voice. He was then just short of his ninetieth birthday. As a matter of fact, that afternoon was a unique occasion in that the three surviving parliamentarians who had been elected to Parliament in the general election of 1917 were in this house that day, and all of them spoke. In addition to Senator Crerar, there were Senator Power and Senator Vien. To add to the interest of the occasion, Senator Roebuck, who was with us at that time, also spoke. He, too, had run in that election but had been defeated.

In addition to those speakers, we heard from Senator Brooks, who was then Leader of the Opposition, and who had known Senator Crerar in the House of Commons since 1935 when they both came to Ottawa after the general election of that year.

It is unnecessary, of course, to repeat what was said on that occasion, but I think the Senate would want to mark the conclusion of the life of one of our former colleagues, who was truly a great Canadian stateman.

Senator Crerar would have been 99 on June 17 of this year. He was the senior Privy Councillor in Canada by many years. In fact, he was a member of the Privy Council for over 58 years. He was elected to the House of Commons on five different occasions between 1917 and 1940. He served in the Borden Government in the First World War as Minister of Agriculture. He served in the King Government during the Second World War in what ultimately became the Department of Mines and Resources.

He sat in this chamber for 21 years, between 1945 and 1966. He said in his last speech here that he liked the Senate better than the House of Commons, and he used this language:

> —the atmosphere is . . . more congenial to me.

I think this illustrates as much as anything can the rather non-political, non-partisan quality of Senator Crerar's character.

Honourable senators will know that he was the president of United Grain Growers for many years, with headquarters in Winnipeg. He had been the leader of the Progressives in the House of Commons in the twenties.

When Senator Power spoke that day in 1966, he used three adjectives to describe Senator Crerar's career. He said it was marked by integrity, honesty and conviction and he proceeded to illustrate what he meant. He said, for example, that Senator Crerar originally left Laurier to join the Borden government and after some time he left the Borden government because he disagreed with the tariff policy; he disagreed with tariffs not because they were wrong in terms of economics but because they were morally wrong.

When Senator Crerar came to the House of Commons as leader of the Progressives so many years ago, he was head of the second largest party in the house, but he would not accept the office of Leader of the Opposition. He was not interested in power. It was for that reason that Senator Power commended him for the honesty and integrity of his position.

Despite the fact that Senator Crerar had served in three different political parties, as Senator Power pointed out that day, there was never any cheap criticism of him based upon the proposition that he was a political trimmer.

Senator Crerar had one of the most cultivated minds ever to grace this chamber; it was fed upon the lore of the books in the great library in his home. I understand that in recent years he gave that library to the University of Manitoba. I hope that, as the "Crerar books," his library will be kept segregated because it could be used by future historians to determine the kind of mind Senator Crerar had, and the materials which went into the making of that mind.

Mr. G. K. Chesterton once said of the Christian ethic that the soul of it was common sense, devastating common sense. I think, honourable senators, that that is rather true of T. A. Crerar's approach to government and public policy.

Senator Crerar knew the grain business. He knew the problems of western farmers. He had a large view of trade. He understood the importance to Canada of world markets, and so he abhorred tariffs. He believed in honesty, in hard work and in thrift for individuals, and he had great confidence in the common sense and judgment of the common man. He believed in personal initiative and so, with alarm, would warn of the welfare state and its debilitating effects.

Out of his conversation there emerged a high moral sense and a complete acceptance of spiritual values. Yet there was no religiosity about T. A. Crerar. On the record he was a Presbyterian, but his public performance was not sectarian in any way. He was a great Christian. He revered Saint Paul. He liked to talk about Saint Paul, and in his valedictory he quoted a passage from the Epistle of

Apostle Paul to the Philippians, which I think might very well epitomize a good deal of his approach to life and his philosophy:

> —whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report; if there be any virtue, and if there be any praise, think on these things.

● (2010)

He used that passage particularly to refer to the kind of news comments that were emanating from the CBC at the time. It is hardly a bill of rights for the media, for the newscasters, but perhaps that is a sad commentary on the newscasters and the news media.

More than half of Senator Crerar's adult life was spent in public service, yet he had a keen business sense and was successful in business. When he was in his late eighties I played golf with him, and his game, even at that advanced age, was very respectable. Senator McIlraith can testify to that.

Above all, however, Senator Crerar was a Canadian. He was no stranger to any area of this country, or to the peoples or problems of those areas. I remember one time when he told me about a conversation he had had with Senator Meighen, after both of them had banked their political fires. They were discussing who was the greatest Canadian they had known in their time. It is rather revealing, I think, to know that Meighen nominated Laurier, and Crerar, who had been a great friend of Laurier's before he ever joined a political party, agreed.

Personally, I have great reason to be grateful to Senator Crerar for help, encouragement and advice when I first came to this chamber many years ago, and I am sure this is true of a great many other senators who knew him here.

He was truly a great Canadian, and his career can be an inspiration to future generations of young Canadians.

**Hon. Jacques Flynn:** Honourable senators, there is little I can add to what Senator Connolly has said about Thomas Alexander Crerar, who was, very simply, an outstanding human being, a man of extraordinary intellectual and administrative ability. He was one of an unfortunately vanishing breed of classical liberals who firmly believed that the government that governed least was best. He never ceased to believe that Canada was overgoverned.

His interest in politics was born of a concern for people and not for power. He was concerned with the welfare of Canadians in general, and with Canada's farming community in particular. He was so suspicious of power, as historians claim, that he turned down the opportunity of being Premier of Ontario in 1919, Premier of Manitoba in 1922, and, as will be recalled by everyone, federal Leader of the Opposition in 1921 when he headed the second largest group of members in the House of Commons.

Senator Crerar is a giant of Canadian history. He was a man of incredible depth, sterling principles, and ineffable strength of character. He was an individualist and a laissez-fairist who was firmly convinced that Canada's love affair with statism could do us nothing but harm.

In his last speech in the Senate, on May 25, 1966, Senator Crerar warned us against accepting some of the more popular economic heresies. He warned us against tolerating even 1½ to 2 per cent inflation per annum, as he so accurately itemized what would be the vicious consequences of continued high inflation. He worried about the welfare state and growing governmental bureaucracies.

Honourable senators, a great defender of freedom has passed away and all those who cherish personal liberty feel the loss profoundly.

I close by offering to his family, and to all those who felt a philosophical kinship for Thomas Alexander Crerar, my most heartfelt condolences. But since, in the Judeo-Christian tradition, death is not meant to be an occasion merely for sadness but one of hope, I leave you with this thought from Senator Crerar about society and government: "If we could intern the statesmen of the world for 10 years and chloroform the experts for 15, we might get back to normal."

**Hon. Raymond J. Perrault:** Honourable senators, I, too, rise to pay tribute to the late Thomas Alexander Crerar, who was, as Senator Connolly has noted so eloquently, Canada's senior Privy Councillor and a political figure for over half a century. He was a man of integrity, and one who never lost sight of the fact that Parliament has no money of its own to spend. There have been a number of quotations from Senator Crerar's valedictory in the Senate on May 25, 1966, and as part of that valedictory he said, and I quote him directly:

> I am old-fashioned enough to hold the view that no government should take a penny out of the taxpayers' pockets that it does not need. I say that there is no greater obligation resting upon a government than that of conducting its business prudently so that it spares the taxpayers these burdens as far as possible.

He was a kind man and a man who held strong views, but these views were born of his desire to see this country the Canada that he believed it could be.

Senator Crerar was very much a man for all seasons, a man to be admired by Canadians everywhere and of all political parties, and we are the poorer for his passing.

## CONFLICT OF INTEREST

### REFERRAL OF GREEN PAPER TO STANDING SENATE COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS— QUESTION OF PRIVILEGE

**Senator Croll:** Honourable senators, I rise on a question of privilege arising out of a motion passed by this house on Thursday last.

Last Thursday, April 10, when I was not in the house, the following motion was passed:

> SENATOR PERRAULT, with leave of the Senate and notwithstanding rule 45(1)(e), moved:
>
> That the Green Paper entitled "Members of Parliament and Conflict of Interest", tabled in the Senate on Wednesday, April 9, 1975, be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Rule 45.(1) reads:

> One day's notice shall be given of any of the following motions:

Then, under (e) we find the following:

for an instruction to a committee;

The motion was passed without discussion and without debate, and at the present time it is stored away in the Legal and Constitutional Affairs Committee of the Senate for a period of at least six weeks, if not longer, because of the great number of matters which that committee still has to deal with and which have already been arranged for. I merely bring this point to the attention of the Senate to indicate that for some reason or other there was an urgency which I do not understand.

For three months, to the knowledge of this house, the leader has resisted my requests for such a committee. I indicated my displeasure again recently, and on Wednesday last he told me that he would introduce a motion to establish such a committee within two weeks. I agreed with that course. I then sent him a copy of a notice of motion that I was prepared to introduce some time before the end of the month, and it would naturally follow that I would be speaking to that motion if I hoped to get any place at all with it. Nevertheless, without a word to me, and after he spotted my absence from the house on Thursday—and Thursday, honourable senators, is normally a quiet day and I must confess a day when I am rather tired and try to get away early—he introduced this motion and it was expeditiously passed.

● (2020)

In doing so he deprived me and others of an opportunity to discuss so important a motion as the conflict of interest which has plagued this Senate for generations. He knew I would speak to it and he had a fair idea, in part at least, of what I intended to say on the floor of the Senate and what needed saying. So, I rise on the question of personal privilege in part because I am concerned, because of the urgency, which is unexplained, that an attempt may be made to load the committee and deprive me and perhaps others of the right to speak. I wanted to speak because I felt it was a scandalous situation that the Chairman of the Standing Senate Committee on Banking, Trade and Commerce, in making an advance study of the Combines Investigation Act, in which there was surely a conflict—

**Senator Walker:** Well, there is certainly a conflict now. You are out of order. This is a question of privilege and you are not entitled to debate it.

**Senator Croll:** I am not debating it.

**Senator Walker:** Oh, no? You are making a speech which you should not make, and we should have a ruling.

**Senator Croll:** I am stating on the question of privilege that this is what I wanted to say and was deprived of saying it.

**Senator Walker:** Let us have a ruling.

**Senator Croll:** In 1963 the Atlantic Sugar Refineries Limited—

**Senator Walker:** Madam Speaker, this is a question of privilege and with the greatest of respect I submit to you that we should have a ruling. My submission is that this is not a question of privilege and the honourable senator is entirely out of order. He is making the speech that he wanted to make and was not here to make. He had an opportunity to do so at that time if he had been here, and this is no time to make it. He knows that I have no axe to grind here. He is out of order and he should take his seat and wait for the ruling.

**Senator Croll:** I am not making a speech at all. I am bringing to the attention of the Senate a few matters, which will take me a few minutes. The speech I will make at another time, in another place.

**Senator Riley:** Honourable senators, I rise on a point of order. As Senator Walker said, this is not a question of privilege. Senator Croll is definitely making a speech, and an argumentative speech, too.

**Senator Perrault:** Honourable senators, further to that, I rise on a point of personal privilege. It is utterly in contempt of the Senate to impute motives to any member of the Senate. A number of statements have been made with respect to my alleged conduct and the actions taken by me, which defy every parliamentary tradition.

**Some Hon. Senators:** Hear, hear!

**Senator Perrault:** I do not intend to stand in this house and listen to this said by Senator Croll. Senator Croll had every opportunity to be here on Thursday, together with other members of the Senate. He chose to go home to Toronto. The fact that he did not have an opportunity to speak at that time is not a responsibility which rests on the Leader of the Government in the Senate nor, indeed, on any other senator. I do not intend to stand here in this place to listen to a diatribe of the type to which we have been subjected.

**Some Hon. Senators:** Hear, hear!

**Senator Croll:** Honourable senators, I made it quite clear that the Leader of the Government hurriedly asked that the rules be waived in order to pass the motion on that particular day, when there was no other business. There was no other business and it was, of course, granted to him. There was not the slightest reason for it, and there it is on the record.

**Some hon. Senators:** Order, order.

**Senator Walker:** Sit down. You should be ashamed of yourself.

**The Hon. the Speaker:** Rule 33 reads as follows:

> 33. When a matter of question directly concerning the privileges of the Senate, of any committee thereof, or of any senator, has arisen, a motion calling upon the Senate to take action thereon may be moved without notice and, until decided, shall, unless the debate be adjourned, suspend the consideration of other motions and of the orders of the day.

**Senator Croll:** Honourable senators, I do not quite understand what the ruling is.

**Senator Walker:** Go back to Toronto and think it over.

**Senator Croll:** I thought it over before I presented it. I do not quite understand the ruling that has been made by the Chair.

**The Hon. the Speaker:** Does the honourable senator have a motion?

**Senator Croll:** I have no motion. I do not know that there is any need for it.

**Senator Walker:** Perhaps before my friend continues, he should apologize to the house.

**The Hon. the Speaker:** Does the honourable senator have a motion to move? Does the honourable senator want to move a motion?

**Senator Croll:** No, I do not want to move a motion.

**Senator Walker:** Then sit down.

## EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that messages had been received from the House of Commons to acquaint the Senate that the name of Mr. MacLean has been substituted for that of Mr. Baker (Grenville-Carleton) and that the name of Mr. McCleave has been substituted for that of Mr. MacLean on the list of members appointed to serve on the Special Joint Committee on Employer-Employee Relations in the Public Service.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Caccia has been substituted for that of Miss Nicholson on the list of members appointed to serve on the Special Joint Committee on Immigration Policy.

## 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-34, to amend the Farm Credit Act.

Bill read first time.

**Senator Perrault** 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.

● (2030)

## FORT-FALLS BRIDGE AUTHORITY 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-367, to amend the Fort-Falls Bridge Authority Act.

Bill read first time.

**Senator Petten** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## THE HONOURABLE DAVID WALKER, P.C., THE HONOURABLE DANIEL A. LANG, THE HONOURABLE J. CAMPBELL HAIG

FELICITATIONS ON RETURN TO CHAMBER

**Senator Perrault:** Honourable senators, before tabling certain reports and documents, I want to comment on the presence in the chamber this evening of three senators who have suffered ill health in recent weeks.

We are delighted to see Senator Walker, Senator Lang and Senator Haig restored to their usual buoyant good health.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of statements on the Economic Situation and on The Consultations on Inflation, made by the Minister of Finance to the Conference of First Ministers, held in Ottawa April 9th and 10th, 1975.

Copies of Report by the Minister responsible for the Canadian International Development Agency on Canada's Food Aid Program: Allocations for 1975-76, dated April 11, 1975.

Report of the Independent Review Committee on the Office of the Auditor General of Canada, dated March 1975.

## INDUSTRY

CANADIAN TEXTILE PROBLEMS—DEBATE ADJOURNED

**Hon. Paul Desruisseaux** rose pursuant to notice:

That he will call the attention of the Senate to Canadian textile problems.

He said: Honourable senators, I want to make it clear, first of all, that I am not connected in any way, shape or form with the Canadian textile industry.

[*Translation*]

Honourable senators, after having given notice to the Senate, some three weeks ago, that I would speak today on the problems of the Canadian textile industry, I read an editorial in the *Gazette*, which I feel is slanted, on the hoped-for systematic disappearance of the textile industry in Canada. This article was followed by a rebuttal from Mr. Allan D. Gray, also published in the *Gazette*, on April 8, 1975, under the heading: *The Case for Textile Protection*, as well as by a new editorial in the *Gazette* which corrected some of Mr. Gray's data.

I therefore feel totally at ease this evening in speaking to you about this important matter of current interest.

The protection often required by this industry, which is extremely sensitive to all economic reactions, is given explicitly to all the signatories to the 1973 General Agreement on Tariffs and Trade more commonly known as GATT. In fact, they specify in detail what means the member countries should resort to in the fight against the dumping of foreign textile and clothing. I shall come back to this when I discuss generalities.

I will here and now state the position of GATT in an area which seems to fit well into our needs, and I quote:

> In the case of those countries with limited markets, and an exceptionally high level of imports and a low domestic production level, special care will be required to avoid any harm to the minimum viable textile production of those countries.

In 1970, a new policy was introduced by the then minister, the Hon. Jean-Luc Pepin, and I quote:

> In order to take into account the vast complexity of our domestic and international interests.

That program was the result of a long study of the Canadian textile and clothing industry. That philosophy was to prevail in our agreements in those areas. Mr. Pepin then declared, and I quote:

> The aim of that policy is to create conditions allowing for the progressive development of clothing and textile industries within production conditions which will remain viable in a context of growing international competition.

Need I recall our political pledge to support Canadian ownership of Canadian businesses, and the fact that the vast majority of textile industries are under Canadian ownership, and that the percentage of Canadian ownership in clothing industries virtually amounts to 100 per cent?

According to Mr. Gray's article, less than 90 per cent of our textile imports do not fall under restrictive control. Only 10 per cent of those imports come from the Far East and from behind the Iron Curtain.

Imports from the United States and Europe are subject to the protection of ordinary tariffs.

If we consider the total imports on a per capita basis, we find that Canada's tolerance is the highest in all industrialized nations. Our per capita import basis in 1973 was $1,050, compared to $875 in West Germany and $300 in the United States. The latter is, in fact, the lowest.

The international trade deficit, by the way, went up from $709 million in 1973 to $876 million in 1974. The deficit in clothing trade, for its part, climbed from $244 million to $323 million. Seventy-five per cent of textile companies employ fewer than 100 workers, while the total of jobs depending on them is about 189,000.

Statistics Canada reported last October that the average wage paid in the textile industry is $3.53 an hour, and $3.04 in the clothing industry, a very low average according to our standards.

I shall speak, in a moment, about the massive flood of certain textile products on to the Canadian market at prices inferior to the domestic cost price.

● (2040)

[*English*]

The textile industry is a basic and essential industry for any industrialized nation. As an industry in Canada it is very unstable. Nevertheless, its disappearance would be economically disastrous. A large sector of Canada would be deeply affected. Our textile industry is in want of better government support. The high standard of living set in our country has resulted in high textile production costs. In spite of our automatic machinery and our high productivity, we are no longer competitive on the world textile markets. All our Canadian ingenuity and innovation can no longer assure us of the necessary competitiveness against a constantly increasing inflow of textile imports. The Canadian textile industry has consequently lost an important part of its domestic market to cheap imports, and it has now become a very sick industry.



In the Canadian concept we would not normally allow such things to happen to most of our industries. I now ask whether the textile industry is treated with fairness through our present textile policy. Do we not disregard the employment it gives Canadians in normal times under normal conditions? Has the government decided to sacrifice most of the divisions of the textile industry for international trading possibilities? These are but a few of the questions that now need to be answered.

At the outset, let me say that I was born and raised in the District of Wellington, which I have the honour to represent here. It covers a good section of the Eastern Townships, a well-known textile area. From my earliest years I have heard there about the complex Canadian textile problems. I have seen some of our regional federal representatives dramatically abandon their political allegiance and their party because of the Canadian textile policy of those days. The area in which I live has suffered more, and for longer periods of time, from unemployment than, I believe, any area in Ontario or in the West. Our regional unemployment average has been, and still is, much higher than the national average.

The Canadian Textile Commission, established some five years ago, had a definite mandate. It was to find ways to help our textile industry survive and expand. I have studied the textile reports that were released last February. The comparative cumulative textile import figures over the last three years explain to a large extent the current prevailing textile situation. These reports of the Canadian Textile Commission were requested by the Honourable Alastair Gillespie in 1974. All parties interested in some phases of the textile situation were given the opportunity to present their briefs and discuss their views. A most important joint brief was presented to the commission by the Canadian Textiles Institute, the Canadian Federation of Textile Workers, the United Textile Workers, the United Textile Workers of America and the Union of Textile Workers of America. Some hearings were *in camera*, to permit supplementary explanations from one and the other, but the aloof conclusions and recommendations did not, in my opinion, consider thoroughly the effects of the government's textile policy, or the pleas and recommendations of the textile workers and the textile industrialists.

It remains a fact that the Canadian textile industry is sick. The Canadian Textiles Institute blamed the flow of textile imports that were increasing and absorbing the market—the result of a policy that was letting in, much too freely, imports to be sold in Canada, in some cases at prices below the Canadian costs of raw material alone. The Canadian producers represented that they would have to restrict their operations and release their workers at an ever-increasing rate, in spite of a serious reduction in the normal working hours, and that they would have to put off any further capital investment in the textile field. The institute mentioned data that were controllable, showing the actual low rate of utilization of their production

capacity, the disquieting dwindling of textile orders necessary to keep the plants open, and the high inventory build-up that had to be disposed of before work could be resumed for a good percentage of their workers.

In admitting that problems also existed elsewhere, the institute underlined that no other important industry here had to face such competition from imports arriving on the Canadian market at prices below those of two or three years ago, and somewhat startling but incontestable evidence of wholesale dumping of foreign textiles at depressed prices. I thought the point was well made by the Canadian Textiles Institute that the primary cause of the problem of the textile industry was not so much the diminishing demands for textiles from the Canadian consumers—this was shown by evidence of the total retail sales figures of domestic and imported textile products—as the resulting effects of disturbances in the market caused by dumped foreign textile products at exceptionally low prices. Three textile unions expressed concern that such large quantities of textiles should be allowed to be imported so easily at depressed or low prices. They were further concerned that such importation was causing unemployment in concentrated areas, particularly in Quebec in the Eastern Townships. They stated that from January 1974 to January 1975 it had been necessary to lower by 15 per cent the employment rolls of Dominion Textile. More recent figures show an even greater drop.

● (2050)

On January 24, 1975, Dominion Textile announced that it would have to close 14 of its production plants for one week and that, as a consequence, many of its employees would be jobless for an indefinite period of time owing to the prevailing situation in the textile industry. Figures taken from manpower centres in the affected areas substantiate most convincingly the fact that there is a very high rate of unemployment among textile workers in those areas.

An examination of the statistics having to do with polyester and cotton-mixed tissues—an area which reflects the entire pattern for all divisions—will show that textile imports in this division alone increased from 7,551,000 pounds in 1971 to 16,062,000 pounds in the 11-month period from January to November, 1974. With those statistics in mind, how could anyone then say that textile imports have not been large or that the increase has been negligible, has not required any immediate action or has been merely a small percentage of the division's production?

On the contrary, in my opinion even an importation percentage figure of 4 per cent of the production in any textile division is likely to create in Canada a noticeable and disturbing unemployment situation among textile workers. And the point is that at the present time textile imports comprise far more than 4 per cent of the industry.

Honourable senators, with this background in mind let me tell you that the Textile Commission simply rejected the demands, representations and recommendations it had received from the unions. It could not be convinced that importations were the principal cause of the problem; nor did it have any counterproposal for correcting other problems that it could obviously see existed. It was the commission's stand that the violent rises in prices of raw cotton and the substantial differences in prices of certain fibres had been the principal causes of the disturbances. That position is, of course, repudiated by the facts presented by the Canadian Textile Institute.

Of course, the commission admitted that when goods become scarce, the accumulation of inventory does play a part in these problems, but some analysts prefer to believe that the problem is caused to a far larger extent by the wholesale importation of cheap textiles which can compete beyond any degree of fairness. However, the commission made no mention of the major role played by the importation of cheap textiles other than to say it did not consider itself justified at the present time to apply any special measures with relation to textile imports. Indeed, in its report on polyester fibres, dated February 6, 1975, it proposed only selected measures for the improvement of the situation.

With respect to the other important divisions of the textile industry, the commission recommended in its report that measures be taken to assure that in 1975 textile imports from certain countries should not exceed the specified limits, which, in any event, were most generous. Indeed, the commission did not consider it appropriate to apply surcharges to imported products when such imports were subject to limited quantitative importation.

On page 18 of its report, the commission set out the limitations for countries in which the limitations had been set very high or had been left entirely up to the decision of those making trade arrangements with the particular countries.

In its report on polyester and cotton tissues, the commission recommended that imports be watched closely. It pointed out that those imports on which there had been no curtailment of entry had doubled between 1971 and 1975.

On January 22, 1975, the commission published its report on the inquiry on sheets and pillows, but that report contained no other recommendation than that surveillance should be maintained. In answer to the pressures, representations and recommendations of the concerned workers, textile labour leaders and textile producers, the Minister of Industry, Trade and Commerce made an important statement on March 6, 1975. For anyone concerned or affected by the federal textile policy of the last few years, that was an amazing and, yes, even shocking statement. There are those who found it downright hostile and defiant. It plainly rejected the textile industry's appeals and recommendations. It simply refused to consider the textile workers' recommendations. It flatly refused to help inhibit the highly competitive dumping of imports. Rather, it called on the industry to be more efficient and innovative—as though the industry had not been completely efficient and innovative in these last few years in its continuous fight to survive.

The minister stated that the government would seek to renew and to extend the troublesome existing export restraint agreements with supplying countries—the precise policy that was being attacked so severely—because the government assumed that those agreements were contributing to the instability in textile production and because the government felt that they were grossly overgenerous in this present economic regression.

● (2100)

The minister announced that his department would indeed monitor a wide range of basic imports to watch for violations of what the textile industry believe to be restraint arrangements of too limited a character. The minister refused to consider establishing import quotas or urging restrictions on textile imports. He rejected the recommendations of the industry that the market situation may become critical, and this in spite of the present public knowledge of wholesale textile unemployment figures that ran sometimes as high as 25 per cent. Many in the industry felt it was a judgment of clear condemnation on at least six primary textile products, and on the sheets and pillow cases range of finished products. I could not agree with this judgment.

The commission's negative rulings on one of the reports will now have the effect of removing restraints against imports from nine Asiatic and East European countries.

The commission, on whose reports the minister had based his statement on textile policy, is the very body that had been set up five years ago to advise the government on ways to improve the textile industry. This commission gave the distinct impression to many of those affected by this situation of having worked in reverse, and having sought ways to admit cheap imports more widely, by allowing dumpings of textiles at depressed prices, and establishing most generous import quotas in a time of crisis within the industry and in a time of a general regression in the national economy. There is really very little in the decisions and recommendations of the commission that showed a deep concern for the survival and improvement of the industry.

One of the rare constructive recommendations made by the commission in the case of polyester yarns was to impose a tariff surtax to help the industry in fighting imports dumped at depressed prices, but the government rejected it flatly. It would have run against the textile policy used in making our trade arrangements. The minister said the government would watch import trends in the market in the case of polyester cotton. There were, however, no commitments to take corrective action wherever necessary in that textile division that would help the industry.

The minister repeated the statement, "Because the textile board found no damage to Canadian industry from U.S. imports, Canada is obliged under its international trade agreements to end all quota restraints negotiated with Asiatic and Eastern European suppliers of low cost, lower quality sheets and pillow cases." I will comment here that this appeared to me somewhat incomprehensible as a policy to help the textile industry. Will this now fully open the floodgates? Whoever introduced these most unfavourable and awkward guidelines to our already unsatisfactory textile policy, by which Canada finds itself handcuffed and enslaved, did us a great disservice. Some have said, more harshly, it was pure stupidity in action.

The minister said that the government considered trade obligations and consumer interests in making its decisions. How are these now to be weighed and valued? Without denying any good intention in the goals of the minister, whom we recognize as one of our hardest working and sincerest ministers, after reading the evidence contained in the briefs and in these reports I find this quite hard to swallow. It was more like the kiss of death to the worried laid-off textile workers—anyone who does not believe me can ask them—who had been expecting the support and help of the government in regaining the employment taken away by the government's disadvantageous textile trade concessions to a large number of countries.



Critics are saying this commission made absolutely no constructive and positive recommendations, and submitted, instead, to textile policy guidelines which in no way help the industry out of its troubles. In no way could its imposed submissive and limited consideration assist the industry in its fight for better competitiveness.

Union critics, on their side, are claiming that the commission's decisions leaned heavily toward the eventual actual dismemberment of the Canadian textile industry by favouring so freely the wide and massive admittance of dumped low-priced textiles to favour some foreign trade possibilities.

More accurately, the commission's decisions have, in fact, lost thousands of textile workers their jobs, and created wholesale unemployment in the area where the industry is principally located. Assuredly, the government's textile policy is now forcing the federal manpower division to find other jobs for the unemployed textile workers, to organize more retraining, and to provide for more movement to other fields of work, with the consequence that more Canadians will be in the available labour force at a time when that is surely not required or called for. To me, any policy leading to these consequences is totally unacceptable, unsatisfactory, unwise, negative and even destructive.

My own appraisal is that the actual treatment of Canadian textiles through the enforcement of what appears to me, to say the least, to be a biased textile policy, should have been the main target of the commission's attack, and its main object of correction. A greater effort towards correcting the industry's problems should have preoccupied this commission. Frankly, this was not the case.

Up to now, this policy respecting textiles has produced deep concern among textile producers, and resulted in the wholesale unemployment of textile workers. It is mostly responsible for the resulting economic disadvantages to a large sector of Canada. It failed to reach the constructive objectives it had said it wanted to reach. It did not hold down the prices of textiles for our Canadian consumers as it was supposed to do. One has only to compare our textile retail prices with those of our neighbour. It has not justified the admission of the allowed cheap textile imports. It has caused damages to the textile industry which will be very difficult to repair.

● (2110)

I find that no favourable comments can be made on the government's textile policy of the last decades. To me there is an apparent betrayal of the commission's well-defined purpose and mission, which was to help assure the survival and development of our Canadian textile industry, to find ways and means to help, not to hurt, the textile industry of Canada.

I must reserve my personal comments on the extraordinary stand and the noticeable aloofness of the minister's comments on textiles, because he stated he had to rely on the commission's recommendations. I fail to comprehend why it was not observed that the present textile policy was hurting Canadian textiles quite deeply and was working systematically toward the destruction of some of the industry's divisions.

I am stunned to see the government on the one hand help generously by grants, subsidies and export assistance facilities our Canadian agriculture, our commodities producers, and our manufacturers generally, while at the same time rejecting nearly every one of the joint recommendations of the textile workers and textile producers which had the clear purpose of stabilizing the industry's production, of assuring greater employment for our textile workers and of reaching the higher necessary productivity.

After a brief review of the textile imports allowed by other countries of the world, I believe, with some of the analysts, that Canadian textiles can be much better protected and the industry can be expanded without injury to our normal trading arrangements. Intelligent controls by import quotas, improved restraint policies, realistic dumping policies that can be adhered to in the trading arrangements would have contributed so much more to the advancement and to the prosperity of all connected with this basic industry.

I now say to you that the kind of treatment given textiles invites the displeasure of those adversely affected by it. The job could have been much better done, but it was not.

Let me deal briefly with the kind of work done that can eventually destroy certain divisions of the Canadian textile industry. The allowed limit under the present textile imports policy of shirts priced at less than $30 a dozen, or at $1.25 a shirt, is now over 15 million. We are now importing 15 million shirts a year in that price range alone. Now, who among those responsible for this allocation could make you or me believe that such imports do not cause damage to our Canadian textile industry, to its productivity and to its workers, in these days of economic adversities and recession? Who among those responsible for this obvious mess would make anyone believe that this does not contribute directly and importantly to the highest rate of unemployment in the industry and one that finds no duplication anywhere at this time in our industrial world? I condemn strongly the stand we are taking in this connection. As a citizen, I resent the disregard shown the recommendations made by the textile workers and the producers.

There are other fields I could mention of harmful and negative import policies that affect adversely important industrial fields and our Canadian taxpayers. They are all based on the same kind of thing.

**Senator Bourget:** Would the honourable senator permit a question? I am very interested in the problem as raised, but I have been wondering throughout the discussion if perhaps GATT has something to do with this situation, and if the actions of the government were not limited by GATT in certain circumstances.

**Senator Desruisseaux:** They are, but to me it is important that the government should establish the policy that we need—and that was mentioned briefly in the quotations I gave from the Honourable Jean-Luc Pepin—and that the policy should be based so as to protect the textile industry in Canada where our production is small and the imports are large. However, I shall be speaking further on this point. But the government is responsible for GATT just the same as any other government would be in a similar situation.

**Senator Bourget:** But I was wondering if in the circumstances the government was taking any action; if not, then the government should be blamed. On the other hand, I thought that under GATT we had some general agreements on tariff and trade and so we had to go along with GATT.

**Senator Desruisseaux:** This was not the question; it was an argumentation. I will answer in this way: When the GATT arrangements were made, they were discussed and they were made to serve the country as much as it was possible to do so. In my view they failed in the case of textiles, and I believe that the whole situation of the textile industry is looked at as being an inferior one and one that we must get rid of. I mentioned the editorials published in the *Gazette* condemning the textile industry and saying we should drop it or "phase it out," as they said. But that is not my opinion, and it is particularly not my opinion when it concerns a large section of Canada, and it is not at all my opinion when it concerns my own area where we find unemployment running higher than it has for years, and where it is running higher than anywhere in Canada. This is so because the textile industry is the principal industry in our area.

● (2120)

**Senator Bourget:** Mind you, I am not against you.

**Senator Desruisseaux:** I am not saying you are.

**Senator Bourget:** I am just asking a question to find out the exact reasons.

**Senator Desruisseaux:** You asked the question and I gave my answer.

**Senator Bourget:** Yes, thank you.

**Senator Desruisseaux:** Do you wish me to clarify it further?

**Senator Bourget:** No, it is quite all right.

**Senator Desruisseaux:** I condemn strongly the stand we are taking in this connection. As a citizen, I resent the disregard given the recommendations made by the textile workers and producers. There are other fields I could mention of harmful and negative import policies that affect adversely important industrial fields and Canadian taxpayers. I will only mention sheet glass, in which I must say to you I have some interest, being a director of a glass company.

The import policy and the present trading arrangements policy of the government—this is GATT—finally forced the recent closure of a large Ville St. Laurent glass plant, again situated in my province, and reduced the production in the other glass plants in Canada. True, the reduction in the construction industry played a part in the reduction of

glass production but, bitterly, what hurt more were the sharp increases of glass imports allowed through our trade arrangements with countries to whom Canada extended the benefits of the generalized system of preferences at the worst time. There was a known worldwide surplus of flat glass, of which the department had been pre-warned by the industry; there was a recession under way which was recognized by all economic advisors to the government; and there was reduction in the Canadian construction industry and a known general increase of all imports of flat glass. The glass industry had no alternative but to close the Ville St. Laurent plant, resulting in a loss of 800 jobs for Canadians, because of the refusal of the department to consider the glass industry's briefs and the decision to ignore the warnings and recommendations of the industry.

Possibly, as my good friend Senator Bourget mentioned, it could have been because of the GATT arrangements, but my point, which I will not allow anyone to persuade me to forget, is that the GATT arrangements are our arrangements. If we did not want GATT, we could have made some exceptions for Canada.

The briefs had advised the department that the combined effects of the unfavourable factors enumerated would result in a steadily worsening position on orders received during the last half of 1974 and that in the last three months of the year the orders of this firm dropped by 58 per cent over the comparable period of 1973.

In July 1974, in spite of the industry's warnings, the government enacted legislation which we, of course, passed: "To fulfil Canada's obligation under the generalized system of preferences to developing countries." The partial result of that has been to eliminate completely the tariff on sheet glass imports into Canada from some 140 eligible countries.

During the five-month period between July and November 1974, thin sheet glass production declined by 17 per cent, and that company's share of the market declined from 61.1 per cent to 56.7 per cent during that same period. Imports increased their share of the market from 38.8 per cent last year to 43.3 per cent during July through November 1974. In particular, duty-free imports from countries eligible for the general preferential tariff have almost doubled in market share to 12.4 per cent since the tariff has been eliminated, compared with 6.4 per cent during the corresponding period last year. The high cost of fuel and our increased scale of wages and generous fringe benefits, combined with the further high cost of ingredients, at a time of recession, are making the Canadian glass industry and many of the other industries very unstable, with no protection against import abuses.

**Senator Thompson:** May I ask the honourable senator which countries are the major competitors in sheet glass?

**Senator Desruisseaux:** I could give one example, which I believe is the most remarkable. It is one that has arisen recently. I refer to Romania, which is behind the Iron Curtain. They are shipping glass to the West, and when it arrives in Montreal it is farmed out to the markets that we have in that area. Of course, that Ville St. Laurent plant was of no more use, as it could not compete with those prices. However, there are other countries from which we obtain glass, and the fact that we lifted the import duties made it more competitive. Also, the fact that we pay more in wages and for ingredients come into play, together with the cost of transportation.

[Senator Desruisseaux.]

**Senator Thompson:** I was thinking that the cost of transportation would be much higher.

**Senator Desruisseaux:** It is not at the moment. They compete very easily at their prices. There is now a world surplus of flat glass and if they dump it on the market and are allowed to do so, as they are, it really competes. It makes it hard to compete with them; it makes it hard to maintain capacity production; it makes it impossible to reach high productivity. The competitiveness which is necessary is gone; there is no possibility of it.

● (2130)

The glass industry now has to meet duty-free imported products from, in some instances, countries behind the Iron Curtain. My reference was to Romania.

**Senator Bourget:** And Czechoslovakia.

**Senator Desruisseaux:** I would assume so. I do not know the quantity. I know the Romanian situation. They were warned of it. They could not do much. The whole philosophy is what I am trying to get at, and I will, I hope, with your permission.

The glass industry now has to meet duty-free imported products produced, in some instances, in countries behind the Iron Curtain under totally different conditions on a forced low-cost basis, as is the case of the glass imported from Romania.

If we want to preserve what industrialization we have established in Canada by hard work, I personally believe that among other things it will be necessary to review the types of crude policies we are using, which give benefit to all other countries but which keep imposing taxes and expensive conditions on Canadian industry.

In my view, there cannot be employment security and progress in Canada on that basis, and I suggest that we will have to stop making those kinds of mistakes and work alongside industry more than we do now. In other words, if industry had been consulted at the right time, some of these things would not have happened.

[*Translation*]

It is now time to review the Canadian textile policy which is harmful and jeopardizes our economic life, the stability of employment of textile workers and the very survival of an industry which in my opinion should remain an essential Canadian industry, which centers in the important area of the Eastern Townships, and expressly relies on its good performance for a normal and acceptable economic life, as generally happens with prosperous Canadian regions.

Of course, like anybody else in Canada our textile workers are entitled to employment protection and stability. For over fifty years, and in unparalleled proportions, Canadian citizens in my area have suffered from insecurity and instability of employment resulting almost entirely from the textile policy which was and still is unfair, and frequently hostile to them. Today, I can feel to what extent citizens in my area are really fed up with the periodic resulting changes, which for decades have slowed them down, kept them back, disadvantaged them with

respect to salary scales, as well as the number of weekly employment hours, because they sacrificed them to enable the textile industry to better fight the actual flood of imports allowed by our Canadian policy—textile imports at bargain prices with which no one in Canada can in any way compete. As a result of this, they place us, unjustly perhaps, in lower economic brackets and classes than those of other Canadians who do not have to face such hostilities in their industries or jobs. It is with sadness that I heard a few days ago blame being put on the textile policy for steering young textile workers of this country towards separatism because they did not see in the federal textile attitude any hope of being fairly treated, of being treated on an equal economic basis with other Canadian workers; any hope of receiving, not rebuffs as they just did from Ottawa but more humane consideration of the problems affecting them economically and socially; any hope of being heard like others on the constructive recommendations they make. Indeed, in their representations and recommendations they remained totally realistic—more I would dare say than those before whom they voiced their grievances.

Honourable senators, I suggest that we in this federal government, this central government, have to take responsibilities towards our textile workers and producers. It is our textile policy that so adversely affected the people in my area, that was detrimental and hostile to them. The Canadian textile policy now contains the element of systematic destruction of that industry, an industry which did seem essential to Canada and certainly to the normal economic life in a whole area of this country, the Eastern Townships.

In the face of industry shut-downs, of thousands of unemployed textile workers, of the help needed to partially compensate unemployed textile workers, of federal assistance to an unsatisfactory regional economy, the people responsible should understand the inherent and far-reaching errors in that kind of policy, the results of which are self-evident to our people.

How is it possible for a federal commission, whose aim is to help the textile industry solve its problems, to find in Ottawa that generally there is no evidence that the textile industry is harmed by massive imports causing a high rate of unemployment?

A policy that does not care for the evident difficulties caused mainly by its guidelines is bound to result in the methodical destruction of that industry's production and high productivity rate.

Mr. Gillespie, with his apparent high intelligence and learning, is thought by our people to have been duped by an old theory of 50 years ago that never could prove itself in the Canadian textile industry. He should not therefore expect to receive high marks, in my area, for the formulation of his views on our textile problems, on whose solutions we so narrowly depend for our economic and community welfare.

As it is getting late, I will not talk about the GATT situation.

How is an agreement like GATT made? We have certain concessions to make and we want concessions from the other countries.

I believe that it is wrong to concentrate on textiles, as we are doing, when this affects an important area in the province of Quebec—a large area of Quebec—to obtain concessions that will apply generally.

Economically, this makes no sense, and this is why I am saying that the Senate could still be of use by examining realistically in a committee, or even a subcommittee, the major problem of textiles in Canada, our national textile policy in our dealings with other countries as concerns dumping, its effects and consequences on the industry and the economy in general, our policy of tolerance, of massive flooding of imported products admitted on our market at depressed prices, as well as the means to help more efficiently and directly our textile industry. It would still not be too late to rectify certain wrongs and to give back to Canadian textile the vitality of a normal and efficient economic production which would allow it to set more competitive prices and would ensure its survival and general prosperity, especially in my area, the Eastern Townships.

● (2140)

[*English*]

On motion of Senator Deschatelets, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, April 16, 1975

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

Prayers.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Orlikow has been substituted for that of Mr. Brewin; that the name of Miss Nicholson has been substituted for that of Mr. Caccia; that the name of Mr. Gray has been substituted for that of Mr. Guay (St. Boniface); and that the name of Mr. Caccia has been substituted for that of Mr. Prud'homme on the list of members appointed to serve on the Special Joint Committee on Immigration Policy.

## LIBRARY OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Fairweather has been substituted for that of Mr. Jelinek on the list of members appointed to serve on the Standing Joint Committee on the Library of Parliament.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the Export Development Corporation, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1974, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, Chapter F-10, R.S.C., 1970.

## FARM CREDIT ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. A. Hamilton McDonald** moved the second reading of Bill C-34, to amend the Farm Credit Act.

He said: Honourable senators, Bill C-34 makes a number of changes in this particular act in order to meet the long-term credit needs of our farmers in the late 1970s. The act was originally passed in 1959. Since its inception it has made approximately 120,000 loans to farmers across Canada for a total of approximately $2.75 billion.

The number of the loans and the amount of money involved are a sufficient indication of the need for this particular piece of legislation and of the good it has accomplished in the agricultural community of this country. The record of repayment of the loans is an indication of the desire of Canadian farmers to take loans from the national government and, to some extent, is an indication of their ability to meet the obligations of these loans. Certainly, the record of payments shows that there has been a loss of only four cents per $100 since the program came into being.

There is no doubt, therefore, that the act as presently constituted has helped many young people enter farming activities in Canada since 1959. However, I believe the record indicates that despite the fact it has been helpful, in its present form it is not able to cope with the problem that exists in 1975.

Five years ago, 35 per cent of those farmers who made loans under this act were under 35 years of age. Last year, 53 per cent, or nearly 5,000 loans, were granted to borrowers under 35. In other words, the number of young farmers that are able to borrow under the act has been increasing, which is a desirable thing at a time when the need for food, not only at home but abroad, is constantly increasing. It seems to the department, and it should be obvious to all of us, that there is a necessity to attract more younger people into farming activities across Canada.

There are three main provisions in the amendments before us in Bill C-34 which will help young farmers.

The first provision makes it possible for the maximum loan for farmers under 35 years of age to be increased from $100,000 to $150,000. This is because of the ever-increasing value of land prices, and the increased cost of livestock, machinery, buildings, and all capital assets necessary to a modern agricultural enterprise. Not only are capital costs increasing very rapidly, but farm operating costs are also increasing due to the tremendous increase in the price of such items as fertilizers, weed sprays, chemicals, wages, and municipal taxation. And, of course, as operating costs increase, less and less profit is left to put into the capital structure for a farm. This is the reason that we are seeking, in the first amendment in this bill, to increase the maximum loan to farmers of 35 years or under from $100,000 to $150,000.

Some people have suggested that we ought not to put an age limit on the increase in this maximum loan. Undoubtedly, there are people over 35 who could use additional credit. However, it is the feeling of the department, and I agree with them, that we must attract more young people into the farming business throughout Canada, and these young people find it much more difficult to raise capital than the farmer who has been farming for a few years and has built up some capital assets. If you were to make this provision available to groups of farmers regardless of their age, you would be defeating the efforts of the department to attract more young people into agriculture.

The second change comes about in Part II of the act, which is the part under which most of the loans are made. At the present time it is possible to lend up to only 75 per cent of the productive value of the borrower's real estate, and this bill will allow loans to be made for amounts up to 90 per cent of the productive value of the real estate. In some cases the market value of land is much higher than its productive value, and this disparity is increasing every year because of urban spread and other reasons. It seems that we have arrived at a point when there is need for a national land policy. The day is long past when we should have stopped taking some of our richest agricultural land to build urban communities on. I believe that a decision has to be made as to whether we are going to have three, four or five huge metropolitan communities in Canada, many of them located in areas centred in some of the best productive land in this country, or whether we are going to have a greater number of urban communities of lesser size spread out right across Canada in an effort to save some of that very valuable agricultural land.

● (1410)

In those areas where the mortgage value is much above the productive value, the amendments in this bill will make it possible to exceed even 90 per cent of the productive value in cases where a young farmer has demonstrated the ability to repay his loan and his interest commitments. In other words, if his farming record is such that the corporation is convinced he has the ability to repay the loan, then a loan could be made in excess of 90 per cent of the productivity value of the land.

The third change with respect to young farmers comes under Part IV of the act. At the present time the only young people who can get a loan from the Farm Credit Corporation are those whose principal occupation is farming or whose principal occupation will be farming once the loan has been granted. I can understand why in the past some people were of the opinion that a person should be wholly occupied in farming before a loan of the magnitude we are talking about could be granted. Yet, experience has proven to many of us that this has been a hindrance and detriment to many young people. A young married man with a family may be able to purchase a half section of land—and here I am speaking of Western Canada—but it can be very difficult for him to earn a living from that half section and at the same time repay his loan. Furthermore, in many instances a young person who has started out in farming with a limited amount of land and livestock is under-employed. So, the amendments to this act will make it possible to make loans to farmers of 35 years of age and under, and let them continue to hold another job. I cannot speak of other parts of Canada, but I know that in my own province of Saskatchewan it is perfectly feasible for a healthy young man to farm a half section of land and hold down another job as well. He can do his farming after 5 o'clock in the afternoon and before 8 o'clock in the morning, and on Saturdays and Sundays. He can take a week or 10 days off in the spring for seeding, and another week or 10 days off in the fall for harvesting. So, provision is made here to allow him to engage in full-time employment outside his farming activities and he will be given five years to become a full-time farmer. It is my experience that in that five-year period, if he is a good young farmer, he will probably be operating as much as a section and a half. I think this amendment is ideal to meet our needs in Western Canada, and I have no reason to believe that it will not also meet the needs in the rest of Canada. It will certainly meet those needs much better than they are being met today, when it is insisted that to get a loan an applicant must be a full-time farmer without outside activities or income.

Under Part IV of the Farm Credit Act, which is being added by this bill, a young farmer, as I mentioned, will be able to continue either full-time or, at least, part-time occupation other than farming and be eligible for a loan up to a maximum of $150,000. Bear in mind, however, that many young farmers starting at the bottom of the ladder will not be taking full advantage of the loan. I want to emphasize that no half sections of land will cost $150,000, and the equipment and livestock, together with the land, will not reach that figure. However, if a young person has been working in the labour market and has been able to accumulate enough capital to begin with a bigger unit, he will be able to borrow the maximum of $150,000 under this act and a further $50,000 under the Farm Improvement Loans Act. This will give him access to $200,000, guaranteed by the federal government.

I wish to repeat that there have been many requests to make these provisions available to people over 35. However, as I said, this would only continue the competition with which the young man cannot cope today. I agree with the department that the young man must be given additional help, an additional lift, so that he can compete with those who have been farming for five, 10 or 15 years and have been able to build up considerable assets.

Another point is that if these provisions were extended without an age limit, the amount of money provided under the bill would not be sufficient to meet the needs. To date the Farm Credit Corporation has had a capital limit of $66 million. This bill proposes to increase that to $100 million and, of course, the corporation can borrow 25 times its capital from the Department of Finance. The additional funds that are being made available will help to attract young people to the farming industry. We must induce more and more young people to farm, lowering the average age of the Canadian farmer, otherwise we will fast approach the day when there will not be enough people engaged in farming to meet our domestic needs, let alone our markets abroad.

To date, a person borrowing from the Farm Credit Corporation has had to give a first mortgage on his property. In many instances he may have started his farming career with a loan, we will say, at 5 per cent. Then he might have decided to expand his operations. He returned to the corporation for an additional loan, not having taken the maximum amount in the first instance. However, he found that the interest rate had increased to 8 or 9 per cent. Under the act he had to pay off his old loan at 5 per cent and negotiate a new loan at the new interest rate. This has seemed ridiculous.

● (1420)

There is a provision in the bill under which the Farm Credit Corporation will be able to take not only first mortgages, but second and third mortgages as well. So, any farmer who has a loan at a low rate of interest,

whether from the corporation or private lending institutions, will not be penalized for attempting to expand. I believe this is an excellent provision and, so far as I am concerned, will meet the needs of many farmers throughout Canada.

The amount of capital being invested in agriculture today is extremely high. It has grown by leaps and bounds over the past 20 years. In 1951 about $9.5 billion was invested in agriculture. By 1971 that figure had grown to $23.7 billion.

The productivity of farmers has increased at a greater rate than any other activity in Canada or abroad. Our farmers are among the best, if not the best—if they are not the best, they are close to it—of any agricultural group in the world at increasing productivity. As a matter of fact, in the last 10 years, productivity in Canadian agriculture per man-hour has increased by 100 per cent, while in the same period productivity in industry and commerce has increased by 40 per cent. In other words, farmers are outgrowing the rest by two and a half times. This is a record worth supporting. It is a record we should be proud of and one that should encourage us to support legislation which will help those who have had a good record in the past—a record which I an confident will improve in the future.

The demand for agricultural products today is greater than the world has ever known, and there are more hungry people in the world today than the world has ever known. It seems to me that we in Canada make a dreadful mistake when we attempt to curtail production. The only reason for curtailing production is that we do not have the means of distribution and sale. The demand exists in the world. Many of those who need our food the most have the least capacity to pay for it. I believe we should be not only helping our farmers at home by passing legislation such as Bill C-34, but we should be making plans to help others in the world increase their productivity in agriculture.

I have had limited opportunity to visit other parts of the world, but in those that I have visited I was astounded by the inefficiencies I saw in agriculture. Throughout a great part of the world, agriculture is a disgrace. There are huge areas of land which can produce, if only the people who occupy them had the ability, the know-how and the technical knowledge of Canadian farmers. We should be making a greater effort to educate those people so that they are able to produce at home at least some of the foodstuffs they need for their everyday existence, rather than sending our produce abroad as a gift. In my view, we should be imparting technical knowledge and know-how to the underdeveloped countries of the world to enable them to produce for themselves.

I realize that I am getting away from the provisions of Bill C-34. The legislation before us will be of great help to Canadian farmers. It will assist the agricultural industry to produce in abundance, and perhaps at the lowest price anywhere in the world.

Our farmers are good farmers. They are productive, and they want to own their own land. Although some provincial governments seem to think it is the order of the times that they should own land, that is not my belief. I do not support any provincial policy aimed in the direction of state ownership of land.

[Senator McDonald .]

Our forefathers came to this country because they had the right and privilege to own land—a right and privilege not existing in many parts of the world today. Our productivity is so much greater than that of most countries of the world today because of the fact that the vast majority of Canadian farmers own the land, and want to continue owning it.

**Senator Molson:** May I ask the honourable sponsor of the bill a question? In his remarks he said that 90 per cent of the productive capacity is the basis for these loans. What is the accepted definition of "productive capacity?" Is that the gross value of the products of the farm?

**Senator McDonald:** If I may go back just a little, not too many years ago lending institutions, both governmental and private, based loans on how much the land was worth—in other words, the value of that land if it were put on the market. They refused to look at the ability of customer A vis-à-vis customer B to make money and repay his loan. There has been a move away from that concept. Today loans are made on the productive capacity of the land—in other words, what that land will return in dollars per acre.

Lending institutions today are looking at a section of land and deciding whether it will produce sufficient to allow the farmer to enjoy a decent standard of living and have enough left over to pay his principal and interest. That interpretation of "productive capacity" is being taken more and more today, not only by governments but by private lenders as well.

**Senator Laird:** May I ask the sponsor a supplementary question? Would that exclude, for example, wooded land and marshland? This becomes important in my region where, as you know, the value of land per acre is probably the highest in Canada. I note with interest that clause 10 of the bill speaks of "appraised value," not "productive value."

**Senator McDonald:** These are questions that can best be answered by officials of the department. If the bill receives second reading, it is my intention to move that it be referred to the Standing Senate Committee on Agriculture.

I am aware of the problem you face. As well as having some of the most productive land in the world, you also have some bushland, some swamps, and so forth. I imagine the same principle applies in your region as applies in my part of the country. In other words, if you have a section of land of 640 acres, 500 acres of which is cultivated, the cultivated acreage will be assessed separately. The lender will look at the average return per acre over a period of, say, 10 years. If the average return was 40 bushels of wheat per acre over a 10-year period, the land would be assessed at a certain value; if the average return over that period was only 20 bushels per acre, it would be assessed at half that value.

A certain portion of your acreage will contain your farm buildings, and so on, and you may have a number of acres on which you run a small dairy or beef herd. That acreage will be assessed on the average number of pounds of beef produced per acre, or the average number of pounds of milk produced per acre. In other words, the assessment would be broken down according to land use, and the

average return that could be expected from the use which is being made of that particular piece of land.

● (1430)

**Senator Burchill:** What about interest rates?

**Senator McDonald:** I cannot answer that. I do not know what interest rates are today.

**Senator Argue:** Eight per cent.

**Senator McDonald:** That is today's rate, is it?

**Senator Argue:** That is right. The repayment rate over 30 years is 9.2 per cent; that is the way it works out.

I should like to ask a question of the honourable sponsor. Would he say that one of the reasons for this welcome amendment is the fairly universal criticism voiced by farmers, that when a son wanted to start farming the Farm Credit Corporation, acting under the law, very often required the farmer to put up a good deal of his land, in addition to the land the son was buying, as security? In other words, the criticism has been that far too much security was required, and the father might almost have to forego his retirement because he would have to tie up his own land with his son's in order to enable the son to farm. Would Senator McDonald agree that this measure is a response to that criticism?

**Senator McDonald:** This is exactly the case. For instance, if a young farmer wanted to buy a half-section of the land, in many instances the Farm Credit Corporation wanted a mortgage on more than that half-section; it wanted a mortgage on the father's half-section. If the borrower did not have a father the corporation wanted a mortgage on a neighbour's half-section. If he happened to come from the city and wanted to move to the land to begin farming, I don't know who he would get to sign the note. This was a fact of life.

Today, there are people who want to farm, and who are moving from urban areas to the country to do so. Under the present act it is virtually impossible for them to do that unless their bank manager friend on Bay Street in Toronto will sign a note. The corporation will now say, "If you can show us that you can farm and make money, we will lend you the money you need without all this collateral." I think this is a step in the right direction.

I believe that over the last number of years the financing of most activities has generally moved in that direction. It is my understanding that today, when considering loan applications, they look at the record of the individual asking for the loan and decide whether he can repay it. They do not consider how much the applicant has got in the bank, how much his father owns, or whether a neighbour will repay if he does not. The Farm Credit Corporation is moving in that direction, and I think this is long past due.

On motion of Senator Macdonald, debate adjourned.

## INDUSTRY

### CANADIAN TEXTILE PROBLEMS—DEBATE CONTINUED

The Senate resumed from yesterday the debate on the inquiry of Senator Desruisseaux, calling the attention of the Senate to Canadian textile problems.

[*Translation*]

**Hon. Jean-Paul Deschatelets:** Honourable senators, I moved the adjournment of the debate last night when Senator Desruisseaux finished his speech, because I thought I would be making my comments next week after having been able to consult various documents relating to this important matter. However, it so happens that I must make them today; I was advised only an hour ago and that will surely be to your disadvantage in the sense that next week I would have made a better prepared presentation. On the other hand, you will benefit because I shall be much briefer today than I would have been next week.

Last night, Senator Desruisseaux talked about a problem which is far from being new and which has always been very complex, but he talked about it in a way that I thought remarkable, and his speech can be summarized by saying that yesterday he sounded the alarm concerning the textile industry. I believe that what Senator Desruisseaux said about the textile industry also applies to the whole secondary industry which is concentrated mostly in Quebec and in some parts of Ontario, as well as in the Maritime provinces.

What is the textile industry asking today? I believe that it would like to see, at least in some areas, measures to restrict importation which would include quotas, higher rates and import surtaxes.

I must say that in general the textile industry has always held a reasonable position. It understands that Canada must export for the general good of Canadians and, as far as I can recall from my discussions with certain manufacturers, the textile manufacturers are prepared to bear a part of the burden of importation, but they would not like to bear all of it. I would like to use an example to explain the complexity of this matter.

About three years ago, we received a delegation from the U.S.S.R. which came to Canada with the admitted objective of finding markets, and their position was very simple. This is what they told us: We buy wheat in Canada for considerable amounts. Our trade balance with your country is unfavourable. This concealed the threat that Russia could purchase wheat from other countries than Canada, and perhaps at lower prices than in Canada. This is why they said that we must compensate for the wheat they purchase in Canada by opening up sectors of our Canadian market.

This shows the difficulties which the government must face because it must see to the best interests of Canada. Canada must export and we must therefore in many cases accept imports at rates with which we cannot compete.

● (1440)

However, I understand from what Senator Desruisseaux said that over 200,000 people are employed in the textile industry, particularly in the Eastern Townships, but the same might be true, to a lesser extent, of Cornwall. But the fact is that over 25 per cent of workers in that industry are currently unemployed.

I will not go back on any of the points raised by Senator Desruisseaux. His speech was very clear, and he spoke as a man with a perfect understanding of the problem, far better than I myself might have. Still, to elaborate on his remarks, I would like to deal with two aspects of that

matter, which follow from the suggestion of Senator Desruisseaux that the textile industry, which now has a number of grievances to voice, should be provided with an opportunity to submit them to a special Senate committee or sub-committee.

Before dealing with that aspect, may I mention here some of the efforts carried out particularly by the former minister, the Honourable Jean-Luc Pepin who, you will remember, was very famous as a minister not only in Canada but also abroad. He was the member for a riding in the Eastern Townships which was severely affected by that problem, and in fact I think the only plausible explanation of the electoral defeat of Jean-Luc Pepin lies precisely with that matter of unemployment arising from the textile industry's problems.

Therefore, on May 14, 1970—and I advise honourable senators who would like to get more information on the present problem, which remains extremely serious, to refer to the House of Commons *Hansard* for May 14, 1970, page 6952—the minister tabled a document in the House of Commons introducing a new government policy aimed at keeping the textile industry viable.

After this document was tabled, a bill was introduced in the House of Commons on January 21, 1971, and later passed by both Houses of Parliament. Bill C-215 brought entirely new measures to help the textile industry, among others the establishment of a textile commission. This was something new in the Department of Industry, Trade and Commerce, a commission composed of experts in the field of textiles. Its function was to advise the minister on and recommend various measures to promote a healthier textile industry.

It must be emphasized at this point, honourable senators, that this commission's function was not to make decisions. Decision making remains at the policy level, ministerial and governmental. But the commission should make suggestions. I quote from *Hansard*, page 2651, these remarks by Mr. Pepin:

> Hon. members will recall that this policy includes a whole range of measures dealing with the industrial, social and commercial aspects, with financial assistance, promotion on the domestic and international markets, technical assistance, and many other provisions.

Mr. Pepin went on to say:

> Officials of my department have re-negotiated and come to an agreement on the voluntary restraints applied by Japan, Korea, Hong Kong, Singapore, Mexico and Greece. New arrangements have been concluded with Romania, Poland, Trinidad, Tobago and Macao. Arrangements have also been made with the People's Republic of China and Taiwan.

Later on in his remarks, Mr. Pepin added that these quotas, these agreements negotiated with various countries would bring results, and that if the results came short of expectations, he would not hesitate to impose unilateral restrictions.

This being said, may I come back to the suggestion by Senator Desruisseaux. What does he say? We have here a regional industry employing a considerable amount of labour, now strangled by an influx of dumped goods from industrialized countries, underdeveloped countries or iron curtain countries. A commission was set up four years ago to advise the government on the textile issue. We can ask ourselves today: What are the advantages of such a commission? What has been its role? What steps did it suggest to the government?



It would be, I imagine, an opportunity for the Senate to obtain that information, because in 1971 we passed a bill authorizing the establishment of such a textile commission and I think that it could be quite interesting to hear it.

I feel that the primary role of the Senate is to consider the legislation coming from the House of Commons, but we can play an additional role and this is why I will conclude with the following comments: I endorse the suggestion made by Senator Desruisseaux that we should give the textile industry an opportunity to come before a special committee of the Senate to voice not only its grievances, but also to make recommendations which it now deems essential to prevent that industry from sinking any deeper. However, I would do so, subject to a few conditions, and I draw this to the attention of the Deputy Leader of the Senate, Senator Langlois.

Two or three years ago television artists in Montreal complained of unfair competition in television commercials. I think we decided at that time to set up an ad hoc committee. I like that kind of committee, and I hope one day that such will be the approach.

That committee chaired by the Honourable Senator Bourget held three or four meetings as I understand, to allow those artists to come and submit their grievances to it. They were given the floor, and much more than that, because CBC authorities were invited to come and comment on the grievances submitted by that Montreal Association; I think there were very good results.

**Senator Bourget:** So was the CRTC, on the suggestion of Senator Buckwold.

**Senator Deschatelets:** That is correct. It was excellent because the work was efficient, because it was not too elaborate; a few sittings did the job. As regards textiles, I think that if we invited the Textile Manufacturers Association, their delegates would come down one afternoon to submit their grievances and make recommendations. Then we could ask the textile commission, set up in 1971 precisely to help this industry, for its suggestions.

After that, we might have a meeting with the appropriate unions and possibly also with the minister involved. I think that nobody expects those special committees to accomplish a miracle. The solution is a political one, at the governmental level, but we still can give a platform and submit, as they are, the representations which have just been made. I believe that such an endeavour by the Senate could be remarkably efficient.

Honourable senators, I will end my remarks here; they are somehow desultory because I have not had time to prepare them. However, I think that we—at least the senators of Quebec and those who are concerned by this problem—do have a certain responsibility to see whether,

before the end of these discussions, we might give Senator Desruisseaux a chance to submit a formal motion of this kind. I would be very glad to support it.

● (1450)

[*English*]

On motion of Senator Asselin, debate adjourned.

## BUSINESS OF THE SENATE

**Senator Langlois:** Honourable senators, before I move the adjournment I would remind you that the National Finance Committee will meet in room 356-S when the Senate rises, and that the sub-committee on internal economy will also meet at the same time.

The Senate adjourned until tomorrow at 2 p.m.

28299—55

# THE SENATE

Thursday, April 17, 1975

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

Prayers.

## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

NEWSPAPER ARTICLE—QUESTION OF PRIVILEGE

**Senator Laird:** Honourable senators, I rise on a question of privilege having to do with an article in today's Toronto *Globe and Mail* headlined, "Parliament committee's red tape prompts resignation of Forsey."

I am pleased to report that when this article came to the attention of Senator Forsey late this morning, he was good enough to come to see me concerning it. I should now like to set the matter straight so that there will be no possible question in anyone's mind of what the true situation is. First, let me make it plain that Senator Forsey had nothing whatsoever to do with this article. In fact, he refused to be interviewed by the writer from the *Globe and Mail.* Second, I am pleased, in view of the tremendous contribution Senator Forsey has made to this chamber, to report that he has assured us he will continue as Joint Chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments.

Having in mind what appears in this article, particularly with reference to the use of the expression "red tape," perhaps it would be appropriate if I explained, in few words, that in the normal sense no red tape was involved whatsoever. As the article states, the present arrangement is that the expenses for the Standing Joint Committee on Regulations and Other Statutory Instruments will be borne one-third by the Senate and two-thirds by the House of Commons; but the original arrangement, which made sense and was arrived at on an ad hoc basis, was that the House of Commons would bear the expense of the printing—which, as you know, is extensive—and the Senate would bear all other expenses, including salaries.

Unfortunately, the matter of salaries, and their magnitude, was not foreseen, because do not forget that this new joint committee is in a very different category from any other committee that I know of, offhand, in that, really, it is a permanent committee. What happened was that, in line with the agreement that was made, a budget was submitted to the Standing Senate Committee on Internal Economy, Budgets and Administration. This budget included salaries in amounts which naturally gave us pause, because they were considerable. For that reason it was not possible for us to give carte blanche and say, "This is fine." The Internal Economy Committee is designed to make sure that every cent spent by the Senate is spent in a proper fashion. That is exactly what we were doing.

Along this line, one of the non-Senate employees working for the committee wanted an arrangement whereby he would be hired on a yearly, contractual basis. In no way, of course, has the Internal Economy Committee, or the Senate, the power to approve of any expenditure beyond a session. That is the best we can do. We do this based upon a budget which is scrutinized carefully by a subcommittee on budgets, and believe me, its members are a hard-boiled bunch. If I named them you would appreciate what I mean. I am looking at some across the way now—Senator Flynn, Senator Grosart, and Senator Molson. These items are scrutinized very carefully by the subcommittee on budgets, and afterwards, of course, must be passed by the whole committee. Obviously, therefore, when we are doing exactly what we are empowered to do, and restricted to, by the rules, we are able to approve a budget, which I may say has been done, carrying this committee on until the end of September. Beyond that we cannot go. This created a problem, and those of you who read this article in the *Globe and Mail* this morning will not, of course, find the exact facts stated in that connection.

So, I was most anxious that all honourable senators should understand clearly what the procedural matters involved require to be done. Frankly, I cannot think of any other way that we can keep expenditures within reason. We are not here to spend money like water; we are here to make sure we do not spend money like water. In any event, there you have the "red tape" so-called in the headline of this article.

The permanent solution to the situation of this committee may very well be as we have in fact suggested to them. First of all, let me point out that the Committee on Regulations and other Statutory Instruments is really different in the sense that it does have to be a permanent committee. That in itself makes it entirely different from our ordinary standing committees. Because of that, the probability is that in due course, and perhaps the sooner the better, a special act of Parliament will be passed to set up a permanent commission, as was done in the case of the divorce committee. In the meantime I want to emphasize that in no way did Senator Forsey have anything to do with this article in the *Globe and Mail*, and furthermore he is definitely going to carry on as joint chairman of that committee.

**Senator Perrault:** Honourable senators, we are all grateful for the explanation given by Senator Laird. May I say that we have been unable to determine at this point where all of the information for this article was obtained by the by-lined author Mr. Hugh Winsor. However, Mr. Winsor contacted me yesterday afternoon and I suggested to him that he should speak to the chairman of our Internal Economy Committee, Senator Laird, before writing his article. Apparently he was not able to do so. In any case, he has not allowed the facts to stand in his way, and the story has appeared without our chairman being consulted.

**Senator Flynn:** I just want to add, honourable senators, that I was speaking a few minutes ago to Mr. Bob

McCleave, the joint chairman from the House of Commons, and he confirmed Senator Laird's statement that Senator Forsey did not intend to resign, nor does he intend to resign, and that he was satisfied with the way things were proceeding.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Guay (St. Boniface) has been substituted for that of Mr. Gray on the list of members appointed to serve on the Special Joint Committee on Immigration Policy.

## NORTHERN CANADA POWER COMMISSION 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-13, to amend the Northern Canada Power Commission Act.

Bill read first time.

**Senator Perrault** moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

● (1410)

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Copies of financial statement on the operation and maintenance of the Great Slave Lake Railway for the year ended December 31, 1974, together with a statement showing the net capital investment as at December 31, 1974, pursuant to section 9, Chapter 56, Statutes of Canada, 1960-61.

## INTERNAL ECONOMY

COMMITTEE ON NATIONAL FINANCE—SUPPLEMENTARY BUDGET TABLED

**Senator Laird,** Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, tabled the committee's report approving the supplementary budget presented to it by the Chairman of the Standing Senate Committee on National Finance for the proposed expenditures of the said committee with regard to its examination and consideration of such legislation and other matters as may be referred to it, authorized by the Senate on December 5, 1974.

COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS—BUDGET TABLED

**Senator Laird,** Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, tabled the committee's report approving the budget presented to it by the Chairman of the Standing Senate Committee on Legal and Constitutional Affairs authorizing the said committee to incur special expenses for the payment of fees and travelling expenses of expert witnesses in connection with its examination of the Bill S-19, intituled: "An Act to amend the Food and Drugs Act, the Narcotic Control Act and the Criminal Code," as authorized by the Senate on February 13, 1975.

COMMITTEE ON SCIENCE POLICY—SUPPLEMENTARY BUDGET TABLED

**Senator Laird,** Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, tabled the committee's report approving the supplementary budget presented to it by the Chairman of the Special Senate Committee on Science Policy for the proposed expenditures of the said committee respecting the holding of a special meeting to determine the feasibility of establishing a Commission on the Future as authorized by the Senate on November 21, 1974.

COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS—SUPPLEMENTARY BUDGET TABLED

**Senator Laird,** Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, tabled the committee's report approving the supplementary budget presented to it by the Joint Chairman of the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments for the proposed expenditures of the said committee with respect to its review and scrutiny of statutory instruments pursuant to the report adopted by the Senate on October 29, 1974.

## RAILWAY ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Senator Haig,** Chairman of the Standing Senate Committee on Transport and Communications, reported that the committee had considered Bill C-48, to amend the Railway 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?

**Senator Cook** moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

## NATIONAL FINANCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Senator Langlois,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Standing Senate Committee on National Finance have power to sit while the Senate is sitting on Wednesday next, April 23, 1975, and that rule 76(4) be suspended in relation thereto.

**The Hon. the Speaker:** Honourable senators, you have heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

Motion agreed to.

## BUSINESS OF THE SENATE

**Senator 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, April 22, at 8 o'clock in the evening.

Honourable senators, before the question is put I would like to remind you that on Tuesday morning there will be a reception in the Railway Committee Room in honour of His Royal Highness the Prince of Wales. It therefore at first seemed reasonable for the Senate to sit Tuesday afternoon rather than wait until the evening, as is usual. However, after consultation with the Leader of the Opposition and other senators, it was decided to sit in the evening because two committees will sit in the afternoon.

I should like to give you a brief outline of the work schedule for next week, and I will first deal with the committees.

On Tuesday, the Special Joint Committee on Immigration Policy will sit at 9.30 a.m. and the Special Joint Committee on Employer-Employee Relations in the Public Service will sit at 11 a.m. This might have to be changed or cancelled because of the reception. At 2 o'clock in the afternoon the Standing Senate Committee on Legal and Constitutional Affairs will hear a witness in connection with Bill S-19. This morning Senator Molson made arrangements for the Rules Committee to sit on Tuesday and it will meet at 5.30 p.m.

On Wednesday, the Standing Senate Committee on Banking, Trade and Commerce will meet at 9.30 a.m. to continue its study of competition in Canada. At 3.30 p.m. there will be a meeting of the Standing Senate Committee on National Finance, to deal with the Manpower Division of the Department of Manpower and Immigration. The Special Joint Committee on Immigration Policy will meet also at that hour.

On Thursday, the National Finance Committee will meet at 9.30 a.m. At 10 a.m. the Standing Senate Committee on Agriculture will consider Bill C-34, an act to amend the Farm Credit Act, should the bill be referred to it, and at 10.30 a.m. the Standing Senate Committee on Foreign Affairs will continue its inquiry into Canadian relations with the United States. In the afternoon, the Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 3.30 p.m., and on Thursday evening at 8 p.m. there will be a meeting of the Special Joint Committee on Immigration Policy.

On Tuesday, the Senate will proceed to second reading of Bill C-13, to amend the Northern Power Commission Act, and continue with items now on the Order Paper. Bill C-19, on two-price wheat, should reach us before we meet Tuesday next, and we also expect to have Bill C-44 some time next week.

Having outlined this heavy work schedule, I have to inform the house that I shall be away from Ottawa the next two weeks on an official visit to Italy.

[Senator Langlois.]

**Senator Flynn:** You will have to work twice as hard.

Motion agreed to.

## NATIONAL FINANCE

PROPOSED REFERRAL TO COMMITTEE OF REPORT ON OFFICE OF AUDITOR GENERAL OF CANADA—QUESTION

**Senator Flynn:** Honourable senators, may I ask the Leader of the Government if he has considered the idea of referring to the National Finance Committee the report of the Independent Review Committee on the Office of the Auditor General of Canada?

**Senator Perrault:** I want to assure the Leader of the Opposition that the condition of national finances and efforts to save Canadian taxpayers as many dollars as possible remain as important considerations in the minds of the members of the government at all times. His suggestion will be considered.

**Senator Flynn:** Very reassuring.

## FARM CREDIT ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the debate on the motion of Senator McDonald for second reading of Bill C-34, to amend the Farm Credit Act.

**Hon. John M. Macdonald:** Honourable senators, before making a few remarks on this bill, perhaps I should mention, in case some senators may not be aware of it, that I do not have an agricultural background. Any remarks I make about farm credit will not be the result of any practical experience or knowledge of it, but merely the observations of a sympathetic observer of the farming industry. I can say that I have nothing but admiration, respect and good will towards those engaged in agriculture. I do not envy them. I admire their knowledge, ability, fortitude and perseverance. I am pleased to support this bill and hope it will accomplish its objectives.

● (1420)

As I understand it, the Farm Credit Act was first set up to make loans to farmers who could not obtain them elsewhere. That was, and is, its first priority, and that condition must be satisfied, as I understand it, before loans will be made to farmers. That being so, there must have been a need.

As was mentioned by Senator McDonald, about 120,000 loans, amounting in total to almost $2.75 billion, have been made to farmers since the act was first passed about 15 years ago. I have not worked out the average loan, but it cannot be too high. Indeed, I am left wondering whether the loan policy followed was sufficiently generous. I am left in even more doubt as to the policy followed when I see that the loss caused by non-repayment was very small. The sponsor of the bill mentioned this and he, too, did not regard it as praiseworthy. It caused him to wonder, as I do, whether the objectives of the act are being carried out, or whether too strict a lending policy has been followed. In light of the loan-loss ratio, I am concerned that perhaps too many applications were turned down, or that the

lending policy followed was too strict with not enough risks being taken.

When I see a loss of only about 4 cents on every $100 loaned, I am left with the conclusion that some worthy farmers, who could not get loans elsewhere, were unable to obtain loans under the Farm Credit Act. Perhaps I am wrong in making that assumption. I hope I am. In any event, I trust that the true intent and objectives of these amendments will be carried out in a beneficial and generous manner. It is important that a liberal interpretation be given to the clauses of this bill.

Of the five amendments proposed, three relate to assisting young people in getting started in farming or in returning to farming. It may well be, of course, that some of us are of the opinion that the definition of "young people" is a little too narrow. After all, 36 is not so old; yet, the cutoff age is 35. Surely, it could be raised to at least 40. Men and women between the ages of 35 and 40 have an excellent chance of making a success of farming, if that is what they want and are qualified to do.

A great deal of discretion will be given to the lending authority. The ability and character of the applicant is to be taken into consideration as security for a loan, in addition to any other security which may be offered. That is a good thing. I should be helpful if properly administered, and will be of great benefit to young people on farms in addition to attracting back to farming those in the 25 to 35 age group who left to take up some other occupation. I hope this will work. We must remember, however, that for many years the trend for young people has been to leave farming, to work in industry or to enter the professions.

The financial obligation contemplated by this bill will be a great responsibility for a young person to assume. It is a responsibility which the young person must wish to assume. Under the act, an applicant could—at least, in theory—borrow $150,000 and a further $50,000 under another act. The interest alone would be a very heavy obligation. However, I expect that there will be few applications from young farmers for the maximum amount in their first borrowings.

I should like to hear more about the land that is available for these young people. Is it land already under production being sold by older persons who wish to retire or leave farming, or is it new land, as it were, not now in production? In other words, where is the young farmer to get his land? It is interesting to note that the total amount of farm land in Canada remains relatively stable, although there are wide variations from region to region. I notice that a recent study states that the total area of farm land in Canada increased substantially between 1921 and 1951, from about 141 million acres to about 174 million acres. It then declined slightly from 1951 to 1971 to about 170 million acres. However, the average of improved farm land has continued to increase.

While there has been relative stability in the total amount of farm land, there have been marked changes in its location. There has been an expansion of acreage in the western provinces and a contraction in the other provinces, so I expect that many of the anticipated applications for loans under this bill will come from the western provinces.

I have not seen any figures showing the number of loans granted under the present act in each of the provinces. I do not believe there are many in the eastern provinces, and I personally doubt if efforts made under the provisions of this bill, and by other means that are being followed and used, will induce many young people in Nova Scotia to return to the farm. I may be wrong about this, and I hope I am. There are other senators here from Nova Scotia who have a better knowledge of this than I have. I do know that farmers in my region have worked hard for very small returns over many years, and I doubt if their sons are prepared to follow the same kind of life. However, I am not at this time speaking particularly of agriculture in Nova Scotia.

For those who know more about it, I would recommend that they read the proceedings of the Standing Senate Committee on Agriculture of December 3, 1974. They will find an interesting and informative discussion of farming in Nova Scotia by farmers and other knowledgeable people from that province. I may add that this hearing was arranged by Senator Norrie.

I do not wish to make any detailed references to various clauses of the bill. The sponsor, who is well qualified to do so, gave a very comprehensive explanation of it. It is a good bill and merits support. I only hope and trust that those who will have the responsibility for carrying out its terms will interpret their mandate in a broad and generous manner, and that they will put more trust in the character and ability of the applicant for a loan than in other security he may offer. I hope they will not be afraid to take risks, and that in doubtful cases they will give the applicant the benefit of the doubt. By so doing, I think they will have carried out the intention of Parliament in proposing these amendments.

On motion of Senator Michaud, debate adjourned.

## CULTURAL PROPERTY EXPORT AND IMPORT BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, April 9, the debate on the motion of Senator Lamontagne for second reading of Bill C-33, respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states.

**Hon. Douglas D. Everett:** Honourable senators, I would first like to congratulate the sponsor of the bill, Senator Lamontagne, for his detailed and concise explanation of it. I would also like to apologize to him for the delay in carrying on with the debate. All I can say is that his explanation was so complete and so concise that it took a little time to fashion the kind of criticism I thought the bill deserved.

● (1430)

In order to criticize the bill, honourable senators, I will have to examine once again with you the operation of the act. I will try to do that as briefly as possible.

The Cultural Property Export and Import Act empowers the Governor in Council to establish a control list of items which will preserve Canada's national heritage. The items that are to be included in the control list are: archaeological and other items of any value; ethnographical objects of

a fair market value in Canada of over $500; decorative art made in Canada and over 100 years old, which, in the case of glassware, ceramics and textiles, et cetera, is over a value of $500, and other items of decorative art over a value of $2,000; collections of archival material with a Canadian fair market value of over $1,000 for the entire collection; drawings, engravings, original prints and water colours with a Canadian fair market value of over $1,000; and any other objects with a Canadian fair market value of over $3,000.

The act does permit general exclusions from its operation; it excludes all objects less than 50 years old and any items made by a natural person who is still living. The act covers additionally, though, all cultural objects imported into Canada during the previous 35 years.

How do you go about exporting a cultural property under the terms of the act? First of all, you take your property to the customs office. If it is not on the control list or is among the exclusions I just mentioned, then an export permit issues; otherwise, the matter is referred by the customs officer to an expert examiner. The expert examiner determines if the object is of outstanding significance and is of such national importance that its loss would significantly diminish Canada's national heritage. If the expert determines that this is so, then no export permit issues.

The applicant may, within 30 days, appeal to the Canadian Cultural Property Export Review Board, which is to be established. The board employs the same determining criteria as the expert examiner. If the board decides that objects come within the criteria, the board may delay the issue of the export permit for from two to six months, provided it is of the opinion that a fair offer may be made for the object by an institution or public authority. The minister at that time notifies all institutions and public authorities of the fact that the particular cultural object is available. If an institution or public authority makes an offer, but the offer is not accepted by the owner, the board may then be called upon to set what is called a "fair cash offer price." If the institution or public authority makes an offer equal to the fair cash offer price, but the owner does not accept that, then no export permit is granted.

It appears that in this case two years must elapse before the owner may make another application, and it is rather doubtful whether at that stage he would be able to obtain an export permit.

There does not appear to be in the act any criterion for the definition of "fair cash offer," other than the fact that it mentions in the control list that it will be based on Canadian fair market value. Thus, the fair cash offer determined by the review board, around which the whole process turns, will be that fair market value which would exist in Canada, but not in the rest of the world.

I now raise the question whether this legislation is in Canada's best interests. Our indigenous cultural property is not in heavy demand in the rest of the world. Let me underscore the word "heavy." It is true that there are many countries in Europe which have this sort of act, but those countries are in a different position because they have built up a store of cultural property over many centuries. That store of cultural property is in demand all over the world. Interestingly enough, great portions of the cultural properties to be found in European countries are not indigenous to them but were imported. Much of the treasure to be found in the United Kingdom was imported into the United Kingdom.

It seems to me that Canada's first objective should be to build up its store of cultural property from other countries. In my opinion it is totally insular to say that we are going to Canadianize our cultural heritage. Surely, there are objects of great interest and value to the Canadian heritage—as there are to the British heritage and to the French heritage—which are not indigenous.

**Senator Lamontagne:** The bill does not prevent the importation of outstanding objects from abroad.

**Senator Everett:** No. You are quite right. The bill does not prevent the importation of such objects, but perhaps I can point out to you what the bill does do.

**Senator Grosart:** The bill encourages it.

**Senator Everett:** I say that the bill may well have the reverse effect. Indeed, I think it will have the opposite effect, because the bill says that if you import cultural objects and those objects remain in Canada for 35 years they then become part of the cultural heritage of Canada and are subject to the terms of the act.

I suggest to you that people who would ordinarily import such objects might well take one of two courses: they might decide not to import objects, in order to prevent their coming under the control of the act; alternatively, they might import the objects, but, within the 35 years, decide to let them flow out of the country before the act could take effect. I would not go so far as to suggest that that is a probability, because I do not know, but I would suggest that it is a real possibility.

It seems to me that we should not have such a rule in relation to imported cultural objects. We should allow them to come in; we should not in any way restrict their going out. I say this because I believe that if we do restrict their going out then we will cut down on the number of objects that come in.

In that regard it is significant that the United States does not have any legislation of this sort; in fact, I will go further to say that in general terms the best Canadian stance is not one which would have legislation restricting the movement of trade and commerce throughout the world; if anything, the stance of Canada should be one of free movement, not of restricted movement. That would be in our own best interests.

Admittedly, there is some justification for the control of our indigenous national heritage; but what should be controlled and how far should we go in that direction?

● (1440)

I would like to refer to statements by the Secretary of State which I think give us some idea of what he had in mind—in principle, if not in the actual effect of the act.

First of all, the Secretary of State referred to the Waverley report as the basis of the act in the United Kingdom, and we have based our act largely on the British act. The Waverley report said, "Export control should be confined to limited categories of objects of high importance." In respect of this report the minister said, "These are recom-

mendations which we believe should inspire a Canadian system of control."

The minister, in another statement, said:

> After examining export control systems in force abroad, we concluded that all of them have some inherent defects which become greater as the number of objects it is sought to control increases.

Again, the minister said:

> The system I am proposing, therefore, is the control of objects which are in the national treasure category. We want to catch things that should be controlled without making the net so tight that we catch too much, and the system becomes oppressive, or unworkable, or both.

He also said:

> Its operation will only affect objects considered to be of a high degree of national importance, and so it could not seriously interfere with normal trade, nor infringe unduly upon personal rights.

And:

> The application of broad criteria of age and value offers the simplest and most efficient way to apply control. Age is a factor that helps to establish rarity; value, on the other hand, helps to establish quality.

So it is clear from the minister's statements that what we wish to control are cultural properties of rarity and quality, of outstanding significance, and of such importance that their loss significantly diminishes Canada's national heritage.

Since we have modelled our act on the British act, let us compare ours with theirs. In the area of works of art and antiques, which was the only area that I was able to get information on but which is one of the main areas covered by this bill, the United Kingdom excludes all items less than a hundred years old. Canada, other than in the case of decorative art, excludes all items under 50 years old. In the realm of values, the United Kingdom excludes all items under two thousand pounds—that is roughly $5,000. In Canada the act excludes decorative art between $500 and $2,000 in value, drawings and water colours under $1,000, and other objects under $3,000. In the United Kingdom, imported objects less than 50 years in the country are excluded, whereas in Canada it is 35 years.

So it is clear that the Canadian act is much more restrictive than the British act. When the minister's statements are considered there appears to be no justification for being more restrictive than the United Kingdom; indeed, if anything, I believe that we should be considerably more liberal.

What, then, is the theory behind the control list and its value limits? It appears to be this: Make the limits restrictive; we can always relax them. In fact, what should be said is, "Make the limits as high as we possibly can, and if we find that we are not properly controlling the outflow of Canadian cultural property, we can then come back to Parliament and lower those limits." I think that is an important distinction that does not detract one bit from the very worthwhile purpose of this act.

When we consider not only the low value limits, but take into consideration the type of control that has to be applied, we see that we will have an extremely large bureaucracy, consisting of permit officers, expert examiners, a cultural property review board, as well as a staff to support that board. If you think that is going to be small, listen to what the minister said about one of those elements, namely, the expert examiners:

> The customs officer will have a list of these institutions, and in some cases the names of individual expert examiners not connected with them. From the description of the object in the application form the customs officer will be guided as to which institution or individual he should approach to get professional advice.

I suggest that this bill is going to precipitate us into a large, and largely unnecessary, bureaucracy. Export licences are going to be required on a vast number of objects that do not fit into the minister's description. There is also the possibility of a considerable amount of delay on objects for which, eventually, a licence will be issued, because the values are too low and the act is too restrictive.

I am, therefore, opposed to this act on very practical grounds, but I am also opposed to it on one other general ground, namely, this tendency to control. Many actions that we have to take in government are worthwhile because they are in the best interests of the public, and this act has an element in it that is in the best interests of the Canadian public. However, it used to be that we carefully balanced the rights of the individual with the rights of the community, whereas nowadays the good of the community is the overriding consideration. Very often little concern is shown for individual rights in the enactment of legislation. I am old-fashioned enough to believe—I guess I would call myself an O'Leary liberal—that individual rights and the preservation of them are of high importance, and that, in fact, the rule should be: do not infringe on those rights unless you absolutely have to.

I can understand that it is possible to be indifferent to legislation where it does not concern you, but only a very few people, as this legislation does. I happen to be in that position. The legislation does not affect me. The danger, however, of taking that position is that you are allowing legislation that increases bureaucratic control. This creeps forward, and eventually there will be legislation that does affect you. There is nothing new in this statement I am going to make now, but there is nothing wrong with saying it over and over again, namely: It is possible, in fact, it is the most efficient way to legislate your freedom away.

I am of the opinion that if the Senate, in its reform, wanted to do something that was really worthwhile, it would cut out for itself publicly that area of individual rights, and say, "If we exist for nothing else, we exist for the protection of individual rights. The fact that legislation coming to us, either directly from the government or from the other place, benefits the community is fine, but the Senate's function is to protect individual rights, and to pass only that legislation which preserves a balance between those two considerations."

Therefore, I am of the opinion that this legislation, while dealing with a narrow part of society and affecting a restricted number of people, is nevertheless just as impor-

tant as any other incursion into the freedom of the individual. I think the Senate should stand on this legislation and say, "No. You must increase these limits to a reasonable amount, because you are interfering with the rights of the citizen more than you have to, and more than is necessary for the government of this country."

On motion of Senator Langlois, debate adjourned.

● (1450)

## NATIONAL DEFENCE ACT AND CRIMINAL CODE (TOTAL ABOLITION OF CAPITAL PUNISHMENT)

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Hazen Argue** moved the second reading of Bill S-23, to amend the National Defence Act and the Criminal Code (total abolition of capital punishment).

He said: Honourable senators, I am pleased to move second reading of this bill which stands in my name, the explanatory note of which reads:

> The sole purpose of this bill is to amend the sections of the National Defence Act and the Criminal Code so as to remove all references to capital punishment.
>
> The bill would thus remove the death penalty for treason, murder, piracy, mutiny and various military offences.

Canada, in step with progressive nations around the world, has over the years been moving towards the total abolition of capital punishment. However, we find ourselves in a most difficult position today, in my view, because capital punishment has been abolished except for the murder of policemen and prison guards. So there is not quite total abolition. The government, and many people in this country, are on the side of total abolition, and the Cabinet has the right, the authority and, indeed, the duty to consider commutation, and this it has done and continues to do. Following upon the consideration of each individual case on its own merits, in the years during which this law has been in effect no person has been hanged in this country. But when there have been murders of policemen there have been, understandably, outcries that the person found guilty should in fact be executed.

I make no apology for moving this measure at this time, believing, as I do, that we should go all the way. Some senators, whose integrity I respect, have supported a measure designed—whether it would accomplish its design or not is certainly debatable—to prevent the Cabinet from using its power to commute death sentences. They—and, as I say, I respect their sincerity tremendously—have taken a different position. I am doing what I am in the hope of adding some weight, some additional argument, to arguments already advanced by those in favour of total abolition.

Honourable senators, we find ourselves in a very difficult position in this country time after time—and this arises from the fact that we have not gone all the way—when the question of whether somebody, some particular person, will in fact be executed is before the Cabinet, and in the minds of the people. As is well known, we are in such a situation at this time, in that a man named René Vaillancourt has been convicted of murdering a Toronto policeman named Maitland some years ago and, unless action is taken to prevent it, he will be hanged. His execution is scheduled for May 13.

[Senator Everett.]

The Solicitor General has made his position quite clear, that he is opposed to capital punishment. The record of the goverment, I think, is clear in that it has taken a stance in opposition to capital punishment. I express here and now the hope that the Cabinet will commute this particular sentence, and that this man will not be executed.

I was pleased to read in the press that former Supreme Court Justice Emmett Hall led a delegation to present a submission to Justice Minister Otto Lang and Solicitor General Warren Allmand asking that the death penalty be totally abolished. The delegation, which was assembled by the Canadian Civil Liberties Association, included Anglican, United Church, Presbyterian, Catholic and Jewish representatives, executives of the Canadian Labour Congress, the United Auto Workers, the United Steel Workers of America, prominent broadcasters and authors—a very distinguished delegation to make this representation to the Cabinet.

I oppose capital punishment, honourable senators, on exactly the same grounds as others oppose it. I feel that the state really should not have the right, and morally does not have the right, to take a life; that in consequence of one murder, it does not help in any way to deter future murders—as I think statistics show—to have an additional murder by the state of somebody who has been found guilty. As I read the evidence, it appears that the continuation of capital punishment, or the restoration of capital punishment, wherever that may have taken place, if anything leads to an increase in the murder rate. Violence breeds violence, and violence by the state will breed further violence. By looking at those countries in the world where there is violence, I think we can see quite clearly that that kind of thing feeds on itself.

As to the effectiveness of capital punishment as a deterrent, I read that many years ago when people in Britain could be executed for many crimes, pickpocketing being among them, that a chaplain, whose duty was to give sympathy and encouragement to those facing execution, said that of 167 persons that he had contact with, and who faced execution because of the crime of pickpocketing, 164 had picked pockets among the crowds witnessing public executions. So the deterrent was there for them to see, but it did not deter them. It did not deter them from murder, because that was not the crime. It did not deter them from picking pockets.

● (1500)

I think the statistics show that there is no deterrent in capital punishment. Most murders are not premeditated, not committed in cold blood, to use that expression, but arise from quarrels, usually between people who have been friends or members of the same family, caused by the use of alcohol or drugs, and the availability of firearms. Of course, there are instances in which homicide has resulted from mental or emotional instability and derangement.

We have had now for a number of years no hangings, no executions, in Canada. Those who want executions say that policemen must be protected; that to carry out an execution would in fact be a protection for the police. Well, statistics show that over the period of time when no executions have taken place in our country, the annual

rate of killing of policemen has varied between two and six. There is no statistical indication that the number of slayings of policemen has increased any more than the general increase in violent crimes. There has been some general increase in crimes of violence, but the rate of murders of policeman in Canada has remained similar. Statistics, in fact, bear this out.

There are those who feel that the occupation of a policeman or a prison guard is especially hazardous. It is hazardous, as this rate of slaying of perhaps one policeman per 10,000 indicates. The rate naturally varies from year to year, but it is two or less per 10,000. It was pointed out in the House of Commons, when the debate on abolition was taking place some years ago, that there are occupations in this country which are more hazardous than that of a policeman. The likelihood of a policeman or a prison guard losing his life on the job is, as I said, one or two in 10,000. The likelihood of a miner losing his life on the job is about 11 in 10,000. The likelihood of a farmer losing his life while working in a field with power equipment is about six in 10,000. So, while being a policeman is hazardous, there are other hazardous jobs, and the death penalty does not in my judgment reduce the hazard attached to that particular job.

The trend throughout the world, I believe, is toward abolition. More and more countries are abolishing the death penalty. The United States, by a decision of the Supreme Court, has outlawed death sentences. In the last few years it has been pointed out, and I point it out, that the number of offences for which the death penalty can be imposed has been greatly reduced. Further, the proportion of executions to sentences has been reduced, and is going down. Statistics show that of 32 persons in Canada sentenced to death in 1931, 25 were executed—some 78 per cent. In recent years, as we know, that percentage has been zero, and this is a trend in many other countries of the world.

The last time capital punishment was being discussed in this chamber, Senator Hastings impressed me with some statistics he placed on the record. I have somewhat similar statistics but more up-to-date, because time has gone on and they obviously cover a longer period of time. Anyway, statistics published by the National Parole Service show that between January 1920 and September 1974, a total of 182 persons who had death sentences commuted were granted parole. Only 14 had their parole revoked by reason of their not adhering to parole conditions, and only nine persons forfeited their parole upon conviction for indictable offences. Between 1867 and 1974, a period of 107 years, only one person who had his death sentence commuted committed a second murder. I do not think the state is taking an undue chance by commuting sentences for murder to life imprisonment.

I have some further information with respect to the temporary absence program in the penitentiaries. During 1974, 1,019 temporary absence permits were issued to inmates convicted of capital murder. All but one returned on time. During the same period, 2,106 temporary absence permits were granted to inmates serving life sentences for non-capital murder, and all but six returned on time. From a very quick calculation it seems that only about one-third of 1 per cent of those out on temporary absence permits failed to report back on time. This, I think, is further evidence that the state really is not risking very much by totally abolishing the death penalty.

Police associations in Canada have been campaigning for some time, strongly and vigorously, on the side of restoration of capital punishment. However, I suggest that this type of action by our police forces is not necessarily the most farsighted. It is not necessarily in the interests of the police themselves. Some years ago a police association in Austria came out against the death penalty, believing that it contributed to the risk of their job. The Police Association of the United Kingdom in the last few months has come out in favour of abolition, because they feel that it is safer for them to operate in an atmosphere where there is no possibility of a death penalty.

● (1510)

There is at present before Cabinet a case which has to do with the murder of a Toronto police constable, Maitland, by a man who is now under sentence of death. Unless the Cabinet acts to commute the death sentence—and I hope the Cabinet will act—this man will be hanged. I would like to read something which impressed me greatly. I quote from a speech made by Mr. R. Gordon Fairweather, member of Parliament for Fundy-Royal, in the House of Commons on May 24, 1973, dealing with the particular point I am now making. Mr. Fairweather said:

> I wonder whether in all the words which have been spoken—and I certainly include the words I will say—in this and in other debates on the subject, the case for abolition has been put more shortly, more convincingly and with more personal feeling than did Mrs. Pauline Maitland, a brave widow of a brave Toronto policeman brutally murdered in February, 1973 while on duty. This young woman, facing not the strident and blood-curdling outcries of constituents which make many of us cringe, but the terrible tragedy of her husband's death said, "I don't believe in capital punishment. Taking another life would not bring my husband back."

Mr. Fairweather went on to say:

> I think really that that says it all.

I do not speak as a lawyer, but as a layman. It would seem to me that if the widow of the murdered policeman feels that the life of the man who murdered her husband should be spared, it should carry great weight with those who are considering all the circumstances surrounding this case and the sentence.

In my opinion, we are on the road to total abolition. I hope that in the Senate more and more voices will speak out in favour of abolition. I hope that the bill I have presented will be voted on this session and will be passed. If it is not passed this year, I hope to be able to introduce it again in the next session. The Senate will be making a useful contribution by giving consideration to the abolition of capital punishment, and by supporting total abolition.

If we were able to bring about total abolition, it would clear the air; it would make the kind of consideration that comes up every so often, on an almost continuous basis, unnecessary, and perhaps the country could turn its attention to the removal of the basic causes of crime.

Perhaps we should be doing such things as providing more adequate training for policemen. Perhaps there should be greater effort in attempting to prevent crime, to prevent addiction to alcohol and drugs, and to remove other contributing factors. We should give consideration to doing everything we can in a humanitarian way to reduce the murder rate, to bring about less and less violence in our nation. I commend Bill S-23 to the Senate.

On motion of Senator Macdonald, debate adjourned.

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

# THE SENATE

Tuesday, April 22, 1975

The Senate met at 8 p.m., Honourable Muriel McQueen Fergusson, P.C., Speaker *pro tem* in the Chair.

Prayers.

## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION BILL

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-5, to establish the Canadian Radio-television and Telecommunications Commission, to amend the Broadcasting Act and other acts in consequence thereof and to enact other consequential provisions.

Bill read first time.

**Senator Petten** moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

## DOCUMENTS TABLED

**Senator Petten** tabled:

Report of the Minister of Transport on the administration of the Motor Vehicle Safety Act for the fiscal year ended March 31, 1974, pursuant to section 20 of the said Act, Chapter 26 (1st Supplement), R.S.C., 1970.

Report on operations under the Regional Development Incentives Act for the month of January 1975, pursuant to section 16 of the said Act, Chapter R-3, R.S.C., 1970.

## RAILWAY ACT

BILL TO AMEND—THIRD READING

**Senator Cook** moved the third reading of Bill C-48, to amend the Railway Act.

Motion agreed to and bill read third time and passed.

## FARM CREDIT ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Thursday, April 17, the debate on the motion of Senator McDonald for second reading of Bill C-34, to amend the Farm Credit Act.

[*Translation*]

**Hon. Hervé J. Michaud:** Honourable senators, on the 16th of this month, Senator A. H. McDonald introduced this bill now before us with a very thorough and comprehensive summary of all its aspects. I now wish to add a few important and pertinent considerations on one specific aspect of the question under review.

Very appropriately, the mover of this bill pointed out that the purposes of this legislation are such that they will provide assistance especially to the young farmers of this country. Indeed, all the recommendations incorporated in this bill are directed towards assisting young Canadian farmers.

The three main amending provisions of Bill C-34, now before us, provide assistance to young farmers. The first authorizes the increase, from $100,000 to $150,000, of the ceiling on loans granted farmers under 35 years of age.

The second change to be effected by the amendments proposed by the bill will allow most farm loans, which now amount to 75 per cent the actual productive value of the borrower's real estate, to henceforth amount to 90 per cent of that value.

It is an additional benefit which the legislation will provide to young Canadian farmers.

The third amendment also deals with young farmers in the sense that the only young people who can now obtain a loan from the Farm Credit Corporation are those who are fully devoting themselves to farming.

[*English*]

**The Hon. the Speaker** *pro tem:* Honourable senators, the translation of Senator Michaud's speech is not coming through at all.

**Some Hon. Senators:** Yes, it is.

**The Hon. the Speaker** *pro tem:* It is not audible in my earphone, and Senator Cameron is having difficulty also.

**Senator McDonald:** I cannot hear it.

**The Hon. the Speaker** *pro tem:* Perhaps, Senator Michaud, you could repeat your last words.

[*Translation*]

**Senator Michaud:** I regret that inconvenience, but I wanted to make a few remarks and I had written them in French.

**Some Hon. Senators:** Very well. Agreed.

**Senator Michaud:** As I said, the third amendment concerning young farmers under that legislation was that the only young people who can now obtain a loan are those who are interested in full-time farming. However, through that amendment, this clause, which was an obstacle for many young people, will be altered to enable them to work full time outside their farm for a 5-year period before becoming full-time farmers. Young farmers in our country will therefore derive a third advantage from the legislation before us.

I think we should stress the fact that this is a timely piece of legislation considering the agricultural problems

we are now faced with. As the mover of the bill, Senator McDonald, aptly pointed out a few days ago when he introduced that measure, it would be untimely now to reduce agricultural production levels, considering the huge worldwide need for food products. A number of countries today do not have enough food products to meet the needs of their population. I think it would be unwise, considering our opportunities in this country, not to have our programs aiming at a maximum agricultural production in order to help those countries which urgently need food for their people.

I would now like to stress another aspect of that measure before us: the Senate Committee on Agriculture, in a report read by its chairman, Senator Argue, on December 21, 1973, stressed the needs of Canadian farmers in the very same way as they are in this legislation today. Senator Argue made the following statement, recorded in the December 21, 1973 issue of *Hansard:*

● (2010)

> That the federal and provincial governments give serious consideration to the revision of their policies, particularly to drastically reducing for the prospective farmer the initial cash payment or other security presently required.

That was the first recommendation in that report of that date.

The second recommendation in that interim report read as follows:

> That the eligibility criteria for purchasers under SFDP be widened to include operators not principally occupied in farming at the time of application, if the Farm Credit Corporation at the time of approval considers that the loan will materially assist the applicant to become principally occupied in farming.

The Farm Credit Corporation considers that the loan will materially help the applicant to eventually become principally occupied in farming.

Third recommendation:

> That the special credit conditions provided for under the SFDP be available to eligible purchasers for land transactions with any vendor and for the purchase of any suitable agricultural land.

This measure was also incorporated in the report I just quoted from, and submitted by the Senate Committee on Agriculture, which made almost exactly the same recommendations as those we are now studying in the bill before this house.

I might also add that the bill now before us seeks to support the Small Farms Program introduced in December 1971. Moreover, here is what Minister of Agriculture H. A. Olson said on December 6, 1971, when he presented this program, and I quote:

> Unless we develop new concrete programs, many Canadian farmers and, indeed, the entire rural community, will be endangered . . . According to economic studies and practical experience, the family farm is the best form of agricultural operation, and it is with this in mind that we developed a comprehensive program designed to help the small farms of Canada become profitable family enterprises.

[Senator Michaud.]

Later on, and I quote:

> The Prime Minister, the Right Honourable Pierre E. Trudeau emphasized how important this was to the federal government, in a speech before the Coopérative fédérée de Québec on February 2, 1972. I quote:
>
> > I would even say the small farms assistance program we are now preparing is our last chance. It must succeed, otherwise everything (our rural society) will crumble. We put all our hopes in this program, the importance of which cannot be overestimated.

On this same subject, Minister of Agriculture Eugene Whelan spoke in the same vein when he appeared before the Senate Committee on Agriculture, and I quote:

> I still believe that the small farms development program has everything to offer, especially in areas such as Kent County and other similar areas in Canada.

At the beginning of the hearings held by that committee in Moncton in June 1972, I made the following comments on this same subject:

> As far as the small farms development program is concerned, I believe with reference to Kent County's present situation that this legislation is one of the most vital ever introduced by us.

In the report submitted on December 21, 1973, committee chairman Senator Argue stated the following concerning the small farms bill:

> We did not believe it was a magic wand to be used by federal and provincial governments to change poverty into prosperity, but rather that they have a specific role. The committee came to the conclusion that the program is not capable of fulfilling this role in areas such as Kent County, New Brunswick.

● (2020)

> The main characteristic of the small farms development program is the transformation of small, economically poor family businesses into economically profitable family businesses. Its principal objective is to develop small farming businesses without making them enormous.

Therefore, as I wanted to say to this assembly, while everyone seemed to have great expectations about the small farms assistance program, especially in those parts of the country where it could have been beneficial, we must unfortunately admit that this program did not give the results that we would have been entitled to expect. In this interim report submitted by our chairman, statistics proved these allegations as of November 21, 1973.

Indeed, after two years of operation, precisely in that area where we should have expected promising results from this legislation, this report said that there had been during that time only five offers to purchase under the small farms assistance legislation. In the area of Kent specifically, where we had made a very special study of the problems of small farms, there had been only one offer to purchase made under this legislation.

It is therefore obvious that some amendments like those contained in the bill now before us were necessary to complete this other measure providing small farms assistance, to make them more functional, more practical and

more easily available to those who should benefit from them.

I merely wanted to stress, on this occasion, while this bill is before us, that the Senate Committee on Agriculture did a very constructive job in pointing out to the government some real needs to which solutions must be brought.

Finally, I believe this committee can still help the farmers, as it has in the short time it has been functioning, by studying, as it has done to date, such urgent problems as that of the financial assistance to be given the owners of small farms to enable their operations to be profitable again and contribute to the economic well-being of our country.

[*English*]

**Senator Burchill:** Honourable senators, I am sure our colleague from New Brunswick, Senator Michaud, gave a very interesting address on agriculture in New Brunswick. Unfortunately, some of us who are not proficient in the French language could not hear the interpretation. I think that is a great loss.

**Senator Norrie:** May I ask the honourable senator a question? Can he tell the Senate whether there was a concerted effort on the part of the agriculture representatives to present this program to the French-speaking people in their own language and through French language literature?

**Senator Michaud:** Honourable senators, the point raised by Senator Norrie is well taken. However, I did not think this was the proper time to elaborate on it, since we hope to have an opportunity to discuss this when we present the report of the Agriculture Committee on the study that was made in Moncton, New Brunswick, two years ago. That report will be presented shortly.

There is no doubt that the whole question of what we call in French "vulgarisation," the whole question of disseminating information by the government and, particularly, the Department of Agriculture to the rural people, more particularly to the people in the area of the country from which both Senator Norrie and I come, is one of vital importance and concern. Both the government and the Department of Agriculture will have to give more serious consideration in the future than it has in the past to this whole question. It is my view that these programs are lacking in that area. They simply have not been sufficiently explained to those who are supposed to benefit by them.

**Hon. Hazen Argue:** Honourable senators, I should like to add a few words to what Senator Michaud has said in pointing out the advantages of the measure before us, and of some of the activities of the Standing Senate Committee on Agriculture.

My main purpose in rising at this time is to remind honourable senators once again that, in large measure, the initiative for changes in farm credit legislation to assist young persons entering the occupation of farming is attributable to Senator Michaud. A few years ago he raised this question in the Senate, and made a proposal which was referred to the Standing Senate Committee on Agriculture. That resulted in a study by that committee of agriculture in Eastern Canada but, because of the situation we found there, we were able, in our interim report, to make recommendations which, while applying to Eastern Canada, apply to all of Canada. The situation we found in Eastern Canada is typical of the situation generally in Canada.

The first recommendation in the committee's interim report, presented on December 21, 1973, was that the federal and provincial governments give serious consideration to the revision of their policies, particularly to drastically reducing for the prospective farmer the initial cash payment or other security presently required.

A substantial part of this measure is aimed at drastically reducing the cash requirement. As a matter of fact, a very liberal interpretation of the act might result in no cash payment at all being required by a prospective farmer. This demand for easier loans to enable young people to engage in farming was voiced dramatically at a meeting of the Standing Senate Committee on Agriculture in Moncton, New Brunswick, and that meeting can be attributed to the initiative of Senator Michaud.

● (2030)

The second recommendation of the committee was that the eligibility criteria for purchasers be widened to include those not principally occupied in farming at the time of application, if the Farm Credit Corporation at the time of approval considers that the loan will materially assist the applicant to become principally occupied in farming. Under this measure, as Senator McDonald pointed out, the government has done precisely that. Young persons now do not have to be principally occupied in farming. As a matter of fact, under the terms of the bill they may be eligible if they are not farming at all but can merely establish their intention to be principally engaged in farming within a period of five years.

So often the Senate is downgraded; so often we are criticized, and I think it is important to point out that this legislation is being brought forward following initiatives taken in the Senate, recommendations made in the Senate, and correspondence exchanged between senators and the government. Obviously, we cannot claim the full credit for this bill, but we played our part. We were a forum that was used, certainly in Eastern Canada and in Ottawa, to put forward these very proposals.

Senator Michaud has continued to demand that small farmers be given a chance, that the little guy be given a chance. The press continually condemns senators generally as being a lot of big businessmen who have wide representation on the boards of directors of corporations, as a lot of multi-millionnaires doing the work for big business. I do not think that is a fair criticism at all. I think this bill is certainly an answer to that kind of criticism. It demonstrates that senators are capable of doing a job—and, in fact, do a job—in the interests of ordinary Canadians and, in this particular measure, in the interests of the little person who up to this point has not had a chance. Senator Michaud took the initiative. We all recognize that, and we acknowledge the excellent work he has done in this regard.

**Hon. Senators:** Hear, hear!

**Senator Argue:** I have one further point to make along the lines of the question put by Senator Norrie, as to whether this legislation is presented as it should be to the French-speaking Canadians in New Brunswick. Senator

Michaud has always been conscious of the fact that French Canadians in New Brunswick who wished to take up agriculture professionally were not able to go to a university in that part of Canada, where they could receive their training in the French language. Because of his initiative—I think more than that of any other single person—and undoubtedly because of help from many others, there have been established a certain number of scholarships and grants which, however they have been provided, have resulted in a substantial number of young French Canadians from New Brunswick, and from the Maritimes generally, being enrolled in agricultural courses at Laval.

Honourable senators, I think we can support this legislation wholeheartedly. The government has not gone all the way that we recommended they should go. Senator Michaud would point out that our third recommendation, which has to do with the small farm development program, has not been fully carried out. We would like to see new farmers eligible to obtain land from not only retiring small farmers going out of production, but from those who have large farms and are going out of production, no matter where the agricultural land comes from. The point is that a young farmer should have a chance to purchase that land. We went even further, and said that farmers should be able to purchase land not necessarily in agricultural use at this moment, provided it could be demonstrated that the land, following good agricultural practice, could be put into effective economic production. Although this third initiative of Senator Michaud's has not borne fruit in exactly the way we hoped it would at this time, we are confident that it is the kind of thing where, if the Standing Senate Committee on Agriculture pursues it, we can obtain the same kind of results that we are witnessing in the broader field of this bill before us tonight.

**Senator Buckwold:** May I ask the honourable senator a question? I recall that during the debate last week one of the members of the opposition raised what I thought was a very important point, namely, the limitation for farmers over the age of 35. Does the committee feel there should be this age limitation, or should it be raised to 40? Is there anything the committee can do to have that age limit raised?

**Senator Argue:** I suppose the committee could always look at it, and make a recommendation. I appreciate the difficulty in making an arbitrary cut-off. Perhaps 35 is too arbitrary. Perhaps the emphasis should be on providing loans to younger farmers without any age limit, but I cannot be too critical of the 35 age limit. At least it is being emphasized that the loans should be made available to younger farmers but, in a sense, they may have gone overboard in setting the age limit at 35.

If I may say so, I know a particular farmer who is a new farmer but who will soon be 35, and he is worrying that he may not be able to take as much advantage of this bill as he would like. However, as I understand it, the cut-off is for $50,000. In other words, if you are under 35 you can get up to $150,000, but if you are over 35 you can get up to $100,000. When you get to 35 you are not eliminated altogether. The feeling is that there does not need to be quite so much money provided. They may feel that if you have been fairly active and successful as a farmer you may have got $50,000 along the line in building up your own capital. However, I understand the problem, and I am sympathetic to the question.

[Senator Argue.]

**Senator Buckwold:** Would the honourable senator permit a comment on this? Perhaps you should get the higher amount at age 40, because by that time you will have had an opportunity to find out where you are going in farming, and will have had some broad experience. I hope the chairman will raise this point with the department when the bill is before the committee.

**Senator Argue:** Perhaps I may ask the honourable senator a question? Would he cut it off at age 40? Would he raise the age limit by adding another five years? Would he say 45?

**Senator Buckwold:** I agree it is an arbitrary limit, but as I get older it seems that someone aged 40 is still a young man.

**Senator Flynn:** Of course, you are speaking as a senator now.

**Senator Asselin:** I agree with that.

**Senator Norrie:** I agree with Senator Buckwold. I think that 35 is a terrible age at which to cut off a farmer from his line of credit.

**Senator Flynn:** You are going to create a conflict of interest here.

**Hon. A. Hamilton McDonald:** Honourable senators—

**The Hon. the Speaker** *pro tem:* I wish to inform the Senate that if Senator McDonald speaks now his speech will have the effect of closing the debate on second reading of this bill.

● (2040)

**Senator McDonald:** Honourable senators, I want to thank all of those who have taken part in the debate on second reading of this bill. I especially thank Senator Argue for his participation this evening. I regret to say I was not able to hear any of the comments made by Senator Michaud this evening. Consequently, I am not in a position to answer any of the questions he may have posed, or present any arguments for or against any propositions he may have made.

**Senator Grosart:** You are sitting on the wrong side of the house.

**Senator McDonald:** That could be, but sometimes those on this side of the house do better, even when they do not hear, than some of those on the other side when they do hear.

**Senator Flynn:** You are able to do that quite easily anyway.

**Senator McDonald:** Honourable senators, I should like to answer the questions posed by Senator Macdonald when he spoke in this debate on April 17 last.

Senator Macdonald asked whether the land being purchased under the Farm Credit Act was new land, land recently brought into production, or old land changing hands from people who were retiring from farming for one reason or another. The answer to that is that in Canada as a whole there is little new land coming into production in

any part of the country. As far as my knowledge goes, there is a limited amount of land that can be brought into production. Most of the land exchanging hands under the Farm Credit Act falls into the category of old land being purchased from farmers going out of business, either because they are retiring or because their farms are too small and they are going into other occupations, and are selling their lands to new farmers or to farmers who are only partially established. To repeat, the vast majority of the land passing from one hand to another under this act is old land going from one farmer to another.

The second question raised by Senator Macdonald had to do with the fact that applications for these loans were probably far more numerous in the Prairie provinces than anywhere else. This is true, according to the Annual Report for 1973-74 of the Farm Credit Corporation. Pages 28 and 29 of that report show the Farm Credit Act loans disbursed during 1973-74 under Part II and Part III of the act. The total figures under both parts for the various provinces are as follows:

| | Number of Loans | Total Amount $ |
|---|---|---|
| British Columbia | 291 | 15,462,532 |
| Alberta | 1,350 | 59,323,966 |
| Saskatchewan | 2,422 | 99,969,810 |
| Manitoba | 702 | 25,743,864 |
| Ontario | 2,103 | 92,410,785 |
| Quebec | 925 | 34,198,423 |
| New Brunswick | 61 | 2,121,911 |
| Nova Scotia | 27 | 1,265,587 |
| Prince Edward Island | 70 | 2,177,549 |
| Newfoundland | 9 | 538,453 |

That information does confirm the fact that the majority of loans are made in Ontario, Quebec and in the Prairie provinces. The Farm Credit Act has not been used extensively in the Maritime provinces, and not to any great extent in British Columbia.

Senator Buckwold raised a question with respect to the age limit of 35. I suppose that if there is to be an arbitrary age cut-off, it makes little difference what that age is. The purpose in setting the age limit at 35 is to attempt to establish as many young people in farming as possible. Surely by the time a man is 35 years of age he will have accumulated some assets. He ought to have been able to establish himself to the extent that he has some resources other than credit under the Farm Credit Act. In my opinion, the emphasis here is in the right direction, because the farmer who is 35 years of age, or less, can obtain a loan of $150,000 under this act and a further $50,000 under the Farm Improvement Loans Act. On the other hand, the farmer who is 40 years of age can borrow only $100,000 under this act, but surely such a person has some other assets to turn to.

The average age of farmers across Canada is close to 60. That to me is a strong indication that if we do not see an increase in the number of young farmers, the time will come when there will be no farmers at all. Surely that should be sufficient indication to everyone that we must make farming more attractive to young people, and encoruage them to become actively engaged in the farming industry.

It must be remembered that when land becomes available the young person is less able to compete for it than the older man. For that reason I am in favour of seeing some advantage given to the younger person.

Another point is that this legislation increases the amount of money available to the Farm Credit Corporation from $66 million to $100 million. This is necessary because the $66 million limit is just about exhausted. Obviously, farm costs are rising, as are all other costs in the society in which we live. They are going up continuously. Consequently, we must do two things: we must make more money available, and we must make it available to those who need it the most. If we were to make the same sums available to all farmers, regardless of age, that would have two effects. It would no longer give any benefit, or additional consideration, to young people with limited access; it would exhaust the supply of money much sooner. It is for those reasons that the bill proposes to raise the total from $66 million to $100 million. In my opinion, as I have said, the emphasis is in the right direction.

Of course, we would all like to see more money being made available to more people, but it is apparent that $100 million is the maximum amount of money which can be put into this corporation at this time. Moreover, the young farmers are entitled to their share, which, I believe, is all they are getting under this bill.

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?

**Senator McDonald** moved that the bill be referred to the Standing Senate Committee on Agriculture.

Motion agreed to.

## NORTHERN CANADA POWER COMMISSION ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Maurice Bourget** moved the second reading of Bill C-13, to amend the Northern Canada Power Commission Act.

[*Translation*]

He said: Honourable senators, before bringing in the bill to amend the Northern Canada Power Commission Act, I would like to recall briefly what the commission is today and what it has realized since it was established 27 years ago. I would also like to emphasize an aspect of the commission's policy, such as it was outlined by the minister some months ago.

The Northern Canada Power Commission is a crown corporation, which was established in 1948 under the "Act respecting the supplying of Electrical Power in the Northwest Territories". At the beginning, it was called "The Northwest Territories Power Commission". In 1950, it was

extended to the Yukon. In 1956, the act was again amended and the commission took on its present denomination.

The commission is allowed to assess its needs in public services, to build and operate facilities of public utility in Yukon and in the Northwest Territories.

Under the existing act, every facility under the commission's jurisdiction must be self-sufficient. The rates it imposes must allow it to draw enough income to ensure the payment of interests, the refund of principal over some years, the payment of its operation and maintenance costs, as well as the constitution of a reserve for contingencies. For its 27 years of operation, the commission has been entirely financed through its sales and it did not receive any subsidy or other form of help from the Canadian taxpayers for its activities.

● (2050)

[*English*]

As a crown corporation the commission is accountable to Parliament, through the Minister of Indian Affairs and Northern Development. In practice this means that the actions of the commission receive the scrutiny of the House of Commons Standing Committee on Indian Affairs and Northern Development, and also their Public Accounts Committee.

Commission members are appointed by the Governor in Council, who also approves the power rates charged to consumers and the terms of crown loans made to the commission for capital outlays.

Canada owns, through the commission, more than 80 per cent of northern generating capacity. Three private utility companies control about 10 per cent of this capacity, and the remaining 10 per cent is owned and operated by private organizations, primarily mining companies.

Let us for a few moments consider some facts with regard to the growth of the power commission. During its first fiscal year, its operating budget was $231,000. This year its budget will exceed $24 million. In the 10-year period between 1964 and 1974, the generation of electric power by the commission more than trebled from 178 million to 650 million kilowatt hours. During the same period, the number of plants operated has increased from 12 to more than 50, the gross revenue from $5 million to $16 million per year, and the gross investments from $41 million to $110 million.

[*Translation*]

To meet the growing needs of communities and industries, the possible energy output of several streams in various areas of the Yukon and the Northwest Territories is under study.

With respect to those projects and other constructions, capital investments last year amounted to more than $40 million and they will exceed $30 million this year.

Before dealing with the proposed amendments to the Northern Canada Power Commission Act, I would like to review with you some aspects of the commission's terms of reference.

The government has decided that the Northern Canada Power Commission will henceforth be responsible for the construction of facilities of the Canadian power transmission network in northern Canada. This will make the integration of existing power lines into a well designed and rational network and will enable the commission to offer consumers lower rates.

With respect to hydroelectric energy, which is a renewable resource, it is proposed that the Northern Canada Power Commission be the sole body responsible for the development of those resources and the main producer of thermal energy. In spite of that policy, it is acknowledged that limited output plants have been and still will be built and operated by the private sector, especially mining corporations and local energy suppliers.

The Northern Canada Power Commission will always be willing to consider, in concert with officials responsible for the production and transmission of electric energy in contiguous provinces, the advantages of inter-connecting the territorial network and northern extensions of the provincial network, provided its fundamental responsibility to produce and provide electric energy in the territories is not jeopardized.

Thus, in the future production and transmission of electrical power will be more incumbent on the commission but that will not necessarily be the case for distribution. Indeed, territorial ordinances indicate clearly that municipalities have the right to grant distribution franchises at the local level. The government thinks that option should continue to exist as long as territorial governments will want to. In fact, it is even possible some municipalities will want to operate their own franchises.

The commission's major plants serve the larger cities and their populations of new residents but a good number of the 56 plants developed throughout the territories supply native hamlets and cities with electrical power.

Native users pay special preferential rates; some even have lower domestic rates than those in southern Canada.

When the commission undertakes construction work, inasmuch as it is possible it takes steps to give part of the work to natives or native organizations.

In addition, the staff of the commission is always looking for natives who want to work on a permanent basis to operate the facilities. At present, 20 per cent of field employees are natives who, with the required training, should become craftsmen and even competent supervisors.

[*English*]

With the rapid expansion and developments North of 60, the Northern Canada Power Commission Act has been amended twice. It now needs further revision to enable the commission to keep pace with current and future needs.

The main amendments are as follows:

First, to increase the number of commission members from three to five so as to include representation from the Yukon Territory and the Northwest Territories. Each member is, of course, appointed by the Governor in Council, but one shall be appointed on the recommendation of the Commissioner of the Northwest Territories and one shall be appointed on the recommendation of the Commissioner of the Yukon Territory.

● (2100)

Second, to remove the requirement for approval of the Governor in Council for contracts in excess of $50,000.

Third, to establish broader rate zones and, in particular, to define the Yukon Territory as a separate rate zone. This rate structure at the moment is outdated and was abandoned long ago by most public utilities, including provincial utilities. Rather than setting rates tied to costs of individual plants, the commission would in future set up separate zones and base its rate on the costs of each zone, thereby working towards some measure of rate equalization.

Finally, it is designed to enable the financial records and procedures to be maintained in accordance with accepted accounting and Treasury Board practices, such as are defined in the Financial Administration Act.

[*Translation*]

The Northern Canada Power Commission is one of our important means of expansion in the north. It ensures that electricity is supplied at the lowest possible rate to domestic, commercial, industrial and native users. By distributing power at cost, it helps improve the standard of living of northerners and promote industrial development.

The commission recognizes that hydroelectric project planning must take into consideration environment, social and economic factors, and therefore it carefully weighs such factors before choosing a proposed site.

Finally, the commission must also endeavour to supply efficient service and meet the needs of individual and industrial users in the north. So the commission must concern itself equally with future development, northern people welfare, and northern land and water protection.

[*English*]

Those, honourable senators, are the few remarks I wanted to make on Bill C-13. If and when it receives second reading I shall move that it be referred to the Standing Senate Committee on Banking, Trade and Commerce.

On motion of Senator Flynn, for Senator Choquette, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, April 23, 1975

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

Prayers.

## CULTURAL PROPERTY EXPORT AND IMPORT BILL

SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Lamontagne, P.C., seconded by the Honourable Senator Connolly, P.C., for the second reading of the Bill C-33, intituled: "An Act respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states"—(Honourable Senator Langlois).

**Senator Petten:** Honourable senators, when Senator Langlois moved the adjournment of this debate it was his understanding that certain other senators wished to speak. I understand now that Senator Grosart wishes to participate in this debate, and that it is the wish of the Senate that he should do so.

**Senator Flynn:** Are you sure that Senator Langlois has no objection?

**Senator Petten:** He has no objection. It is agreed.

**Senator Flynn:** Did you send him a wire?

**The Hon. the Speaker:** Is it agreed, honourable senators, that Senator Grosart speak now?

**Hon. Senators:** Agreed.

**Hon. Allister Grosart:** Honourable senators, in my view this is a very important bill. If I had any major criticism of it, it would be that it has been much too long delayed in coming to us. This is understandable, perhaps, because Canada is a young country. We naturally have only just begun to think in terms of our national heritage, particularly those physical objects which may have something of importance to contribute to our national heritage. We have, as I say, been a long time in coming to the realization of the importance of this, although some other countries have long understood it. Anyone who has travelled abroad to any extent would recognize immediately that there is a very specific value in the recognition, internationally and domestically, of a cultural heritage.

There is, of course, the relationship of cultural heritage to national identity. Very often the stature of nations among the countries of the world is determined much more by their cultural background and contribution over the years than by their economic status or other matters.

Secondly, there is a definite economic value in the preservation of a national heritage in the terms of the bill before us. One has only to think, for instance, of the economic values of the Louvre in Paris, La Scala, the British Museum, the Tate Gallery, the British National Art Gallery, and so on, to know that a very definite economic value can be attached to the preservation of the national heritage of any country.

Of course, in some respects our own heritage is not of long standing. On the other hand, there is recent evidence that we may have a heritage of long standing and of great international economic value. I need only refer to the apparent discovery quite recently in the extreme north of Newfoundland of what is said to be an ogham stone—ogham being an old system of writing of Ireland, of the Druids. There is said to be a stone there which has ogham inscriptions on it which, if validated—and the evidence is that they will be validated—will prove that Irish monks were in Canada as we know it now as early as the fifth century. There have been recent discoveries in the Eastern Townships indicating a special Canadian heritage of Phoenician days. These are much older heritages than those to which we are accustomed when we think of our paintings, artifacts, items of art, and so on, as are indicated in the bill. However, this alone would indicate to me the importance of this bill being enacted at the present time.

It is perhaps unusual for me to be in the position of defending a government bill which has been the subject of criticism from our group, and also from the other side. In fact, the majority of those who have spoken on this bill in the Senate have tended to be, if not totally opposed, at least highly critical of some aspects of it.

We had an excellent explanation of the bill by the sponsor, Senator Lamontagne, who is a former Secretary of State. In my opinion, it is not going too far to say that he should be regarded as the father of the development of a ministry of culture, such as it is, in the Department of the Secretary of State today. From the time he assumed that important post, he made it his obvious objective to make this a real Canadian department of culture. I think it is true that his objective has to a considerable extent been realized, despite the stops and starts, the adequacies and inadequacies, and the departmental rivalries, errors and omissions, all of which are met along the way toward the creation of anything of any significance in the government structure in Canada.

The kinds of objects which a bill such as this purports to protect are almost impossible to outline item by item. Mention was made by Senator Lamontagne of a Picasso that might be in Canada. I personally would not regard that as having anything to do with our national heritage, although I can understand his reason for thinking that if at a particular time someone had been wise enough to find a Picasso and maintain it in Canada, it might in time become part of our cultural heritage. The minister mentioned a Paul Kane painting. There could be some discussion as to whether any single Paul Kane painting is all that important.

One senator mentioned a Krieghoff. There are various views about Krieghoffs. They have perhaps a higher value today than any other Canadian painting, but personally I would not spend very much money on one. There are other paintings which I think are better, even though they may have less historical interest.

The Champlain astrolabe was another example mentioned by the minister as being outstanding, which it is because it was a scientific instrument having a tremendously important place in scientific discovery, navigation, and so on. That has been lost to Canada. I am sure we all wish it were not.

Mention has been made of the Borduas collection. It would be a matter of judgment as to whether the Borduas collection's going abroad is all that important. I would not think it is, because I am not a collector of abstract paintings. I could go on.

This points up the criticism which has been made of the bill, that the judgments made at any level will be subjective—and, of course, they will be. There is no other kind of assessment that I know of in the art business than that which is highly subjective. Even the economic values which may from time to time be placed on objects of art are mainly subjective. It depends on who wants them and how badly they want them.

I am glad that Senator Lamontagne said it was his intention to move an amendment to this bill—at least one, and I hope more—when it goes to committee. His amendment refers particularly to the composition of one of the boards, and I shall have something more to say about that in a moment. Other reservations which have been put forward here and in the other place are interesting and substantial, but I do not find too much validity in any of them. Each person who has spoken on this bill, both here and in the other place, has agreed with the principle of the bill. Everyone agrees that we must control important objects of significance to our Canadian heritage. Then they immediately say, "But I don't like the controls." How can you have both? There is only one way we are going to control the export of heritage objects of importance, and that is by having controls. I do not think that needs to be argued.

Then those who object become a little more specific about the controls. They point out the particular kinds of controls they do not like. One is that the bill seems to impinge on the rights of individuals to own, sell, make a dollar on an object of art or archaeological interest. Opposed to that, of course, is the right of all Canadians to preserve these objects of heritage. Surely there are both rights. My impression is that the bill cleverly protects both rights. It seems to me there have been misunderstandings about the wording and the intent of the bill in this connection.

● (1410)

In discussing this phase of the bill, Senator Lamontagne used the phrase, "It is a workable compromise between the public interest and the legitimate private interest of persons who will be affected." I agree. In the present context of my remarks, I would be inclined to say that it is a compromise between the interests of Canadians as a whole and the legitimate private interests of persons who will be affected. I do not make that kind of distinction between private and public interests. The collective interests of Canadians as a whole can be just as much a private interest as that of any one individual, or any small group of individuals.

I support this bill because, in my view, it completely supports the right of all individuals to maintain their heritage, as well as supporting the rights of the collector, the dealer, the official custodians of our heritage, and others, and, I am glad to say, it completely supports the rights of all private individuals to make a dollar. In fact, as I read the bill, I am convinced that it will actually increase the dollar value obtainable for a Canadian object as described in the bill. There are reasons for that which I shall mention in a minute. It should be said that no individual is denied for one minute the right to sell an object described in this bill at the highest possible price he can get. The bill makes it very clear that the intent is to ensure that he gets that price.

Honourable senators will be aware of the general structure of the process by which an export permit is granted or denied. The customs officers, who are purely administrative, will determine, in the first instance, whether the object in question comes under the specified items in the control list, and there will be expert examiners to whom the decision of the customs officers may be referred. I shall return to this matter of expert examiners in a few minutes.

If the decision of the expert examiners is to be tested, an appeal can be taken to a review board. The review board, under the bill as it is presently drafted, will consist of an equal number of representatives of the custodial institutions, on the one hand, and the dealers and collectors, excluding the chairman. It is in this area that Senator Lamontagne has suggested he will move an amendment, the purpose of which, as I understand it, is to expand the kinds of persons who may be members of this review board so that it will not consist entirely of people who might be regarded as having some kind of particular vested interest in maintaining an object of art in Canada to the detriment of the private individual who might own that object of art. I agree entirely with that suggestion. The bill should be amended to make the judgment of this review board much broader than it is under the bill as it stands.

This, of course, raises the matter of whether there should be an appeal from the decision of the review board. I can understand that the departmental officials and the minister might take the position that since there are two appeal procedures provided for, one being to the expert examiners and the other to the review board, it is a little tiresome, perhaps, to have another appeal.

My own feeling is that there should be a further appeal, an appeal through the courts. Obviously, most of the determination will be made in the earlier stages on the facts of the case, but it is quite possible that bureaucrats—and I use that word in its best sense—may tend to be less precise about the legal implications of their decisions than others might be, and certainly than a judicial review board might be. I would therefore suggest to the committee that it might consider persuading the minister that it will be in the best interests of the minister himself, as well

as those who might be affected, to permit an appeal at law to the appropriate court—possibly the Federal Court.

The reason I say it would be in their mutual interest is this: As far as the minister is concerned, what can he lose? If the judgment is wrong, it should be so determined, and surely the minister would be the first to say, "If these decisions have been wrong, of course they should be put right." From the point of view of the individual, it would make him a little happier to know that the decision had not been made by what to him would be a succession of bureaucrats. I leave that to the good judgment of the committee.

I have spoken of the protection and rights of the private individual, by which I mean the owner of the object or the dealer in objects. It is quite amazing, and much to the credit of the department and the draftsmen, that this protection has been made as complete as it is. For example, no owner of an object is denied the right to sell at the highest price, because the bill makes it very clear that when the owner has gone through these various stages—if he has been denied the right to export by the customs officer, and he has been denied by the expert who says that the object comes within the control list—he is not put in the position of being forced either to retain it in Canada or to sell to anybody, because the bill provides a delay period. I think the delay period is too long, because if you add up the two components it comes to 10 months. Again the committee might carefully consider whether this 10-month period should not be decreased, although there are pros and cons in that respect.

The purpose of the 10-month period is, first, to provide a time during which some Canadian institution or Canadian individual can pay a fair price for the object. What is a fair price? In most cases, because it is a matter of a permit to export, somebody will have offered a price, somebody somewhere in the international market. It seems to me that this will obviously be the essential ingredient of fair price that will be determined under the bill by the review board.

I would like to see the word "international" written into the bill. The bill now speaks of a fair price, but there seems to be doubt about the ingredients of determining what a fair price would be. It should be clearly stated to be based on the international fair price, which is something that is not hard to determine, particularly in the specific case, because obviously there has been an offer to pay so much, otherwise the item would not normally be under consideration for export. It would seem that the dollar interest of any individual is fully protected here.

Additionally, there is provision, first of all, for a general ministerial permit. This is to remove the endless bureaucracies in the bill. The minister may, in the case of a dealer who is exporting and importing all the time, and who is a reputable dealer, say, "I will give you a general permit. Although some of the items you are proposing to export are on the control list, I am quite prepared to trust your judgment and honesty. I will give you either a general permit or what is called an open permit"—which is a little more extensive. I mention these things because I see this deliberate intention in the framing of the bill to protect the rights of individuals, which too many people have misunderstood.

[Senator Grosart.]

Then there are the other incentives. There are two funds, one proposed to Parliament and one which is set up under the bill, the purpose of which is to provide money to custodial institutions to meet the export price. They can, if they wish to purchase a heritage object under the bill, apply to this fund and say they need a certain sum of money to keep this item in Canada. They may or may not get it. If they do not get it, what happens? If no Canadian institution or person offers a fair price, an export permit is automatically granted under the bill. So, I say that there is a tremendous degree of protection of the individual, collector or dealer, which I approve.

● (1420)

Then there is a requirement that in a review board hearing the person who has appealed may ask that the hearing be a public hearing. That is a further protection to the individual.

It has also been said that this bill sets up a tremendous new bureaucracy. This is a criticism which is often made of bills, and, in my view, one that is often valid. In the case of this bill, however, it is clearly not. The customs officers are there and they are paid to do their job. I do not think anyone will complain much about their being given a little more work to do at the same hours and the same rate of pay. The expert examiners are not, as some people have thought, another group of bureaucrats. On the contrary, these are experts, a cadre of approved persons, who will be called in from time to time. As I understand the bill, only their expenses will be paid. They will not be bureaucrats. Of course, the review board itself will be, in this sense, a bureaucracy, a bureaucratic forum. It is to consist of seven members, and perhaps it will be expanded, but the addition of a body of people to administer an act of this importance does not in my view provide ground for a legitimate criticism.

Criticism has also been made of some definitions. There is the control list itself. It will be difficult to set up a control list. It will obviously be by categories rather than by specific items. The bill says that the control list will contain those items which the minister "deems necessary to control in order to preserve the national heritage of Canada." I doubt if any senator would quarrel much with that.

Criticism has been made of the definitions of age and value, which are important because, of course, it is necessary to set out criteria of age and value in order to determine whether an object is a heritage item. A set of values has been set up, ranging from $500 to $3,000. It is not terribly important what they are, but there have to be age limits. An item must be 50 years old and not be the product of a living artist or artisan, and so on. These criteria should be looked at. Senator Everett raised this question, and I think it is worth considering. My own view inclines to be that the 50-year period is too short. One can say we are a very young country and therefore a heritage object or item becomes important in a much shorter time; or one can argue it the other way and say that 50 years is too short a time in which to decide that an object is a heritage item. If we were to go back, say, to the year 1650 in Britain we would discover that many objects 50 years old, which would have been regarded as heritage items

then, are now in the ashcan—and rightly so. I hope the committee will discuss this matter in some depth.

The review board, however it may be constituted, has three jobs to do. One is to review the decision of the customs officer and decide whether he was right, and whether the particular object comes under the controls. That is the only consideration at that level. Then there is need to determine a fair price, and I have already commented on that.

There may be a bit of a loophole here, in that a review board which, as presently constituted, has a specific interest in keeping the item in Canada, might very well come up with what it considers a fair price but which the appellant would not consider a fair price and which the international market might not. I hope that will be given careful consideration.

Another reason why I support this bill is that, as many of us have remarked on occasion, there has been complete consultation with the provinces. Obviously, the provinces have their own interest in their heritage. Viewed from a provincial point of view, the judgment may not always be the same as that when heritage is considered from a national point of view, but the provinces have been consulted and, together with their agencies involved in this field, have agreed to the bill. The Professional Art Dealers' Association of Canada has been consulted and has agreed to the bill; the Canadian Antique Dealers' Association has been consulted and has agreed to the bill; and the Council for Business and the Arts in Canada has also been consulted and has approved the bill. Incidentally, I do not know who they are. I have never heard of them, but apparently they are important enough to have been consulted.

In addition to the amendments to the Income Tax Act to provide the special funding, another aspect of the bill deals with our obligations in respect to imports into Canada from other countries. I need say little about that. We have an obligation under the UNESCO convention of 1970 to implement that convention. I understand that if this bill is passed and receives royal assent we will immediately ratify and implement the UNESCO convention, both of which actions are necessary to make it effective.

Honourable senators, the provisions with respect to offences and penalties which are necessary to put some teeth in the act, are not in my view excessive. The penalties are modest. They are sufficient, however, to deter most offences against the act.

I certainly hope that the committee will look carefully at the suggestions that I and others have made. I refer, for example, to Senator Lamontagne's amendment, which I am quite sure he will go forward with, which has to do with the composition of the review board; the matter of appeal, which I think is important; and the question of the time, age and value limits which I also think should be looked at.

It would be useful if we could obtain some information from the minister in committee with respect to how the ministerial discretion will function in the two cases—the general discretion and the open discretion. Unless there is some clear statement from the minister with respect to how he sees the discretion, there could be some reason for concern because, obviously, it means that there is a clear discrimination against various individuals. The minister will be required to say, "I will give the 'open sesame' type of permit to one individual or group of individuals but not to the other."

I hope these matters will be discussed in committee. If amendments are necessary I hope they will be made, and that in due course the bill will be passed by the Senate.

● (1430)

**Senator Lamontagne:** Honourable senators—

**The Hon. the Speaker:** I wish to inform the Senate that if the Honourable Senator Lamontagne speaks now, his speech will have the effect of closing the debate.

**Senator Lamontagne:** Honourable senators, I certainly do not intend to try to compete with Senator Grosart's excellent speech. I think he covered the subject matter very well and raised some very interesting points, which I hope will be considered by the committee.

I just want to say at this stage that I prefer Senator Grosart's liberalism to that of Senator O'Leary's.

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?

**Senator Lamontagne** moved that the bill be referred to the Standing Senate Committee on Health, Welfare and Science.

Motion agreed to.

## NORTHERN CANADA POWER COMMISSION ACT

BILL TO AMEND—SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Bourget, P.C., seconded by the Honourable Senator Petten, for the second reading of the Bill C-13, intituled: "An Act to amend the Northern Canada Power Commission Act".—(Honourable Senator Choquette).

**Hon. Lionel Choquette:** Honourable senators, I was not in the chamber a few minutes ago when the first Order was called, and stood by my leader. If I have the consent of all honourable senators, I should like to proceed with Order No. 1 on the Order Paper.

**Hon. Senators:** Agreed.

**Senator Choquette:** Honourable senators, we are beholden to Senator Bourget for having given us some valuable background information on the nature of the Northern Canada Power Commission and its mode of operation. There are so many government commissions, agencies and what have you that it is useful to be reminded, when we are discussing one in particular, what it is meant to be doing.

However, all my words cannot be words of praise. I found myself wishing, as I read what Senator Bourget said last night, that he had spent more time on the provisions

of the bill under discussion. It might have been useful to know what the problems are, the solution of which seems to require two new commissions.

We very much favour the idea that recommendations for new commissioners should come from the Commissioners in Council of the Yukon and Northwest Territories, but we would have liked to have heard some explanation of the magnitude of the difficulties faced, in order to make an initial judgment as to whether an increase of two members is sufficient. This matter, of course, can be gone into in more depth in committee. We surely do not want to increase the size of governmental bureaucracy unnecessarily, but we do believe in providing organizations with the manpower and tools required to do an efficient and creditable job. So in committee the first thing we shall need to have explained to us precisely is why these additional people are required. We shall also need the assurance that the addition of two new commissioners will suffice.

The next point on which we need explanation, because it was not forthcoming last night, is why the government finds it necessary to repeal section 6(3) of the act. Section 6(3) reads:

> The Commission shall not with respect to any project undertake or enter into any contract, other than for maintenance or repairs, for the construction, making, erection, purchase or installation of any works, excavations, undertakings, equipment or facilities, involving a total estimated expenditure exceeding fifty thousand dollars unless the undertaking of the project by the Commission has been approved by the Governor in Council.

This requires the commission to account to the Governor in Council for certain expenditures over the limit of $50,000. The amendment proposed would remove the requirement of accountability and allow the commission to act on its own, to make expenditures of any magnitude without having to answer to either the Governor in Council or to Parliament. When you consider that this commission, as Senator Bourget said last night, will spend something in excess of $30 million this year, I think we owe it to ourselves to maintain some sort of control over what it does.

This commission is a creature of Parliament. It acts in the public name and spends huge sums of public money. Parliament has a right and duty to keep a close check on how these funds are spent. If control is still maintained, even after this subsection is repealed, I will be satisfied, but I would want it pointed out to me how this is assured.

As I see it, after this subsection is repealed, the commission becomes perfectly autonomous. It will no longer be necessary for the government to make provisions for estimates for the operation of the commission, so Parliament will not have to be asked to approve estimates for this commission, and that check will be lost to us. It is a situation which gives rise to legitimate queries, and I should hope clarification will be provided at the committee stage.

If the only reason for dropping section 6(3) is that the present figure of $50,000 is unrealistic, and requires the commission's having to come too often to have its projects approved by the government, then certainly a compromise can be reached. We are not wedded to the figure of $50,000—we could see that increased to $500,000, if necessary—but we are wedded to the idea of government's maintaining some control over the expenditures of this commission.

I come next to the matter of rate zones. I would tend to agree that the rate structure used is in need of revamping, but I am puzzled as to why, in this matter of rates, the government is not decentralizing authority. Under this bill, the establishment of rates will continue to be done by the commission with the approval of the Governor in Council, but are there not any public utilities—boards in the Yukon and Northwest Territories? And should the matter of adjustments in rates not be submitted to them for approval? I think the whole matter of the commission, and the powers it has and does not have, must be gone into thoroughly.

We are all interested in assuring efficient operation of the Northern Canada Power Commission. To date, it has a good record and we do not want to jeopardize it. However, we do have a problem. On the one hand, we want to give the people of the North more autonomy, more say in the administration of their own affairs. On the other hand, we must remember that this commission is a creature of Parliament, and as such we have a responsibility to oversee its operations.

The ultimate solution to the political problems that beset the Yukon and Northwest Territories probably resides in greater constitutional authority for the local councils. But that is an argument that is beyond the scope of this bill, and will have to wait for another occasion.

**Hon. Maurice Bourget:** Honourable senators—

**The Hon. the Speaker:** I wish to inform the Senate that if the Honourable Senator Bourget, P.C., speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Hon. Maurice Bourget:** Honourable senators, I am not in a position at this moment to answer all the questions asked by Senator Choquette, but I would like to give him at least two answers.

He said, if I understood him well, that we are creating two commissions by this bill. As a matter of fact, we are not creating two commissions. The purpose of the bill is to add two new commissioners. Both will be appointed by the Governor in Council, one on the recommendation of the Commissioner in Council of the Yukon Territory, and the other on the recommendation of the Commissioner in Council of the Northwest Territories.

**Senator Asselin:** Will there be any Conservatives appointed?

**Senator Bourget:** I suppose so. This is a liberal government, and we are open, and always willing, to appoint good men when we see them.

**Senator Flynn:** Very often you are blind, however.

**Senator Bourget:** Well, I think the people of Canada, for the last 50 years, have had their eyes open, and that is the reason why for 75 per cent of the time a Liberal government has been elected.

● (1440)

Honourable senators, I believe that at the moment I am out of order. However, I hope my honourable friend understands that we are not creating two new commissions, but two new positions of commissioner. The purpose of this also is to give an opportunity to the people of the Yukon and the Northwest Territories of having a better say in the affairs of the commission.

In his second question, if I remember correctly, Senator Choquette made reference to the fact that there is an amending clause relating to projects over $50,000. I would like to remind my honourable friend that this commission is accountable to Parliament through the Minister of Indian Affairs and Northern Development, so that its budget will be scrutinized by the Standing Committee on Indian Affairs and Northern Development of the House of Commons. Moreover, the budget of the commission will have to be submitted to the Treasury Board, and then approved by the Governor in Council. It was for these reasons that it was found unnecessary for the commission to obtain approval by the Governor in Council of projects involving the expenditure of more than $50,000. There will be, therefore, less bureaucracy involved, which was the expression used in the other place.

These are the two answers I can offer my friend with respect to his particular remarks. With respect to his other points, as he said, we shall have a better opportunity in committee when the officials of the department will answer the questions he posed.

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?

**Senator Bourget** moved that the bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

**Senator Smith:** Honourable senators, I rise on a point of order. I am sure there must be a good reason for this motion, but why is this bill not being referred to the Standing Senate Committee on Transport and Communications?

From my reading of rule 67(1)(*i*), which is to be found at page 32 of the Rules of the Senate, it seems that inquiries, and so on, relating to pipelines, transmission lines and energy transmission should be referred to the Standing Senate Committee on Transport and Communications. I am wondering if Senator Bourget has some special reason for moving that this bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

**Senator Bourget:** Honourable senators, I asked myself the same question earlier. I was advised by an authority that it should be referred to the Banking, Trade and Commerce Committee. When there is doubt concerning the jurisdiction of two committees, a bill can be referred to either one. I made this inquiry of the authority, who advised me that in the circumstances this bill should be referred to the Standing Senate Committee on Banking, Trade and Commerce.

**Senator Flynn:** We can always move an amendment.

Motion agreed to.

## SENATE (INTERSESSIONAL AUTHORITY) BILL

SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Flynn, P.C., seconded by the Honourable Senator Quart, for the second reading of the Bill S-22, intituled: "An Act to provide for the internal economy and administration of the Senate between sessions of Parliament and between Parliaments".—(Honourable Senator Petten).

**Senator Petten:** Honourable senators, when I moved the adjournment of this debate it was to enable any other honourable senator who wished to take part to do so. Since no one has indicated that he or she wishes to continue the debate at this time, I request that Senator Flynn be allowed to close the debate on second reading.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

**Hon. Jacques Flynn:** Honourable senators, I suppose that this expression of agreement means that you consider yourselves as having been warned that in speaking now my speech will have the effect of closing the debate.

I wish to thank Senator Perrault, Senator Prowse and Senator Connolly (Ottawa West) for their observations with respect to this bill. As I said when I introduced it, the main problem concerns the administration of the Senate between Parliaments, rather than between sessions, and is mainly the problem of the operations—

**The Hon. the Speaker:** I must advise honourable senators that if the Honourable Senator Flynn, P.C., speaks now his speech will have the effect of closing the debate of the motion for second reading.

**Hon. Senators:** Hear, hear.

**Senator Flynn:** I thought this would have been deemed to have been said.

As I was saying, the problem is, of course, the administration of the Senate between Parliaments and the operations of the Senate committees during that time. The practical problem has been discussed by Senator Connolly and Senator Prowse. Senator Connolly expressed some reservations, and Senator Prowse approved the idea that we should be able to do something. In my opinion, part of the answer, anyway, to Senator Connolly's reservations is that we should deal with this problem of the operations of Senate committees between Parliaments, especially during election campaigns, by means of our rules. In any event, this is one practical problem which can be resolved in committee.

Senator Perrault's observations, in my opinion, are well taken. I am not, however, entirely sure that we should worry too much about the objections he has raised, but I am convinced we should deal with them in committee. It is important that if we do anything about this problem we be on safe ground. Therefore, I agree entirely that the ques-

tions Senator Perrault raised should be examined thoroughly in committee.

For those reasons, if this bill receives second reading I shall move that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

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?

**Senator Flynn** moved that the bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.

BUSINESS OF THE SENATE

**Senator Petten:** Honourable senators, before the motion to adjourn is put, I should like to inform the Senate that the Standing Senate Committee on National Finance will meet in room 256-S at 3.30 this afternoon. The Special Joint Committee on Immigration Policy will also meet at 3.30 this afternoon in room 356-S.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Thursday, April 24, 1975

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

Prayers.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** informed the Senate that messages had been received from the House of Commons to acquaint the Senate that the name of Mr. Ritchie has been substituted for that of Mr. Friesen and that the name of Mr. Friesen has been substituted for that of Mr. Ritchie on the list of members appointed to serve on the Special Joint Committee on Immigration Policy.

## ST. LAWRENCE PORTS OPERATIONS BILL, 1975

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-59, to provide for the resumption and continuation of longshoring, checking, cargo repairing and related operations at certain ports in the Province of Quebec.

Bill read first time.

SECOND READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Hon. Raymond Perrault:** With leave, I move that the bill be given second reading now.

**The Hon. the Speaker:** The house has heard the motion. Is there unanimous consent?

**Hon. Senators:** Agreed.

**Senator Perrault:** Honourable senators, before I make a few remarks on Bill C-59, I wish to table:

> Copies of Reports on the dispute affecting the Maritime Employers Association and the International Longshoremen's Association (Chief Judge A.B. Gold, Conciliation Commissioner).

This measure, which is entitled an act to provide for the resumption and continuation of longshoring, checking, cargo repairing and related operations at certain ports in the province of Quebec, is a measure which does not indicate that the government has lost faith in the collective bargaining process as the most satisfactory means of determining wages and conditions of work. Indeed, the collective bargaining process in this nation has, on the whole, been an extremely effective procedure in both federal and provincial jurisdictions. However, as honourable senators are aware, bargaining in this very important dispute was discontinued more than three weeks ago, and although Judge Gold, the experienced and respected mediator in this matter, used his best efforts, the parties did not agree to return to the bargaining table.

In situations of this kind, the government could have allowed the dispute to continue waiting for the eventual loss of wages and loss of business to compel the parties to seek an agreement. Parliamentary action in this dispute between the Maritime Employers Association and the longshoremen would not be a necessity if the longshoremen's activities had not interfered with employees in other organizations not on strike; that is, those employees engaged in the movement of grain at waterfront grain elevators. This is very much a situation where a private right becomes a public wrong, and on points of this kind it is the view of the government—indeed I think of most of us in public life—that Parliament must act to bring about a settlement.

This is the second occasion in recent times that legislation comparable to Bill C-59 has been introduced in Parliament. Let me say that it is not the intention of the government to establish a pattern of government intervention. Rather, this instance of government intervention has been caused by the particular circumstances and demands of this dispute. We are not establishing any kind of precedent. Parliament will not, and certainly should not, become an extension of the collective bargaining process, and those who think that Parliament can be used in this way are going to be disappointed.

The subject matter of this legislation relates to a dispute between the Maritime Employers Association and the International Longshoremen's Association, local 375 Montreal, local 1739 Quebec City, and local 1846 Trois-Rivières. I will refer in a moment to the secondary dispute which this legislation concerns.

In the prior dispute, the respective collective agreements expired December 31, 1974, in Montreal, and January 15, 1975 in Quebec City and Trois-Rivières. Prior to the expiry of the old collective agreement, the parties met in direct but unsuccessful negotiations on a number of occasions. As a result, on December 24, 1974, my colleague the Honourable John Munro appointed Judge Alan Gold of Montreal to be conciliation commissioner, pursuant to section 164 of the Canada Labour Code. Judge Gold was authorized, among other things, to commission an independent study into the longshoremen's job security plan. Between December 30, 1974, and February 24, 1975, Commissioner Gold met separately with the union and the employers, and also held a number of hearings. His report was received a few weeks ago, on March 14, 1975, and was accepted by the Maritime Employers Association but rejected by the workers at the three ports involved.

As a result, the Honourable John Munro, the Minister of Labour, appointed Mr. Charles Poirier to be mediator, pursuant to section 195 of the Canada Labour Code.

Despite Mr. Poirier's best efforts, the longshoremen commenced a legal strike on March 31, 1975. This is the strike which is continuing, and it is damaging now to a severe degree the local economy, and more particularly the agricultural sector dependent on feed grain importation.

The second part of the legislation involves the Maritime Employers Association and local 1657 Montreal and local 1605 Quebec City of the ILA, the latter representing 320 checkers and cargo repairmen. The parties were unable in this instance to negotiate revisions to the collective agreement expiring December 31, 1974. As a consequence, on March 10, 1975, Judge Gold was appointed as conciliation commissioner and his report was filed on April 9 last. In this case the employers' association accepted the report, but the union did not. The union commenced its strike on April 17, and that strike remains in effect today.

● (1410)

Chief Judge Gold, on whose report this legislation is founded, is a person known to many in this chamber, a person whose knowledge in the field of industrial relations, especially as practised at the St. Lawrence River ports, is absolutely unquestioned. Judge Gold is respected by both sides in this dispute, and it is clear from the government's legislative proposals that the government has the utmost confidence in Judge Gold's abilities and in his judgment. Without this confidence in Judge Gold, the government would not propose to embody his recommendations in an act of Parliament.

The St. Lawrence Ports Operations Act, 1975, consists of two parts, dealing separately with the longshoremen and with the checkers and cargo repairmen. To simplify the explanation of the legislation, perhaps I should outline the provisions as they affect both parties.

The bill provides for the immediate resumption of longshoring, checking, cargo repairing and related operations and for an immediate return to work by employees, under the conditions outlined in Judge Gold's reports. For longshoremen, the passage of this bill means a change in job security from a weekly to a seasonal guarantee with provision for weekly wage payments. The job security clause outlined by Judge Gold operates in two parts. It is based on a seasonal guarantee of paid hours rather than a five-day week guarantee. Each employee is guaranteed 40 hours of pay every week, whether he works or not. If he is offered work he must be available, or he will lose the call and eight hours of guaranteed work for the season. If he works more than 40 hours in the week and does not owe any time under the guarantee, he keeps all his hourly income for that week. For example, if a worker puts in 32 hours in a week, he will be advanced an 8-hour credit and be paid for 40 hours for that week, but he will owe the fund 8 hours of work. If in another week he works 48 hours he will get 40 hours of pay and the extra 8 hours will be used to cover the advance received in a previous short workweek. He will also add to his week's income the overtime premium rate of pay, the difference between the normal 40 hours and the 48 actually worked.

The second phase of the proposal by Judge Gold is computed at the end of the season. If an employee has not been offered 1,600 hours of work, the employer will pay the difference at the appropriate hourly rate. Should the employee receive an advance during the season and that advance has not been made up later, he will owe the fund those hours at the end of the season. He will then have to make a refund to the guaranteed plan in a lump sum or make the payment from vacation pay or from other money owed to him.

Regarding the commissioner's wage proposals which, in the government's view, adequately compensate the employee for the loss of the weekly guarantee, a Montreal longshoreman, for example, will receive a guaranteed minimum wage by the end of the contract; that is, the guaranteed minimum wage of $12,800 a year. This rate of pay compares favourably with hourly rates paid at any port in North America.

It is proposed that the current base rate of $5.10 an hour be increased in four stages to a maximum of $8 an hour, effective January 1, 1977, with intermediate increments of 90 cents to $6 as of January 1, 1975, of 40 cents to $6.40 as of October 1 next, and of $1 to $7.40 as of January 1, 1976.

Put in percentage terms, the increases will amount to 19.6 per cent for the first year, 15.6 per cent for the second year and 8.1 per cent for the third year, thereby giving a cumulative total of 43.3 per cent over three years. This compares well with the average settlements in all industries, excepting construction settlements covering 500 or more employees for the periods January to December 1974, and January to March 1975. So this is not an inordinate amount of money in comparison with other settlements across the country.

The government did not come to the decision to introduce legislation of this kind without considerable discussion and thought. The free collective bargaining process must not be interfered with lightly. However, recourse to the people's representatives in Parliament is vital to our democratic system, and this government will continue to seek the advice and consent of Parliament when circumstances of a clearly grave nature demand it.

It is to be hoped that the circumstances giving rise to parliamentary action of this kind do not arise as frequently in the future as they have in the recent past, because the record over the past 10 or 15 years indicates that parliamentary action of this type is extraordinary.

Certain press reports this morning have indicated that legislation ordering a resumption of longshoring would not be of aid. The disappointment of both employees and employers at being the subject of parliamentary intervention is understandable. However, while one can understand the sentiments which lie behind the newspaper reports from the St. Lawrence River ports, most of us share the view of the Minister of Labour that common sense will prevail, and that the longshoremen involved in this dispute will go back to work under terms which compare favourably with any in the longshoring industry in Canada and in North America as a whole.

I urge your support for the measure before us.

● (1420)

[*Translation*]

**Hon. Martial Asselin:** Honourable senators, I think it is appropriate that a senator from the province of Quebec should answer the statement and the introduction of this special legislation by the Government Leader.

Once again we are dealing with emergency legislation. The Government Leader said at the outset that this bill should not be considered as a precedent in the history of labour relations, and that the government only resorts to this kind of legislation in specific cases.

But looking back on the last two years we notice that every time a labour dispute drags on, and is not settled to the satisfaction of the parties to it, the government presents special legislation, emergency bills. That is what happened on March 29, 1975, with bill C-56, on October 10, 1974, with bill C-72, on August 31, 1973, with bill C-217, in July 1972, with bill C-230 and on September 1, 1972, with bill C-231. In other words, within two and a half years, five special bills were passed, five emergency pieces of legislation which were passed by Parliament and introduced by the Cabinet to bring labour disputes to an end. With that record the Government Leader will assure us that the present government is opposed to compulsory arbitration.

However, I feel that all those bills are compulsory arbitration measures, and it is not surprising that some cabinet ministers object to parliamentary action and as I said earlier, in the past two and a half years, five of them at least were passed. That explains why recently the Honourable Jean Marchand openly objected to the introduction of emergency bills to settle labour disputes.

Such bills obviously are undemocratic. The Government Leader suggested that. Moreover, and what is even worse, it results in disruption of the whole collective bargaining system and it denies the workers the use of necessary pressure to support their claims.

By these words I do not want to indicate that strikers now are entirely right. If you look at their demands, you find they are asking for wages of $17,000 to $20,000 a year. I say that is not reasonable.

As to their demands concerning job security—and they would want job security for twelve months when they work only seven to eight months a year—again I say strikers are not being reasonable. I submit that we are not striking at the root of the problem with the special pieces of legislation we pass.

When the last special legislation was passed the Leader of the Opposition asked that the government consider other formulas to avoid those conflicts that drag on and on. Particular emphasis was placed on the fact that the government should consider a continuing bargaining mechanism, with binding powers vested in an arbitrator, to avoid conflicts such as the one we now have to solve. The government did nothing. That was the action suggested a month ago—in March—by the Opposition, which asked the government to set up a continuing bargaining system or mechanism to prevent those conflicts from taking place. And they will still take place in increasing numbers within five or six months.

The government did not move. Again, today, they would rather let a situation rot and ask parliamentarians to vote special legislation to order the strikers back to work. I submit that the government did not know enough about the situation that prevailed in the ports of Quebec City, Montreal and Trois-Rivières.

If we look at *Hansard* for April 8, page 4593, the Minister of Agriculture said:

[*English*]

> Mr. Speaker, according to information I have received today most people still have some stocks of grain and there is no real loss of feed stocks. That is, no livestock or poultry are going without feed. We are watching the situation very closely and moving as much as we possibly can by all means, as I have said.

[*Translation*]

Two days later, on the 10th of April, as shown at page 4672 of Hansard, the Minister of Agriculture had this to say:

[*English*]

> Mr. Speaker, the condition is rapidly deteriorating and unless injunctions are obtained to disallow the picketing at the elevators in Quebec City and Trois-Rivières, there will be some loss of poultry and livestock. We know people are being asked to share the feed that is in the area and feed is being trucked in from Montreal and Prescott. We do not think, however, that this will be sufficient to look after the needs that will be there in the next day or two.

● (1430)

[*Translation*]

This happened on April 8, while on April 10, in the port of Quebec City, the grain reserves were down to 150,000 bushels and shipments of about 800,000 bushels were expected from Thunder Bay to try to meet the demand.

Worse than that: the chairman of the APU, Mr. Couture, came to Ottawa the week after the statement by the Minister of Agriculture to say that the farmers and millers were in a bind and were asking the government for special legislation to resolve immediately the situation of Quebec producers and millers.

I believe that a minister of the government, whose name I do not recall, simply said to Mr. Couture that they should solve their own problems, and this was reported in the newspapers. What has been done to supplement the responsibilities that the government had to assume at that date?

The manufacturers and the millers went to court to request injunctions to gain access to the docks at Trois-Rivières and Quebec City so as to obtain the grain they needed to feed their animals.

As a matter of fact, on April 10, Judge Côté granted the millers an injunction which allowed them to go to the port of Quebec City and obtain grain supplies. The injunction was issued. I believe it was two days later that the strikers blocked access to the ports and the injunctions could not be applied. This happened on April 12.

The same thing happened in the port of Trois-Rivières. Injunctions were issued, but the strikers refused to obey. Moreover, in the ports of Quebec City and Trois-Rivières even the police did nothing to apply the court injunctions.

In view of these trying circumstances which resulted in considerable losses for the millers and for the hog and poultry producers, the problem was put to Parliament, to the members of the Opposition and to the government. Then, last Wednesday—I believe it was April 16—the

members for Joliette and Bellechasse asked for an emergency debate to urge the government to take some action.

The Speaker agreed to this debate, which was held last Wednesday, and honourable members in the other place explained to Parliament and to the government the critical and difficult situation that farmers, hog and poultry producers were facing.

Following this debate, Minister of Consumer and Corporate Affairs Ouellet contended that the Opposition was exaggerating, that the situation was not that bad, that there would be grain stocks coming from Ontario and that feeders could get their supplies in the ports of Quebec City and Trois-Rivières, but it was not true. I repeat, as the situation deteriorated we decided to impose an emergency measure to say to the people: You must go back to work. But, honourable senators, the farming industry and particularly the cattlemen had already suffered extensive damage.

Yesterday, April 23, we were told that hog breeders in Beauce and the Quebec City area had been so affected that instead of bringing as usual 4,000 hogs in one day to the regional slaughterhouses they brought there last week 40,000 hogs. Someone also said that when you change the diet of the livestock it disturbs their system and causes considerable losses. This happened in Quebec and it is still going on. This means that in the province of Quebec in the near future, because of the strike and because this government failed to act in time upon request—the APU did ask the government—many poultry and hog breeders will have to go bankrupt. And once more it is the consumer who is going to pay for all that because the price of pork meat and eggs will continue to rise as the livestock will diminish.

But who is going to repair those damages? Who is going to help Quebec farmers as well as hog and poultry producers so that they will not go bankrupt because this strike has caused considerable financial losses? The government does not say anything in this bill. In his statement to the house yesterday, the minister did not say the government would intervene and pay subsidies to the people who will lose considerable amounts of money. The strike now in progress will merely be settled. Not one word was said about the way in which this legislation would be used to help those people come out of their financial difficulties as a result of the strike. I say, that is a negative way of approaching the problem.

Of course, we of the Opposition will accept the bill. We will also vote for it, precisely because of the present hardships of cattle, hog and poultry producers. But, by the way, I would like to ask this: where are we now going with this system of injunctions and special legislation?

As I said a while ago, some of the injunctions served by our courts are not respected today; the police force is hesitant about enforcing them. We now have emergency legislation ordering the strikers back to work. In this connection, two days ago, a union spokesman said that the strikers will never go back to work, even if special legislation is passed, and specially if it is based on the recommendations of Judge Gold. I say to you, honourable senators, we are playing with fire. When things come to a point where people within a certain society do not abide by and laugh at injunctions issued by the courts, I say we are playing with anarchy.

Furthermore, should the government make a practice of creating precedents—the Leader of the Government said it was not a precedent—but when five or six laws of that kind are passed within two years and a half, it does become a precedent and employers and employees having collective agreements, instead of negotiating honestly and sincerely, rely on the passing of a special law to solve their problem. Here again, I say that it is a complete denial of our whole collective agreement system. Therefore, I repeat that by passing special legislation of that kind, compelling strikers to accept rules they had not accepted before in spite of all possible mediations and negotiations, we are shifting the scale towards anarchy. I am warning the government about that. It is for that reason also, I repeat, that there is not complete unanimity in the Cabinet whenever it comes to introducing legislation of that kind.

We members of the Opposition are being asked to accept this legislation. We do so because public interest, the interest of our society, requires the passing of such a measure. We are doing it reluctantly because the government did not go to the trouble of taking the necessary steps to avoid the introduction of such legislation. And as public interest is above all that and as we wish to spare Quebec producers and farmers greater losses, we are going to vote for this legislation. But still we hope, and here I wish, on behalf of the Opposition members, to appeal to the strikers to abide by the law that will be passed so as to prevent our society from sinking into chaos and anarchy, which would prove detrimental to all the elementary rules of a democracy.

I also hope that the strikers will understand that this legislation is being passed in the interest of both parties concerned that Parliament wished to give justice, not only to the strikers but to the employers as well. I honestly wish and hope on behalf of the Opposition that this will be the last piece of legislation on which we shall be called upon to vote in order to settle labour disputes.

[*English*]

**Senator Neiman:** May I ask the honourable government leader a question for purposes of clarification? In the example that was given of a minimum income for 40 hours of work per week, he went on to say that if an employee were to work only 32 hours, for instance, during the first week he would be paid at the 40-hour rate. If that employee were then to work 48 hours during the second week, he would still receive an income on the basis of the 40-hour week and, in addition, the overtime rate for eight hours.

**Senator Perrault: That is correct.**

**Senator Neiman:** I wonder if that would lead to some type of absurdity unless a restriction of some kind were placed on it? Would it not be the case that if an employee did not work during one week, but chose to work 80 hours during the next week, he would receive 40 hours of overtime pay for work he was supposed to have done in the first week? Surely he would not be entitled to overtime in addition to his basic wage.

● (1440)

**Senator Perrault:** I want to assure the honourable senator that this is one of the concerns of the employee organization—to make sure the work is properly shared among available longshoremen. In actual fact, a situation of the kind contemplated by Senator Neiman could not arise.

Incidentally, my reference to the minimum yearly income for longshoremen did not indicate the current levels of income of these workers. They are considerably above that figure at the present time.

**Hon. Allister Grosart:** Honourable senators, I am sure there is general agreement among members of the house that this is a most unpalatable duty, but it is a duty that we are asked to perform today. I must say I am very much afraid that if the method of handling such crises, as we have before us in this bill, is continued by the government, it will prove a most inefficient, if not a very dangerous, way of attempting to settle problems such as this.

My honourable colleague, Senator Asselin, made it clear that the statement by the Leader of the Government that this is not a precedent—that this is extraordinary, not ordinary, legislation—bears some examination. He indicated the recent occasions on which Parliament has been asked to intervene in this way in a labour dispute.

The situation is roughly this, that in the period from 1972 to 1974 we had three interventions by Parliament out of a total of nine in the history of this matter; and now we have two more in the last month. Today is April 24—incidentally, Shakespeare's birthday—and the last time we were asked to perform this kind of duty was, as I recall, on March 24. That is twice in one month. Yet the Leader of the Government tells us this is not ordinary. My fear is that it will become ordinary, and largely because of the unpredictability of what the government will do in a situation like this.

Unpredictability, of course, is the one thing that will lead to additional problems between two parties in conflict, as they are in this matter. I say that because here we have an entirely different pattern, and possibly a dangerously innovative pattern, from, let us say, the last time we were asked to look at a bill such as this. On that occasion, as I recall, there was a conciliation report. The government, in advance of any such action as this, indicated it supported the conclusions of that report. I am not critical of that *per se*, but this time we go a step further and we have the conciliation report included in the bill.

One wonders—because on the previous occasion the government appeared to side with the workers, the employees, and in this one they appear to side with the employers who accepted the report which was rejected by the employees—whether the people in this kind of dispute in the future may expect the government to say, "All right, this one will come down on this side, the next one will come down on the other side," so that we have a situation which I am told applies with some National Hockey League referees, who do the same thing in relation to penalties.

I say this with some seriousness because this innovation imposes on Parliament something more than an emergency decision to say, "You have to go back to work, you have to keep on negotiating until you reach some kind of a conclusion; and if you cannot, there are various ways the government can intervene and perhaps eventually appoint an arbitrator."

Here we are at this time, after the experts—the industrial experts, the employers and employees themselves having lots of experience, and one of the most distinguished conciliators in this whole business of labour and management relations—have all failed, and failed not merely to settle the strike but failed to decide what would be fair terms of settlement. This is the situation facing the government.

No one here can decide what are fair terms. The government, in what appears to me to be an innovation in these nine cases, now says, "We have decided. We are going to tell you this is fair, and we are going to ask Parliament—which with few exceptions has little expertise in labour relations—to judge the situation now. Here is the Gold report. We want Parliament to decide that this is a fair basis for the settlement of this dispute." One wonders whether this is to be the pattern of the future. If it is, it might be wise for the government to so announce; to say that if in any future dispute there is a conciliation report presented to both parties in more or less the final hours, such as this, we are going to impose that. That may not be the right way, but it would remove some of the uncertainties that certainly cause these kinds of confrontations.

Another aspect of this is, of course, that we are asked now to make this very important decision on a report which I doubt more than one or two senators have read. As a matter of fact, when the bill was introduced and debated in the other place, a member, actually the spokesman for the official Opposition—who would have greater access than others to the document—said this:

> How am I to get through the Gold report between now and committee of the whole—

This was on second reading:

> —and how are other members to become au fait with the argument?

This is the kind of criticism of government action in a situation like this which should certainly be called to the attention of the government. They could say, "This was a last-minute thing." Of course it was, but one is entitled to ask why was it a last-minute thing?

The Leader of the Government has given us one very good reason. I will not quote his words exactly, because I am not able to do so. The sense of what he said was that this crisis has been caused by the interference by one party to the strike—in this case the longshoremen—with the natural rights of third parties. That is why the crisis has occurred.

That did not happen just today, or yesterday, or a week ago. This has been the fact of the matter for some time, and this, of course, raises the question as to whether the real problem here is not the inability of the government, of Parliament, of the courts, to enforce the law as it stands, but the inability of society—I say society because I do not lay the blame entirely on the government—to get ordinary citizens like ourselves to keep the law. What is the use of passing another law and saying, "You must keep this one. We are going to insist you keep this law because you did not keep the other one"? This to me does not make sense.

● (1450)

I know it is not fashionable these days to use such a term as "law and order", but I use it without any apology. Surely the time has come to seek an alternative to this kind of government settling of disputes, an alternative based on the determination of the government, whose responsibility it is in the last instance, to see that the law is kept.

I would be most interested to have somebody tell me why it was not possible in this particular case to force those who refused to obey the several injunctions of the court to comply with the law. I do not know. We have seen other examples of this, but I have never heard anybody explain why our society, organized as it is with police forces, even armed forces—although I am not suggesting that that might be a solution here—is not able to insist on enforcement of the law, and why we have to put ourselves in what is to me the ridiculous position of saying, "Because you won't keep this law we are going to pass another law." That seems to me exactly the situation we are in.

I should make it clear that in speaking on this bill I am taking no sides. Obviously it would be utterly foolish of me—and the same can be said of almost any other senator or member of Parliament, with perhaps a few exceptions—to say that I am competent to reach the kind of decision the government is asking us now to reach, which is that Judge Gold's conciliation report, great as it may be, is the proper temporary solution. I am not sure whether it is or not, and I have no way of knowing. Having to speak or vote on it, I would have liked to have had at least 24 hours or so to look at it. This would have been helpful. I will be quite honest in saying that try as I did to get through the report from the time a copy reached me, as it did other senators, I was not able to, and the part of it that I did get through I must say I did not completely understand. However, I am not in any way an expert in labour law.

The Leader of the Government says the government is determined that this is not going to be regarded as a precedent. In that connection he made what to me was a most interesting and hopeful statement. He indicated that the government had decided that this is not going to become a pattern. As I took down his words, he said, to paraphrase him, "It is not the policy of the government to establish a precedent with this bill. Parliament is not going to be used in this way. Those who think so will be disappointed." I think I am quoting him more or less correctly. That seems to indicate the very exciting prospect that the government now really has a policy. They said, "We are not going to be used this way, and anybody who thinks so is going to be disappointed."

I hope, either in this debate or very soon in the future, that the Leader of the Government will explain that statement, and tell us what magical, certainly worthwhile, policy decision has been arrived at. I hope there is one, as I gather there is from listening to the Leader of the Government, who is a member of the Cabinet and who spoke somewhat affectionately of his colleague the Minister of Labour. He was there, and if such a policy has been decided upon it will be the best news that this house has heard in a long time.

[Senator Grosart.]

Naturally when one is critical of an action such as this, one is entitled to be asked, "What other way is there?" I am afraid, not being an expert in this business, I have only two possible answers, which I have already indicated. One is that a greater effort be made to deal with the cause rather than the effect of this situation. As the Leader of the Government said, the cause was the interference by one side in this dispute with the rights of third parties. That is the cause. The effect is this impasse and the emergency situation with which we are faced.

The second answer, which I have already indicated, is the hope that the government will tell us what the policy is, if there is one, and give us a general indication of the attitude it will take towards conciliation reports. I am sure this would help anybody struggling, as both sides no doubt did, to avoid this impasse—a situation in which they say, "What will the government do? Will it come out in advance and support the conciliation report, as it did in the last longshoremen's confrontation of this sort, or will it embody the conciliation report in a bill and ask Parliament to pass it?" I am sure the Leader of the Government would agree with me, having had, I know, some experience in this field, that if there can be some consistency in government policy on these matters it would go a long way—or at least some way—towards preventing this kind of situation.

The bill, as we are told, calls for both the immediate resumption of work, with which I think we all agree, and the implementation of certain terms of the report. I would be interested to be informed before long what the situation is with respect to the last longshoremen's strike. My recollection is that an arbitrator was appointed. He was to make a report, and the terms of his report were to be retroactive to, I think, January 1. It would be interesting to have a progress report on that now that we are embroiled in a similar situation.

It would be useful to all of us, to our judgments and perhaps our consciences, if the Leader of the Government were able to tell us whether the government reached a definite conclusion that it was impossible to prevent the rejection of these injunctions. In many ways this is the crux of the matter, because we have to believe that if the government reached the decision, "Yes, we can; of course we can," then it would have done that. If, as the Leader of the Government has made clear, that is the cause of the crisis, surely the cause would not have existed if the government had decided it could do that, and had done it.

Honourable senators, in spite of what I have said, and what Senator Asselin, our official spokesman on this bill, has said, we are prepared to support the bill, with the reservations we have both made, in the hope—I trust not merely a pious hope—that with this escalation of these crises the government will before very long inform us of what it intends to do to make reasonably sure that we will not have another on May 24.

**Hon. J. J. Greene:** Honourable senators, I will take but a moment of your time but I believe we would be remiss in this place if someone did not draw the attention of the Senate to what I believe to be a very harmful feature of this bill. I quite agree that the government had a responsibility to respond to a general public need by introducing this bill, as they had to rectify a very difficult situation in

the ports of Quebec. They have acted for the majority, for the country as a whole, which the popular assembly, and the government which answers to that assembly, should be able to do.

● (1500)

I have heard much discussion in this place and elsewhere as to the function or the need of the Senate in our constitutional makeup, but if there is one need for it, it surely is to represent minority rights, to represent individual rights, even in a case where they might not be concomitant with the majority desires or the majority rights represented adequately in the other place at any given time.

If in fact Parliament is to be the main safeguard and protector of our individual liberties—and I believe our Constitution so indicates—then it is quite possible that the Senate, which is not responsible on a day-to-day basis for what the majority would do—the tumbrills will not roll for us tomorrow morning if we do not please the majority—should be, for that very reason, the repository of individual rights and liberties.

In that vein, honourable senators, the penal section of the bill distrubs me greatly. Clause 16 begins as follows:

> Upon application made on behalf of Her Majesty in right of Canada, the Superior Court in and for the Province of Quebec shall make an order directing any employer or employee organization named or described in the order—

In other words, the courts are to be used as an instrument for carrying out the will of the executive at any given moment. To me this is an extremely dangerous precedent indeed, that the courts shall be a rubber stamp to force some group of individuals to carry out what the executive deems to be needed at any given time.

Surely the courts in a free society must always be the instrumentality that stands between the executive and the individual. If the courts have a judicial function to perform in all this, if they must judge whether someone has in fact broken a law or not, that is fine; but to have a clause in the bill say that the courts must do what the executive tells them to do at any given time would be one of the most dangerous precedents ever to go through a free Parliament. I hope that we in the Senate will agree to delete that provision. I think it is a most injurious one.

If there is to be a penalty, let it be named in the law. It may not be very popular, but I believe that is our system. Let is be named in the law, and if the courts are to adjudicate then let them adjudicate as between the accuser and the accused in the normal judicial fashion. But let it not be a clause in a bill that makes the courts the rubber stamp instrumentality of the executive. I suggest that would be a foot in the door to the type of arbitrary enforcement of the law by the courts that free men have always fought and inveighed against.

Surely here in this Senate we can very properly endorse the principle of the bill, accede to the government's right to do what they have deemed in the other place to be in the general interest of the majority of the people of Canada, while still preserving the individual right and liberty of the subject, and the proper function of the courts, which certainly should not to be used as an arbitrary instrument to arbitrarily enforce the law on behalf of the executive.

**Hon. Senators:** Hear, hear.

**Hon. Sidney L. Buckwold:** Honourable senators, I think all of us appreciate the point which has been made by our distinguished colleague. We are delighted to hear Senator Greene draw this to our attention. I am not standing up in any way to respond to his point, but I feel that that provision is to prevent the very thing that Senator Asselin pointed out, namely, to minimize the kind of anarchy that "possibly" might evolve if it were not there, and to allow the courts to go into action very quickly. However, I am not in any way trying to justify that.

Honourable senators, I rise because I come from a Prairie region where we have felt very deeply the effects of strikes by those who are employed in industries that involve the grain trade. We have had the support of our colleagues across the way, in both houses, in doing the best we could as a Parliament to ameliorate the problems created in getting the grain moving. For this reason I stand as one who is reciprocating, because I am fully aware of and understand the problems of Quebec farmers who are adversely affected by this strike and by industry as a whole in the province of Quebec.

In listening to the addresses by Senator Asselin and Senator Grosart, I was disappointed that not once were the words "public good" mentioned. We heard about the rights of employers and about the rights of employees, but I would like to feel that the great general public of Canada must also be a very important consideration in the decision-making process when the stage is reached in any strike that the good and welfare of the Canadian public is seriously affected. I feel that the public weal must always be predominant, even in a society such as ours which respects free collective bargaining, a process which is supported by this government, and supported generally by the people of Canada, But I think it has to be controlled when the effects of such strikes, legal or illegal, are such as to create a serious problem for the people of Canada.

I feel that this situation we have now has created such a problem, and I am relieved that the government has seen fit to act in a firm way, even though we feel badly that it was this particular form that the settlements had to take. I am sure both parties to the strike were well aware that the final settlement would have to come in due course from the Parliament of Canada by the enactment of a law if the two parties were not able to agree.

● (1510)

I agree with Senator Asselin that we are likely to experience a period of deep labour unrest in the near future. With respect to labour relations, this is a critical period in the development of our country. We see evidence of recession, growth of unemployment, and inability to meet wage demands and, indeed, profit demands on either side of the bargaining table. We are likely to experience in the coming year a series of confrontations between management and labour, between government and government employees—federally, provincially and locally. Perhaps these confrontations are necessary, but they promise rather serious and trying days ahead.

Part of our problem is that the people on both sides of the bargaining table are caught up in the luxury of growing and continuous expectations. The wage settlements and settlements of other conditions of employment will have to be more realistic to enable the economy to absorb them.

Wage settlements accelerated sharply in the latter part of 1974. They were running roughly double those in the United States. For quite some time now Canadian wage rates, generally, have been rising much more rapidly than those in the United States. Between the first and fourth quarters of 1974 average weekly earnings in the United States rose at an annual rate of 8.2 per cent. The Canadian increase was 11.8 per cent.

The United States average non-farm weekly earnings per worker at December 1, 1974, were $159.80. That was 15 per cent below the Canadian industrial composite weekly earnings of $184.10. In other words, the industrial earnings per worker are now 15 per cent higher in Canada than in the United States.

Using the same basis of comparison a decade ago, the United States weekly earnings were $95.06 while the Canadian earnings were $91.01. The difference that represents between then and now is even more pronounced when one realizes that at that time, 1964, the Canadian dollar was worth 92.75 U.S. cents, compared to the present rate of 99 cents.

In other words, honourable senators, our American friends have already gone through the crisis of bringing wage levels down to meet the ability of the country to absorb them on the basis of productivity and growth of the gross national product, and other factors which affect the ability of a country to maintain itself and its standards of living.

In making these remarks in no way do I intend to detract from the rights of labour to a full and honest day's pay for a full and honest day's work. That is a fundamental right. I am simply suggesting that to be realistic we must consider the ability of the country as a whole to absorb the kinds of increases we are looking at. I make these remarks in the light of the uneasy months I am sure lie ahead of us. I hope the chaos or condition of anarchy depicted by Senator Asselin will never come to be. If it does, it will be up to the government and the courts to maintain the law within the bounds of reason and justice.

I can think of no alternative to the measure before us. Whether or not we like settling strikes this way, it is in the interests of the general public to do so at this time. There is no alternative. For these reasons I hope the Senate will support this bill in its present form.

**Hon. John J. Connolly:** Honourable senators, Senator Greene raised a point concerning clause 16, the enforcement aspect of the bill. Since he has put the matter before the Senate, perhaps it would not be inappropriate if I were to say a few words on it now.

According to Senator Greene, the application of clause 16(1) may give rise to an arbitrary imposition of the view of the executive with respect to any violation of the act. I must disagree with that view.

First of all, assuming the bill is passed, it will be an act of Parliament that is sought to be enforced. Obviously, an arbritary decision of the executive would not be involved in a violation of a statute. In the second place—and I think Senator Greene might agree with me—on a careful reading of the bill, it is clear that the order, made by the Superior Court in the province of Quebec in this case, must be made after evidence is heard, because the order would ultimately show, if the evidence justified it, that an employer or employee organization had failed or refused to comply with a provision of the act. The decision of the court in this case must be made after evidence is presented to the court. If an order is then made, and there is continued failure to comply, the party who violates the provision of the act may be cited for contempt. This is a clear case of the law operating in the normal way to avoid the kind of lawlessness, and even anarchy, envisaged by Senator Asselin in his opening remarks. Incidentally, I thought Senator Asselin's remarks were quite good and to the point.

**Senator Deschatelets:** Senator Connolly, you might also add that there is an appeal provided under this measure.

**Senator Connolly (Ottawa West):** Yes, clause 16(2) allows for an appeal in any event.

**Senator Cook:** But that is the normal provision one finds in any act, I believe.

**Hon. Edward M. Lawson:** Honourable senators, first, I should like to touch on the point to which Senator Connolly has just addressed himself. Initially, I was concerned about the need for any penalty provision, because the Canada Labour Code contains specific penalties for specific offences. Indeed, they are not too dissimilar to what we have here. My concern was with the point Senator Greene raised, and to which Senator Connolly has alluded. I now find myself in agreement with what Senator Connolly has said, however, and my concern is somewhat dispelled.

As I read it, the bill does provide that whoever fails to obey may be cited and punished by the courts for other contempts of court. In my view, the court, on the one hand, has the discretionary authority to deal with the matter, while, on the other hand, the offenders—either the unions or the employers—have the opportunity to show cause why they should not be cited for contempt and why no penalty should be applied. Therefore, I will dismiss that from my concern.

In reference to this legislation, Senator Grosart made some allusion to its being unpalatable. I can assure honourable senators that it is no more palatable to me to have to deal with the matter. There are many things I would rather be doing than speaking to this particular legislation. I would even prefer to absent myself or sit silent, but that would not be the honest thing to do. I must be concerned, because in another arena I represent the workers and the rights of the workers. We must be concerned also with the rights of the employers involved. In other words, we have to acknowledge that there are two sides to the dispute and we have to acknowledge that both sides, both of these groups, are well represented in protecting their concerns. I think we have to objectively direct some attention to the welfare and rights of those who have no one to speak on their behalf, and who may be affected.

● (1520)

You may ask, "What is this mythical group you are talking about?" I think it includes those who are being

injured, or who are suffering, as a result of this work stoppage and those who have no recovery power. Many of the workers themselves are future losers, because I know that as a result of strikes of longshoremen—and certainly we have had examples of this on the West Coast—the international reputation of ports in this country is suffering to such a large degree that many hundreds of thousands of tons of freight that would be directed to Canadian ports are being directed to American ports. This results in a direct loss of many thousands of jobs. Therefore, I make no apology to anybody for advancing the views that I propose to advance in support of this legislation, because I think there has to be a concern about what we are doing to jobs, certainly in this period of very high unemployment—and I speak of present jobs, future jobs, and the future reputation of our ports.

Another thing I have to ask myself, before I say I am in favour of, or opposed to, this legislation, is: Has the minister or department involved exhausted every remedy available in trying to effect a settlement? I have to ask myself that, because if there is a too hasty intervention by government—and Senator Grosart expressed his concern about this—it almost becomes a lack of bargaining in good faith, with both sides merely going through a ritual dance while waiting for an intervention, waiting for a third party to come along and resolve the dispute. There should be a clear assurance from the government that this remedy is not to be made readily available on every occasion. It should be put forward with great reluctance. Both sides in any dispute should be assured that this remedy is not readily available if they fail to bargain in good faith and resolve their differences.

I am satisfied from the reports I have read, the history of attempts at conciliation, and the appointment of officers from the department, that every method and every remedy available has been exhausted to find a settlement. Perhaps the only matter that has not been exhausted is the possibility of someone discovering a mine of goodwill, fairness, understanding and communication. That seems to be the major missing ingredient in these labour-management disputes, but no one has found an abundant supply of it. In the absence of a declaration that such a mine of goodwill has been found, it seems to me that there is no alternative other than what we are talking about here.

There is one alternative, of course. We could fold our arms and let the economics of the situation take their course, with the result that in perhaps three months or six months from now we would be attempting to repair the irreparable damage that had taken place. I do not see that as a very satisfactory alternative.

At a time like this, as a result of our concern for the whole situation, not only do we have to ask ourselves whether we have sufficient collective courage to deal with the immediate problem, but we must also direct a considerable amount of attention to finding new and better methods of dealing with this kind of difficulty. For those of us who come from British Columbia it is not a very pretty sight to look out every now and then on the harbour and see what many people think is a new third crossing, since you can almost walk across Burrard Inlet on the decks of ships.

I have met with representatives of various shipping conferences, jointly with representatives of the longshoremen, and we have appealed to them to direct more freight and more tonnage to the West Coast and to other ports in Canada. The answer is always the same—"This will happen when your country can give us a guarantee of a speedy turnaround, and not a loss, as in the case of the last longshoremen's strike."

I understand that the demurrage incurred on the last occasion as a result of the problems with regard to the movement of wheat, and so on, was something like $30 million. This benefits no one. It does not find jobs. It does not benefit the economy. It is like pouring money down a sewer. The groups I mentioned say, "When you can assure us of speedy turnaround, and that we are not going to be penalized with all this demurrage, we will direct many more tons of freight to your ports." Needless to say, this would mean the creation and establishment of many more jobs for Canadian workers.

I would rather be out in the hallways than speaking on this legislation, I assure you, but I think it is time for people who have any understanding or concern with regard to these matters to stand up and be counted. I do not think the exercise of the rights of any individual group or any individual union, including my own, confers the right also to interfere with the nation's commitments in world trade, its reputation internationally, and the protection and preservation of future jobs.

It is with great reluctance that I stand in support of the legislation.

**Hon. Eugene A. Forsey:** Honourable senators, I had not intended to take part in this debate, and I am very reluctant to do so, especially as the ground has been covered pretty thoroughly be those who have already spoken; but I am still somewhat anxious and disquieted about the point raised by Senator Greene, and I am not entirely clear that the reply made by Senator Connolly disposes of the question.

I speak with great diffidence and deference, because I am not a lawyer, but I cannot help wondering whether the provisions of clause 16 might not lead simply to an *ex parte* order by the Superior Court. I am not entirely sure that the evidence pro and con would be presented.

I sought Senator Greene's advice on this, and he appears to share the same doubts that I do about whether in fact any evidence would be heard except the evidence of the representative of the Government of Canada. I could not help feeling, as I listened to Senator Greene's speech, that it would have been better if the clause had said, "may make an order", rather than "shall make".

I know that there are all kinds of legal discussions about the meaning of "may" and "shall", but the imperative as it stands there makes me uneasy, and I cannot help wondering whether we can be perfectly sure that in fact the evidence on both sides will be presented, and that there will not simply be an *ex parte* application which the court will be required to grant.

I should be most grateful for some reassurance on this point beyond what Senator Connolly has already provided, and I apologize if I am merely revealing my own ignorance of legal processes, but it is a serious matter in

my judgment. I venture, thereof, to ask the question, and ask for further enlightenment.

**Senator Connolly (Ottawa West):** Honourable senators, I do not know that I can be definitive about this, and here I am subject to the criticism of members of the bar of the province of Quebec. I happen to be a member of that bar myself, but I do not practise there as actively as some other members of this chamber. I do not think, however, upon an application being made by the Attorney General on behalf of Her Majesty in right of Canada for an order, that the imperative "shall" makes any difference. Whether it is "may" of "shall" does not matter. I think if an application were made to the court in the circumstances envisaged by clause 16, and if the application had not been served upon the parties affected before the court heard the application, the court would direct service, and I think that would ensure the presenting of evidence in the presence of the opposing party.

**Hon. Raymond J. Perrault:** Honourable senators—

**The Hon. the Speaker:** I wish to inform the Senate that if the Honourable Senator Perrault, P.C., speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Perrault:** Honourable senators, first of all, as the sponsor of this bill, may I express my appreciation for the thoughtful and constructive remarks made about this proposed measure which have come from all parts of the house. This is a difficult bill for any government to advance and, as I said in my preliminary remarks, it is hoped that no precedent is being set by it. Each case in the past has been dealt with on the basis of the facts available at that time, and on the merits of each particular dispute in the light of public concern.

In this particular case, one of the most persuasive reasons for having the recommendations of Chief Judge Gold incorporated in the legislation before us—an action which certainly differs from the government's action with respect to the West Coast issue—is his great expertise. He undertook, of course, an exhaustive study of this extremely complicated and vexatious problem. It is rather difficult to imagine any other stage beyond the report brought down by Chief Judge Gold, who has done an extremely thorough job and has established a reputation over a long period of years, as I think all honourable senators who have been involved in labour relations will agree.

● (1530)

There is no question whatever—and Senator Grosart and Senator Asselin have quite correctly put forward this point—that we have to seek better solutions to labour-management differences of this kind. To me it would be unthinkable that in the ordinary course of events reference to Parliament should be expected to be the final stage in those labour-management negotiations which come within federal jurisdiction. If we come to the point where either the employee or the employer looks to Parliament as the inevitable final forum to improve upon their last negotiated position in any dispute, then the whole collective bargaining process would be distorted and misused. I think all honourable senators are in agreement on that point. However, no one disputes at all the point made by a number of speakers this afternoon, that there is a continuing need to improve our procedures in both the legislative and non-legislative areas, and that we must perfect, insofar as perfection may be possible, better ways to conduct our industrial relations, especially in a current economic climate which is difficult for all nations, and from which our own nation is not excluded.

[Senator Forsey.]

I would remind honourable senators that the minister has indicated his intention to establish a consultative mechanism which would involve representatives of labour, management and government to assist in the search for new directions. This is a commitment that has been made by the Minister of Labour, and may I say on behalf of the minister that any ideas that honourable senators have on this subject would certainly be welcomed both by the minister and by the government. I think we can all agree on one point, and that is that no one party has a monopoly on all the good ideas and all the beneficial solutions to the problems in our society. And so, as I say, we would certainly welcome constructive suggestions.

Some honourable senators have deplored, and quite rightly so, the necessity for Parliament to act in a number of cases of this kind in recent years. But may I point out that on the positive side lies the fact that the vast majority of all contracts within the federal jurisdiction have been concluded without work stoppages of any kind. Indeed, the figure exceeds 90 per cent, and it seems to me that that fact can be regarded as being quite encouraging in pointing to the general success, the normal success, of the collective bargaining process.

There have been renewals of some very important agreements. One of those resolved the Lakehead Terminal Grain Elevators dispute at Thunder Bay. Then there was the agreement between Air Canada and the International Association of Machinists which was concluded through the normal process. There were renewals of railway agreements at the beginning of the year. All of these settlements were the result of direct negotiations, and the end products of the collective bargaining process. I might also add that all were in industries where crisis bargaining has occurred. This could, perhaps, be regarded as a sign that the parties have seen the benefits of hard but reasonable bargaining.

Reference was made by Senator Asselin to grain supplies in the province of Quebec. The government has, however, continued to receive mounting protests from agricultural producers and livestock farmers in Quebec concerning the gravity of the situation. Reference was made to injunctions by a number of speakers, but injunctions have not been sufficiently effective, and hence the bill which is now before Parliament.

A further reference was made—I think it was in the form of a question—to the hours of work and the members of the International Longshoremen's Union. Pressure to share work equitably amoung members of the work force should, in the view of the government, ensure that no exaggerated hours are worked by any one individual or small group of individuals. The whole concept of a premium rate includes a built-in discouragement for employers to make excessive use of overtime workers. So, there is a safeguard.

A further reference was made to the obtaining of injunctions. No injunctions were obtained by the govern-

ment in the course of this dispute; all injunctions were obtained by private interests.

Reference was made to clause 16 of the bill, and here I want to thank particularly Senator Connolly (Ottawa West) and Senator Lawson for their accurate and lucid explanation of this particular clause. The penalty provisions apply to employers' and employees' organizations and trade unions, but not to individuals. The individuals would be dealt with by prosecution under Part V of the Canada Labour Code. That part contains the section under which individuals would be dealt with.

Honourable senators, I hope that the explanations which have been given in the course of this debate on second reading, together with the answers I have given this afternoon, will allay any fears about the measure before us. I want to emphasize the fact, known to many of us, that the situation has now become very acute. It is hoped that in the normal course of events it will be possible for the Senate to give full consideration to this measure this afternoon, so that the Deputy Governor General may give it royal assent later today.

Honourable senators, I ask you to support second reading of this bill.

Motion agreed to and bill read second time.

● (1540)

THIRD READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the third time?

**Senator Perrault:** Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(b), I move that the bill be read the third time now.

**The Hon. the Speaker:** Honourable senators, is it agreed?

**Hon. Senators:** Agreed.

Motion agreed to and bill read third time and passed.

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

GOVERNMENT HOUSE
OTTAWA

April 24, 1975

Madam,

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 24th day of April, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
André Garneau
Brigadier General,
Administrative Secretary to the
Governor General.

The Honourable
The Speaker of the Senate.
Ottawa.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN SENATE MEMBERSHIP

**Senator Petten,** with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Godfrey be substituted for that of the Honourable Senator Benidickson on the list of senators serving on the Special Joint Committee on Immigration Policy; and

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

Motion agreed to.

## NATIONAL FINANCE

COMMITTEE MEETINGS

**Senator Petten,** with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Standing Senate Committee on National Finance have power to sit while the Senate is sitting on April 30th, May 7th, 14th and 21st, 1975, and that rule 76(4) be suspended in relation thereto.

**The Hon. the Speaker:** Honourable senators, you have heard the motion. Is there unanimous consent?

**Senator Grosart:** No. Honourable senators, I regret to say that I cannot give unanimous consent.

**Senator Petten:** Honourable senators, I could give an explanation. This motion is moved merely because usually on Wednesday afternoons the Senate has a reasonably short sitting, rising at approximately 3.30 p.m. However, in the event the sitting should be prolonged, and in view of the fact that this committee has some witnesses who must travel from some distance, the committee would like the consent of the Senate in order to accommodate them in such an event. It is very unlikely that the authority would have to be used.

**Senator Grosart:** Honourable senators, I have to say that although it may be unlikely, I object to the principle. I have objected previously, and we are now in a position where no attention whatsoever is being paid as far as action on those objections is concerned. Objections have been voiced over and over again by this side, that we should not have these arbitrary decisions as to when committees will sit.

At 5 o'clock last Tuesday four committees were sitting. On Tuesday next week, in spite of all assurances that have

been given, this very committee will be sitting at 9:30 a.m., and the Standing Senate Committee on Foreign Affairs at 10 a.m. I say that is a contravention of assurances that have been given. I happen to be a member of both committees, and I will not give leave until we receive some action and are told here that no chairman of any committee can set a date for a meeting without clearing it through someone. I do not know who that someone will be, but the time has come when it is utterly impossible for those of us on this side to discharge our duties in attendance at committees.

I am sorry to say at this time that I cannot give leave for such an extension over a period of a month. We have been told over and over again that it is one emergency, a particular case. I knew that this would be extended. We are now asked to grant permission for a month, which is against the principle which has been stated here and against the assurances that we have been given. I regret very much that I cannot give leave.

**Senator Perrault:** Honourable senators, I wish to make just a brief observation. In my opinion, it is a great tribute to the Senate that it is doing so much work that these committee scheduling difficulties have arisen. I regret the fact that it is not possible for the honourable senator to give his consent to this particular motion, but I believe he does welcome the increased work in the Senate.

## BUSINESS OF THE SENATE

**Senator Petten:** 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, April 29, at 8 o'clock in the evening.

Before the question is put, I should like to give the customary brief summary of what we can expect for next week. First, the scheduling of committee work: on Tuesday the Standing Sente Committee on Legal and Constitutional Affairs will meet at 11 a.m. and 2 p.m. to hear witnesses on Bill S-19. The Standing Senate Committee on Foreign Affairs will meet at 2.30 p.m. to continue its study of Canada-U.S. relations.

On Wednesday the Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 8 p.m., and the Standing Senate Committee on Banking, Trade and Commerce will meet at 9.30 a.m. to consider Bill C-13, to amend the Northern Canada Power Commission Act, after which it will continue its study of competition in Canada. The Standing Senate Committee on National Finance has scheduled a meeting for later that day to continue its examination of the estimates of the Manpower Division of the Department of Manpower and Immigration. I understand that also on Wednesday the Standing Senate Committee on Health, Welfare and Science will meet to consider Bill C-33, respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states. The time for this meeting has not yet been fixed.

● (1550)

On Thursday, the Special Joint Committee on Employer-Employee Relations in the Public Service will meet at 9.30 a.m.; the National Finance Committee will continue its examination of the Manpower Division of the Department of Manpower and Immigration at 9.30 a.m.; the Standing Senate Committee on Foreign Affairs will examine Canada's relations with the United States at 10 a.m.; and at the same hour the Standing Senate Committee on Agriculture will meet to hear a witness from the Alberta Crop Insurance Commission.

Next week the Senate will continue the debate on the second reading of Bill C-5, and deal with other items now on the Order Paper. It is likely that a bill which we have been awaiting for some time may reach the Senate on Wednesday or Thursday. However, I make no promises in that regard.

**Senator Carter:** Honourable senators, I wonder if I may be permitted to add to what has already been said, and inform you that it is quite possible that the Standing Senate Committee on Health, Welfare and Science will also meet on Wednesday morning at around 9.30 a.m. The clerk of the committee is trying to clear this with the coordinating committee. The best information I have indicates that it seems to be the only time slot that is acceptable.

**Senator Grosart:** I wonder if I might ask Senator Carter where he found the coordinating committee? I have been looking for it.

**Senator Carter:** I understand there is a committee working on this problem. I do not know whether they have yet finalized arrangements. I asked the clerk of the committee to find out whether there was a coordinating committee, and to check with that committee before we fixed a time. He sent me a note a few minutes ago saying that the only possibility that showed up for next week was Wednesday morning at around 9.30 a.m.

**Senator Forsey:** Honourable senators, perhaps I should add that to the best of my belief the Joint Committee on Regulations and Other Statutory Instruments will meet again next Thursday, although I do not yet know at what time.

**Senator Argue:** We need more senators.

**Senator Haig:** Hnourable senators, I have raised this question before, of several committees meeting at the same time. I have found out, in the short time I have been around, that you ask the clerk of the committee to find you a room. Next, he looks for reporters. He then gives you the date and the time, and that is what you take. That is the coordinating committee. We have raised this question before. Why cannot the chairmen of committees sit down together and say, for instance, that the Standing Senate Committee on Banking, Trade and Commerce has preempted Wednesday morning by reason of custom? Why can we not set aside certain days of the week for certain committees? Committees could sit on Tuesday, Wednesday and Thursday mornings. That could be done easily, with the staff that we have in this Chamber. I do not understand why the chairmen of committees, plus officials, cannot get together and work out some way by which three, four or five committees can meet at the same hour.

**Senator Perrault:** May I remind Senator Haig, who has been absent from the Senate for a few days and may not be aware of this fact, that an all-party committee of the Senate has been formed, made up of Senator Bourget and

Senator Cook, and Senator Macdonald representing the Opposition, to evolve precisely this kind of schedule.

Furthermore, it is my hope to meet with the Leader of the Opposition next week to resolve some of the scheduling problems which arise from the fact that such a volume of work is now coming to the Senate. The agenda has been drawn up for that meeting, and a report has been prepared with respect to suggested days for the various committees to meet. I hope we can offer some useful solutions by this time next week.

**Senator Haig:** Thank you very much. You anticipated me by two or three weeks.

**Senator Grosart:** With leave—otherwise I might be out of order in speaking twice in the same debate—I would like to make a comment—

**The Hon. the Speaker:** Is leave given?

**Hon. Senators:** Yes.

**Senator Argue:** Of course. I hope Senator Grosart speaks three or four times. I think it is good.

**Senator Grosart:** Any schedule, in my view, will be useless unless there is a clear directive to chairmen of committees that they cannot arrange a meeting until it is cleared by someone. This week I asked the chairmen of two committees whose meetings conflicted, "Did you ask anyone what committes you might be conflicting with?" In both cases they said no—and that after all the talk about this.

Motion agreed to.

## QUEBEC OFFICIAL LANGUAGE ACT

DECISION OF GOVERNMENT ON PETITION—QUESTION

**Senator Forsey:** Honourable senators, I would like to ask the Leader of the Government a question, which I think he will have to take as notice. I sent it to him beforehand. But I realize it is impossible for him really to reply today. The question is:

1. Has the government made any decision in regard to the petition of the Quebec Association of Protestant School Boards and other interested citizens, submitted on February 17 last, for a reference of the Quebec Official Language Act to the Supreme Court of Canada, or alternatively for the disallowance of the said act by the Governor General in Council?

2. If not, when may such decision be expected?

**Senator Perrault:** Honourable senators, I would like to take that question as notice.

## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION BILL

SECOND READING—DEBATE ADJOURNED

On the Order:

Second reading of the Bill C-5, intituled: "An act to establish the Radio-television and Telecommunications Commission, to amend the Broadcasting Act and other Acts in consequence thereof and to enact other consequential provisions".—(Honourable Senator Petten).

**Hon. Eugene A. Forsey:** Honourable senators, Senator Petten has confided to me the task of moving the second reading of this bill, and I accordingly so move.

**The Hon. the Speaker:** It is moved by the Honourable Senator Forsey, seconded by the Honourable Senator Heath, that this bill be now read the second time.

Is it your pleasure, honourable senators, to adopt the motion?

**Senator Forsey:** Honourable senators, having a very vivid recollection of the tribulations of Senator Laird when he described a certain bill as a simple bill, I shall not yield to the temptation to use that unfortunate word again. I think, however, that I may call this a relatively uncomplicated bill in essence. There is a good deal of it, but essentially the bill is not really very complicated. There are certain preliminary observations that I wish to make about the bill in general, before turning to somewhat detailed, although I hope not too detailed, consideration of it.

One is that this is only part of the government's policy on communications. The minister has made that very clear. The parliamentary secretary has, I think, also made it very clear. I emphasize it here because in the other place and in the committee of the other place I think there was a disposition on the part of members to survey mankind from China to Peru, a disposition to go into the whole question of telecommunications policy, every aspect of it, to consider what had taken place in the past and what was likely to take place in the future if this bill went into effect.

I can understand that and I don't suggest that it is entirely illegitimate, but I suspect that we can save the time of the house if we postpone the consideration of some of these large questions of policy until the further part of the government's policy on this subject, the more essential policy part of that policy, is before us.

This bill is really only an administrative measure. Essentially what it does is, first of all, very simply, to rename the Canadian Radio and Television Commission, leaving the same initials. I have forgotten what the proper term is now. It is one of these new words which I haven't succeeded in acquiring. I think the French word is "sigle" but I do not know what the English is. I say, by way of excuse, that all the documentation that came to me from the department on this subject seemed to be in French only. That is why I happen to know what the word is in French but haven't got the English word. That is the first thing it does: it renames the Canadian Radio and Television Commission.

In the second place it provides—there are really three changes here—it provides for an enlargement of that commission, for reasons which will appear in a moment, and in the third place it transfers the jurisdiction over telecommunications other than broadcasting, a jurisdiction which now rests with the Canadian Transport Commission, and more particularly the Communications Committee of that commission, to the new CRTC. It transfers that jurisdiction to the new and enlarged Canadian Radio-television

and Telecommunications Commission. That is essentially what it does, and the various other provisions of the bill are really consequential on that and involve certain consequential amendments to a number of acts, notably the Broadcasting Act, the Railway Act and the National Transportation Act, if I remember correctly.

● (1600)

I should also say, in view of certain questions that were raised elsewhere, that the provinces have been fully consulted about this bill and have raised no objections to it; very naturally, because it still leaves all the policy questions in the air. Nobody is yet aware, outside the inner circle of the government itself of course, what the rest of the government policy on the subject will be. This mere administrative transfer has not raised any objections at all from the provinces. I can quote the exact statement of the minister on that subject if anybody wants to have it, but I think it is quite sufficient just to summarize what he said.

One of the consequential changes—I think it might be called a consequential change—is that, whereas under the Broadcasting Act at present the Canadian Radio-Television Commission reports to Parliament through the Secretary of State, it will henceforth, if this bill goes into effect, report through the Minister of Communications. The Canadian Broadcasting Corporation will continue to report to Parliament through the Secretary of State.

Extra members will be added. At present there are five full-time members of the CRTC and ten part-time members. Under this bill there will be nine full-time members and ten part-time members, the extra members being required, of course, esentially to perform the functions now performed by the Communications Committee of the Canadian Transport Commission. That committee consists, I believe, of three persons. What is happening here is that four people are added. I do not know precisely why they added one extra, but anyway that is what they have done. The terms of office are much the same as they are for the present members of the Canadian Radio-Television Commission. They are appointed during good behaviour. The full-time members are appointed for a term of seven years and the part-time members for a term of five years. They all retire automatically on reaching the age of 70, and they are eligible for reappointment, the part-time members being eligible for two consecutive terms, although after that they are not eligible again for a period of twelve months. The present members of the Canadian Radio-Television Commission will continue to carry on for the period of their appointment, the period for which they hold commissions, and that particular feature of the legislation is, of course, simply, as it were, a consequential part of it.

The question of proceedings that are taking place before the present CRTC and the Communications Committee of the Canadian Transport Commission is provided for. In effect it amounts to this. In general, whether they are new proceedings or otherwise, they will be transferred to the new commission, but if something has already been heard by, for example, the Communications Committee of the Canadian Transport Commission but not decided upon, it will continue to be looked after by what the bill calls the "former authority" for these purposes.



There is also provision for the Governor in Council to make exceptions in the case of other matters. That is in clause 16, which perhaps I had better read, as it is somewhat complicated. I shall abbreviate. It says:

> Where ... any proceedings relating to any telecommunication matter are pending before the Canadian Transport Commission or any proceedings are pending before the Canadian Radio-Television Commission, which Commissions are in this section referred to as the "former authority", the proceedings shall be taken up and continued before the Canadian Radio-television and Telecommunications Commission; but where on the coming into force of this Act any such matter is in the course of being heard or investigated by the former authority but no order or decision had been rendered thereon, the former authority shall, subject to subsection (2) but otherwise notwithstanding this Act, complete the hearing ... and make an order or render a decision, as the case may be.

And for such purposes the former authority shall continue to exist. Subsection (2) provides that:

> The Governor in Council may, by order, direct that any matter specified in the order that is in the course of being heard or investigated by the former authority ... but on which no order or decision has been rendered shall, notwithstanding subsection (1), be taken up and continued before the Canadian Radio-television and Telecommunications Commission on such terms and conditions as are specified in the order for the protection and preservation of the rights and interests of the parties to the matter and of the general public.

There will be not, as now, a vice-chairman of the commission but two vice-chairmen. The intention, I think, is to have the commission operate very largely in three committees, one of which will deal with broadcasting, one with other telecommunications; for the moment I have forgotten what the third one is expected to deal with. In any event, this is the idea. There will be panels that will consider various aspects of matters which will be entrusted to the commission. That is to be found in clause 6.

There will be, as at present, an executive committee consisting of the full-time members. Its powers and position will be very much the same as at present. Under subclause (2) of clause 12, dealing with the executive committee, the number will go up from three to five, and the quorum will be increased from its present figure to a majority of the nine full-time members of the commission.

There is a small change with regard to the head office. The head office of the CRTC at present is in Ottawa. The head office of the new commission can be in either the National Capital Region or anywhere else in Canada that the government may direct. The intention apparently is, from what the minister said elsewhere, to keep the head office in Ottawa and have the new commission, where and when necessary, travel round the country for hearings, as the present CRTC has, of course, conspicuously done.

There is provision for bylaws and for the creation of special or standing committees, as might be expected.

Clause 14 deals with the powers of the new commission, which I think one might say are subtantially the same as those of the present commission in relation to broadcast-

ing and in relation to other telecommunications, substantially the powers of the present Canadian Transport Commission and its Communications Committee.

I have not attempted to go into much detail, because presumably the bill will go to committee, where evidence will be heard and where the officials will be present to answer questions. However, there are one or two things I should like to say about this bill in conclusion.

One question that has been brought up elsewhere is the possibility of having provincial government representation by appointees of the provincial governments on the new commission. The minister said he had suggested to the provincial governments that a certain number might be appointed after consultation—or words to that effect—with the provincial governments, but apparently that is one of the matters still hanging in the air; no decision has been taken upon it. I am myself a little bit leery of direct provincial representation on this commission. I think we already have enough divisive, or potentially divisive, things in our public affairs without adding to them by having provincial representation on this commission which it seems to me should be concerned rather with the whole overwhelmingly national aspects of this subject.

● (1610)

As far as broadcasting is concerned, it seems to me to be quite clear that the jurisdiction lies exclusively with the Parliament of Canada. As far as other telecommunications are concerned, of course, with interprovincial telegraphs, telephones and so on, again the jurisdiction clearly lies exclusively with the Parliament of Canada.

There are of course provincial enterprises in the telecommunications field, operating solely within the limits of a province, which come, as I understand it, entirely within provincial jurisdiction, and no doubt it is desirable that there should be some kind of co-ordination of policy, if at all possible, between the provincial governments concerned, dealing with the purely provincial enterprises, and the national government and the agencies responsible to it for the enterprises which are under exclusively Dominion jurisdiction.

I am a little unseasy about the possibility of the provinces getting rather too large a share of this. I notice that the Official Opposition in the other house appeared to be unseasy about their not getting a large enough share and seemed to be very strong on the desirability of having provincial representation. This is a matter of policy and it remains to be seen what policy will actually be followed. The government may succeed in arriving at a "juste milieu", a happy medium, a golden mean, between the two positions, and may see to it that there is adequate provincial representation without having too much provincial representation. People's opinions will differ about what is adequate and what is too much.

Another point raised in the other place was that there is no provision in this measure for consumer representation or any kind of consumer advisory committee or anything of that sort. The minister's reply to that was to the effect that in considering appointments to be made to this commission it would be the policy to try to see that consumer representation was provided and that differing interests as well as different regions were adequately represented. Again, of course, we do not know exactly what will happen there. That will depend on the choice of the people who will go on the commission.

There will be the four new positions to fill and I believe that several of the present commissioners on the CRTC are approaching the end of their term, so that within a year or two there may be other positions to fill. I have heard it suggested that one danger may be that on the new commission there will be too much representation of what might be described as the technological part of the whole business and not enough representation of the public interest as contrasted with the narrowly technological aspects of the thing. Again I think we shall have to see what kind of appointments are made. I hope we can take it for granted that the government will be very careful in making these appointments and will appoint people of standing and capacity, people with a reasonable knowledge of the subject or capable of acquiring a reasonable knowledge within a short time. I hope very much that we can count upon the government disregarding to the greatest possible degree partisan considerations in making appointments. I hope we shall not see loyal party organizers and loyal party supporters of one kind or another rewarded by appointments to this commission. I think it would be very unfortunate, especially in view of the fact that this body will have control over the whole field of data processing and that sort of thing, if the new appointments to the commission appear to have a partisan tinge to them. I trust very much that the government will repel any temptation of that sort and will resist any pressures which I know any government is always subject to, to look after "poor old so and so who is perhaps a little bit past his best but after all has done an immense amount for the party." I think that in certain instances in the past governments of both parties have been perhaps a little too open to pressure to appoint people who were politically desirable.

There is one final remark I have to make, and that is that I hope very much that the new commission, when it deals with applications from Bell Canada, will show itself a little more stiff-necked, shall I say, than the Communications Committee of the Canadian Transport Commission has done, I have felt very unseasy over and over again about the way in which the Canadian Transport Commission has handled applications from Bell Canada. I may be perhaps a little prejudiced, I don't know, but I have felt uneasy about the way these things have been handled. There have been widespread protests. I notice that in the other place a variety of people, while not enchanted with this bill, nevertheless were inclined to say that a changing of jurisdiction over the telephone companies from the Transportation—I do not know why I keep stumbling over these things; you would think I had been imbibing freely but the strongest thing I had today was Sanka coffee—any change from the communications committee of the Canadian Transport Commission was almost certain to be a change for the better. Hopes were expressed, which I entirely share, that the new commission, in dealing with applications from Bell Canada, or any interprovincial telephone system, would be a great deal stiffer and a great more searching in its inquiries and give much more opportunity to consumers to be represented in the hearings, than the Canadian Transport Commission has shown a disposition to do.

I hope that is an adequate summary of the bill. I hope honourable senators will agree that it is a relatively uncomplicated bill in effect, though there are a variety of provisions which make it a fairly long one. If there are any questions which honourable senators wish to ask, I shall do my best to answer them, though I think they could more profitably be directed to the minister and his officials when this bill goes to committee. as I assume that it will.

If I do have to answer from the brief which has been provided to me by the department, a massive brief, I am afraid I shall have to answer by quoting from the French text, rather than try my hand at an amateur's translation. I know some of the perils of translation, even in the hands of professionals. I am a very poor amateur at the job and I should very much hesitate to try my hand even at translating from French into English. So if someone wants information and he does not understand French, he had better get his little earpiece in and listen to the translation of whatever I read from the departmental brief. But personally I think it is very unlikely that anyone would get much information out of me that he or she would not get very much better from the officials when the bill goes to committee.

I trust that is a sufficient dissertation on this really administrative and technical measure which involves essentially no policy change whatever.

**Senator Grosart:** Honourable senators, I move the postponement of the debate.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Grosart, seconded by the Honourable Senator Macdonald, that this debate be adjourned until the next sitting of the Senate.

**Senator Choquette:** Senator Grosart has moved that it be postponed, rather than adjourned.

**The Hon. the Speaker:** Postponed, until when?

**Senator Grosart:** The next sitting.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

The Senate adjourned during pleasure.

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At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

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## 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 provide for the resumption and continuation of longshoring, checking, cargo repairing and related operations at certain ports in the Province of Quebec.

An Act to amend the Law Reform Commission Act.

An Act to amend the Railway Act.

An Act to amend he Civil Service Insurance Act.

An Act to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

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The sitting of the Senate was resumed.

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

# THE SENATE

Tuesday, April 29, 1975

The Senate met at 8 p.m., Honourable George McIlraith, P.C., Speaker *pro tem* in the Chair.

Prayers.

## IMMIGRATION POLICY

SPECIAL JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

**The Hon. the Speaker** *pro tem* informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Prud'homme has been substituted for that of Mr. Caccia on the list of members appointed to serve on the Special Joint Committee on Immigration Policy.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Report of the National Energy Board for the year ended December 31, 1974, pursuant to section 91 of the National Energy Board Act, Chapter N-6, R.S.C., 1970.

Copies of a contract between the Government of Canada and the Town of Devon, 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 relating to the administration of the Farmers' Creditors Arrangement Act for the fiscal year ended March 31, 1975, pursuant to section 41(2) of the said Act, Chapter F-5, R.S.C., 1970.

Document entitled "Communications: Some Federal Proposals," issued by the Minister of Communications and dated April 1975.

Copies of Order in Council P.C. 1975-879, dated April 22, 1975, appointing Robert Broughton Bryce, Esquire, a Commissioner under Part I of the Inquiries Act to inquire into, report upon and make recommendations concerning the concentration of corporate power in Canada.

Copies of Order in Council P.C. 1975-963, dated April 25, 1975, appointing Mr. Justice Willard Zebedee Estey a Commissioner under Part I of the Inquiries Act to inquire into and report upon the system of financial controls, accounting procedures and other matters related to the fiscal management and control of Air Canada.

Copies of a document entitled "Economic Review, April 1975," issued by the Minister of Finance.

## LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—BACK-TO-WORK LEGISLATION—QUESTION

**Senator Flynn:** Honourable senators, may I ask the Leader of the Government what the situation is at the St. Lawrence ports of Montreal, Trois-Rivières and Quebec in relation to the back-to-work legislation passed by Parliament last week? Has there been a return to work as yet at those ports; if not, is anything being done to get the men back to work?

**Senator Perrault:** Honourable senators, it is my hope that before the Senate rises this evening I will be in a position to report on the situation at the St. Lawrence ports. Some information is coming in.

**Senator Asselin:** That was my prediction. Too bad!

## NATIONAL DEFENCE ACT AND CRIMINAL CODE (TOTAL ABOLITION OF CAPITAL PUNISHMENT)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, April 17, the debate on the motion of Senator Argue for second reading of Bill S-23, to amend the National Defence Act and the Criminal Code (total abolition of capital punishment).

**Hon. John M. Macdonald:** Honourable senators, it is not my purpose this evening to speak at any length on this bill. I have spoken on the subject of capital punishment many times in the past, and I think my views on that subject are well known. The fact that we have two bills before the Senate dealing with the subject of capital punishment is, I think, an indication of the strong feelings that are held regarding capital punishment. The objectives of these two bills are directly opposite, one seeking to have the death penalty carried out when it is imposed without a recommendation for mercy, and the other, Bill S-23—the bill on which I am speaking this evening—seeking to abolish capital punishment altogether.

Personally, I am opposed to capital punishment on principle and, therefore, support this bill. It is my hope that my remarks this evening will perhaps have some influence on those who do not now hold strong views on the question. May I say at once, honourable senators, that I understand and appreciate the viewpoint of those who wish capital punishment to be retained. Indeed, they make a very strong case for its retention. Their arguments are ofttimes convincing and, of course, their sincerity cannot be doubted. However, while I concede and acknowledge their sincerity, and the sincerity of their beliefs and their principles, I only hope that they in turn will do the same for those of us who are abolitionists. They hold sincere convictions on this question, and so do we.

I confess I have become a little tired of hearing that we who are for abolition have been swayed by sentiment, that

we are do-gooders, that we think only of the criminal and not of his victim—the widow and the children. Indeed, ofttimes the impression is left that we who favour the abolition of capital punishment are either soft-hearted or soft-headed, or both. It has been stated, and stated in this chamber, that we who are categorically opposed to the death penalty are persons who have very little contact with the criminal element, and that if we had more contact we might alter our views. I suppose in a way such a statement is a compliment to us, although not in the view of those who are in favour of the retention of capital punishment.

Practically all the discussion on capital punishment is about the punishment for murder, but if we look at Bill S-23 we see that clauses 2 to 8 inclusive do not deal with murder or, indeed, with any crime to be found in the Criminal Code. These clauses are amendments to the National Defence Act. It is not my intention to deal with each of those sections of the National Defence Act which we hope to have amended, but some reference should be made to them as there is wording that is common to them all.

Clause 2 would amend section 63 of the National Defence Act. What does this section say? It reads:

> Every officer in command of a vessel, aircraft, defence establishment, unit or other element of the Canadian Forces who
>
> (a) when under orders to carry out an operation of war or on coming into contact with an enemy that it is his duty to engage, does not use his utmost exertion to bring the officers and men under his command or his vessel, aircraft, or his other material into action;
>
> (b) being in action, does not, during the action, in his own person and according to his rank, encourage his officers and men to fight courageously;
>
> (c) when capable of making a successful defence, surrenders his vessel, aircraft, defence establishment, material, unit or other element of the Canadian Forces to the enemy;
>
> (d) being in action, improperly withdraws from the action;
>
> (e) improperly fails to pursue an enemy or to consolidate a position gained;
>
> (f) improperly fails to relieve or assist a known friend to the utmost of his power; or
>
> (g) when in action, improperly forsakes his station;
>
> is guilty of an offence and on conviction, if he acted traitorously, shall suffer death, if he acted from cowardice is liable to suffer death or less punishment, and in any other case is liable to dismissal with disgrace from Her Majesty's service or to less punishment.

Other sections to be amended by eliminating the death penalty deal with matters of national security, prisoners of war, spying and mutiny. However, it should be noted that in the multitude of offences under sections 63, 64, 65 and 66 of the National Defence Act, the person charged must have acted traitorously to be liable to the death penalty, while this is not so in the case of the other sections mentioned in the bill.

[Senator Macdonald.]

● (2010)

Honourable senators, let us consider just for the moment the vile implications of these sections. They imply that the Canadian Forces contain people who are traitors or who are cowards. What a wicked, what a vicious, what an ignoble insinuation. I believe these sections to be a base and dishonest slander on the Canadian Forces past and present. Anyone who served in the armed forces knows that. May I mention the fact that I was in the army during World War II and served overseas. I will tell you that the armed forces are not composed of men who are great sinners or great saints, although both are to be found there. The forces are and were composed of ordinary Canadians—people who do the job they are supposed to do to the best of their ability.

Yes, honourable senators, in the Canadian Forces could be found both saints and sinners but you would never find traitors and you would never find cowards. The Canadian forces have always served with honour and with distinction. They may have been criticized for many things, but I have never heard it stated, nor have I even heard it implied, that there were either traitors or cowards among them.

The National Defence Act is not one which comes under frequent public scrutiny. Its provisions are not of widespread public interest. This is evident from the fact that the provisions I have mentioned are still in the act. I believe that to allow the implication to remain that in the ranks of the Canadian Forces there are traitors and cowards is an insult. It is an insult not only to the present members of the forces but to those who served in days gone by. It is an insult to those who died while upholding the highest traditions of the Canadian Armed Forces—yes, upholding to the death the traditions of honour, of service and of dedication—proving, if any proof were needed, that the Canadian Forces were composed of brave men and women for whom the words "traitor" and "coward" were foreign and had no place in their vocabulary.

To leave these provisions in the National Defence Act is not only an insult to the living members of the Canadian Forces, present or retired, but is an outrage and a blasphemy against the dead.

Regardless of what we do with bills dealing with capital punishment, let us in any event do away with those sections of the National Defence Act which directly or indirectly imply that any members of the Canadian Forces could be either traitors or cowards.

Honourable senators, at various times in the past I have expressed my opinion that capital punishment should be abolished. Indeed, I have sponsored bills to that effect in previous sessions. Being of that opinion, I am pleased to support this bill. Senator Argue put forward most of the arguments used by the abolitionists. I will not repeat them now. I am certainly familiar with the arguments usually held forth by the retentionists. These same arguments have been used over the years: An eye for an eye; let the punishment fit the crime; we must deter others from committing similar crimes.

In days long gone by the landlord said, "Stop others from stealing my sheep." Now the retentionists claim that to hang the man or woman who kills the policeman or

prison guard will prevent others from doing the same thing. Well, perhaps it will. Who knows? It is not capable of proof one way or the other. But in days gone by the death penalty did not deter the murderer; it did not deter the thief; it did not deter the pickpocket or the sheep stealer. I point out, honourable senators, a fact which I think is often overlooked, and that is that capital punishment is a punishment. It is how the murderer is to be punished for his crime. It is a punishment to be inflicted on persons who are convicted for various offences under the National Defence Act. The theory that it serves as a deterrent was developed to justify that type of punishment when, in a more humane time people had begun to question it. Death, as a punishment for murder, was understandable when all judicial punishments were harsh and brutal, although I have read that in civilizations less advanced or enlightened than ours the murderer was not killed, but was made to work and support the widow and other dependants of his victims.

Honourable senators, one can understand the attitude of the prison guard. His duty is a dangerous one. He feels that a murderer can kill him with impunity. But does his apprehension that prison security measures may not be sufficient justify the death penalty? Personally, I think it would be more reasonable to tighten the necessary security measures for the protection of prison guards.

In any event, I think we must look at this question from the point of view of society as a whole. Is the community or the human family, or whatever we call it, better or worse if capital punishment is left, or if it is abolished? We have seen that over the years capital punishment has been wholly abolished in some countries, and partially in others. In Canada it has been abolished in most cases, in fact, if not in name. Personally, I believe that the next logical and progressive step to be taken is the total abolition of this punishment. I believe that such an action would be good for our society. I believe the retention of capital punishment to be a bad thing. It has an unwholesome effect on society in general. I think it has a bad effect because it continues to allow, and so to encourage, the use of violence. By allowing violence in the administration of justice, the state shows that violence is an acceptable thing. There is an old saying, yet a very true one, that violence begets violence. We have become so accustomed to violence that it no longer has the power to shock or to horrify us. By meeting violence with violence we will not create an environment which will allow people to live and work in tranquillity and peace.

For those who feel that the death penalty is necessary as a deterrent, may I quote a statement issued in 1973 by the Canadian Catholic Conference—an association of the Roman Catholic cardinals, archbishops and bishops of Canada. It may be helpful to those who are still uncommitted, as it were, in the matter. The statement is this:

> There is also a pragmatic, statistical question whether the death penalty is an effective deterrent. We will not enter this debate. Our question is not whether the death penalty is an effective deterrent; our question is whether it is an absolutely necessary deterrent, required by good order in Canada today. Unless you are convinced that it is, then we feel that the presumption should be for suspension. Furthermore, in our opinion, the case for retention of the death penalty has not been proven.

To strengthen further the argument for abolition I refer to the paper entitled *Theology and the Death Penalty*, which was circulated to all members of this house just a few days ago, and which is signed by W. Clarke MacDonald, chairman of the Task Force for Abolition of Capital Punishment, of the Canadian Council of Churches.

Honourable senators, Bill S-23 can be divided into two parts, one dealing with offences under the Criminal Code, and the other with offences under the National Defence Act. Let us face facts. One has to take a realistic view of the reception that this bill will receive. From the debate on the other bill, Bill S-21, we know that there probably are strong objections to the passage of this bill, and looking at the situation in a practical fashion we should realize that even if the bill should pass in the Senate, its passage in the other place is highly debatable. There is further doubt of its passage in view of the fact that the present law on capital punishment still has some years to run before it is to be reviewed. Nevertheless, if by chance the passage of this entire bill is not possible at the present time, then it is my hope that it should be suitably amended so that at least those clauses dealing with the National Defence Act could become law, because I would anticipate that there would be very little, if any, objection to their passage either here or in the House of Commons.

Honourable senators, I ask you to support the passage of this bill.

● (2020)

**Hon. L. P. Beaubien:** Honourable senators, it is not my intention to contradict anything that my distinguished colleague has said, but I must state that in my view the one problem that faces Parliament today is that of keeping order and peace in this country. The crime record of the last 12 years shows a marked increase in the number of kidnappings and murders, not to mention the increase in the number of marauding armed gangs. About 20 times as many people are being shot by these gangs today than in 1963. In my view, this underlines the fact that we have to look at the entire situation. I am not saying that capital punishment is the one thing that is needed, but I am saying that we have to find an effective deterrent.

History tells us that when the Roman legions marched back from the four corners of Europe to try to keep the barbarians from sacking Rome, which they were unsuccessful in doing, great walls sprang up everywhere all over Europe. People built moats and drawbridges, and nobody dared to go out unless he was armed to the teeth and accompanied by a band of bold retainers. Everything turned to what has been so well described as the Dark Ages. We have a similar situation now in Montreal. There have been five instances this year when bank managers or their wives have been kidnapped and threatened. In one case a bank paid a $400,000 ransom to have the victim released. We have arrived at a point where murders are being committed every day. It is not my intention to stress the importance or significance of statistics, because they can be terribly warped. But let us take a look at the crime of armed robbery. If a man walks into a bank and holds up a teller, whether he shoots that teller frequently depends on the teller himself; if he tries to resist, the robber kills

him. The amount of crime that is being committed today is 50 times what it was in 1963.

Honourable senators, the first responsibility of any government is the keeping of the Queen's peace, or however you want to term it. This is a tremendous responsibility. If our citizens cannot walk the streets without fear; if a person with something of value in his possession is not safe, can we say that we are fulfilling our duty? I am just sick and tired of those who parade around full of good intentions, telling us that we have to do everything possible for the poor criminals. They are birds that we let out on weekends to get married, to go running off anywhere they choose. When they are hard up and need a little money they put on a mask and rob the first bank they find.

I do not pretend to have a solution but I do contend that many of you are talking through your beards. Look at the problem in a way that will make some sense, and try to come up with something other than being nice to them and allowing them to end up shooting someone. I am not speaking of the person who goes after his poor grandmother with an axe, or gets up on a building and shoots a lot of people he doesn't even know. I am speaking of people who have declared war against our type of civilization, people who belong to organized gangs and go out armed to the teeth, and at the first drop of a hat shoot a policeman or anyone else who gets in their way. It is war. Why should certain murderers be subject to the death penalty, while others are not? It doesn't make sense. These criminals have declared war, and are waging war against society. Crime is well organized; it is big business. If I could come home every Monday or Tuesday with $5,000 or $6,000 in my pocket—money which I have taken at gunpoint while wearing a mask; money on which I do not pay any taxes—do you not think I could live high on the hog? It is time that Parliament got down to looking at what is the problem. It is not whether a policeman or a prison guard is shot, or whether a man goes berserk and shoots his wife or does something horrible like that. Perhaps we cannot deal with those people. However, if I am a member of a gang and I go out and hold up somebody at gunpoint and threaten his life, I am fighting civilization and everything it stands for. If capital punishment is not the solution, then we must find the solution. Sentencing men to 18 months and allowing them out on weekends when they are tired of being in jail has not worked as a solution. Stop talking all this nonsense about your conscience and everything else. Remember that you are here as legislators and that you have a responsibility—and meet it. That is the only thing I ask of you.

On motion of Senator O'Leary, debate adjourned.

● (2030)

## INTERNATIONAL WOMEN'S YEAR

DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Quart calling the attention of the Senate to International Women's Year—(*Honourable Senator Fergusson, P.C.*)

[Senator Beaubien.]

**Hon. Margaret Norrie:** Honourable senators, in the absence of Senator Fergusson, I ask leave to resume the debate.

**Hon. Senators:** Agreed.

**Senator Norrie:** Honourable senators, International Women's Year has started off in a lively manner, signifying that a large percentage of women all over Canada are intensely hopeful of brighter days ahead, while others remain understandably cynical and cannot believe that any real improvement in the quality of opportunity between men and women will ever take place.

All this tremendous interest by women, and for women, is taking place because the United Nations General Assembly has proclaimed 1975 as International Women's Year. It will be devoted to intensified action.

I would refer honourable senators to Senator Quart's speech on March 19 last in which she stated the three main objectives of International Women's Year. I would like to re-emphasize those three main objectives, as repetition does no harm. The first is to promote equality between men and women; the second is to ensure full integration of women into the total development effort, especially by emphasizing women's responsibility and important role in economics, and social and cultural development, at the national, regional and international levels; and third, to increase the contribution of women to the development of friendly relations and cooperation among states and to the strengthening of world peace.

The key words are "intensified action." This is a desire to focus attention on the unsatisfactory status of women in the world, and to make a concerted effort to improve conditions and attitudes which have been taken for granted and considered normal for centuries.

The dignity and worth of the individual person, and the equal rights of men and women, are explicitly stipulated in the Charter of the United Nations adopted in 1945. The principle of equal rights was reaffirmed in the Universal Declaration of Human Rights of 1948, in the Declaration on the Elimination of Discrimination against Women of 1967, and in many other international instruments. But despite formal acceptance of the principle, its implementation has been extremely slow and discouraging.

Helvi Sipila is Assistant Secretary General for Social Development and Humanitarian Affairs for the United Nations. A native of Finland, a lawyer and judge, she has worked in international organizations since 1943, and is the highest ranking women in the United Nations. She says:

> Until now the political will to promote equal rights, opportunities and responsibilities between men and women has been missing. It is now agreed that a unified approach to development requires all individuals to participate in the development process, including the planning and decision making. All individuals also must have the right to share in the benefits desired.

In many countries women are still legally inferior. In Italy, for instance, the woman is undoubtedly the boss in the home, but the wage earner is the husband. That field has been considered the masculine province. Opinion polls show that 72 per cent of Italian women are not interested

in politics, and only 5 per cent are enrolled in a political party. If given an allowance of 25,000 lire per month, four out of five women would prefer to stay at home. I contacted the bank to find out how much a lira was worth, and found that 606 lire equals $1. That means that for $40 a month the Italian woman would gladly stay at home.

Only 20 per cent of the working population are women. There appears to be no interest in a law on women's rights, which has been languishing in parliamentary files in that country since 1971. On the whole, Italian women are happy in their role as homemaker and wife.

In Denmark, women have been very progressive. The Danish National Women's Union was formed in 1871. The KS, as it is called, began fighting for legal equality and the right to vote. They were less violent and spectacular than those led by English and American suffragettes, but just as stubborn. One hundred years later, their pace slowed, but in 1973 three women were included in the Social Democrat cabinet, and one woman was in the Department of Finance. At the present time, the KS does not think things are moving fast enough. Many controversial subjects have divided the voters, such as an enlarged European Economic Community and total freedom to obtain abortions, and have alienated many members of KS.

In Holland, the Dutch working women began to manifest themselves in the 1960s. Today, women represent a quarter of the entire work force, but only a third of those hold full-time jobs. Men are in favour of social emancipation for women. A recent study undertaken for IWY shows that 20 per cent of Dutch women who work outside the home are skilled, as against 7 per cent of men. Twelve per cent of top executives are males, whereas 3 per cent are females. Women feel they receive less pay for equal work.

In Belgium are encountered somewhat the same problems as those we have in Canada. A protest group called Equal Jobs, Equal Pay is one of the most dynamic of women's movements. More women are entering universities, accounting for 35 per cent of current university enrolments. In the March elections there were 26 women in Parliament out of a total of 390 members. Only one woman is a minister out of a total of 29.

In Sweden, laws made women equal to men as far back as 1932. The latest of these laws gives women the exclusive right to decide, up to the twelfth week, whether they want to terminate a pregnancy. Once embarked on a career, the Swedish woman is in complete control of the money she earns, and files her own income tax return, even when married. Discrimination is forbidden in job advertisements, although it continues in practice when it comes to filling a post. There is still much to be accomplished. Ideal equality is not found in the Riksdag—the Diet—where there are only 74 women out of 350 deputies, or in the cabinet, or "at the top." From January 1, only male heirs can succeed to the throne.

● (2040)

The image of German womanhood is traditionally summed up in three words, "Kinder, Kuche, Kirche"—children, cooking, church. During the war, and the years immediately after, German women assumed an essential role in keeping the economy moving and in helping to rebuild the nation. The war thus managed to integrate women much more quickly into German political and social life than the 1919 law which gave them the right to vote.

In 1925, 42 per cent of German women had jobs. In 1973, 38 per cent of the women in West Germany, as against 80 per cent of the women in East Germany, had jobs. Prejudices against working women in West Germany are hard to dislodge. There are not enough day-care centres and kindergartens to meet the demand, and until 1980 there will be a shortage. Since 1962, contraception has been legal in Germany, and is used by 25 per cent of women between the ages of 15 and 45. Along with the abortion law passed by the Federal Diet last spring, state reimbursement of contraceptive costs and family planning fees was instituted.

In France, President d'Estaing has Simone Veil, aged 47 and mother of three, as Minister of Health. France has had an anti-abortion law since 1920, when the country was trying to make up the terrific loss of life in World War I. In recent years, however, the number of illegal abortions has increased 500,000 a year, and deaths from bungled abortions has risen to approximately 500 a year. The government, in a desperate effort to stem this terrible practice, asked that abortions during the first ten weeks of pregnancy be legalized. Health Minister Veil presented the case so intelligently and forcefully that the vote was 284 to 189 in favour of abortion, and Senate approval is expected shortly. This is a great victory for women.

In this International Women's Year, I cannot overlook or ignore the Asian and African families living a daily fight for survival. The women are tied down by bonds of drudgery, male domination, illiteracy, and continuous child-bearing. Until the day she dies, the woman's lot never changes. In my opinion, her brain has become deadened and confined to the problems in her environment of her survival and that of her children. She is caught in a trap. If she can see any salvation, it is possibly through a man, and she tries in every way to please him. Men get the top treatment. Little boys are preferred to little girls, and so the vicious circle is complete. There are no magic formulae to help these people. Each nation has to tackle its own problems with intensified action.

There is a food crisis. Women are traditionally the homemakers and, therefore, mainly responsible for food consumption habits in the whole world. In questions of food consumption, it is quality and quantity as well as wastage of food which makes their role decisive, although mostly ignored. Women are also producers of food. In Africa, 70 per cent of agricultural work is done by women. Their methods are old and outdated, and add to the drudgery, not to mention the cost to their health and that of their children.

In many countries women are still inferior to men in the legislation which affects them most—marriage laws, inheritance laws, guardianship laws, legal capacity, property rights and other fields of civil law. In most countries, women constitute the large majority of the unskilled labourers and the least trained professionals.

The role of women in agricultural activities varies widely among developing countries. However, in none of these countries are any efforts made to help women improve productivity in agriculture. If men are going to leave an increasing share of agricultural work to women,

it is important for the development of agriculture that women be trained to make an efficient contribution, and given a sufficient income to continue in agriculture.

In Canada, we are fortunate to have the Honourable Marc Lalonde as the minister responsible for the status of women. A mammoth effort is being made to accomplish real advancement in equality of opportunity between men and women. Mr. Lalonde has stated:

> While women's rights in our society can, in some areas, become fact through legislation, the true equality of women will remain a fiction, a hoped-for Utopian dream, unless prejudicial attitudes towards women can be eradicated.

As more Canadians become aware of the true status of women, they will want to work for improvements both in our laws and in our attitudes. It was back in the early 1900s that Mrs. Nellie McClung fought for, and won, the vote for women, and this year, with 72,000 persons having written for more information concerning International Women's Year, one realizes women are hungry for direction.

Women's equality has had much publicity in recent years, and because of this I think many people believe that the status of women has just "naturally" improved. I refer back to Mr. Lalonde's mention of the "fiction of equality," and point out that the statistics show most clearly in which areas equality is just that—fiction.

Honourable senators, if women's status is getting better and better, it is not reflected in labour force statistics on women's earnings. In 1962 a man working a full year in this country was earning $5,014, whereas a woman working a full year was earning $2,634. Women were earning an average of 47.4 per cent less than men in 1962. What progress has been made? In 1971, the average woman's salary for a full year's work was $4,755; for a man, $8,513. Women were still earning 44 per cent less than men.

What does that 44 per cent mean when translated into hourly wage rates? Let us look at some 1971 examples. They have not changed appreciably since that year. A male sewing machine operator received $3.11 per hour; his female counterpart, $2.11 per hour. A male department store clerk earned $2.32 an hour; a female department store clerk, $1.60 per hour. A male textile spinner earned $3.41 per hour; his female co-worker, $2.45 an hour. The ultimate irony is in wages paid to sales clerks in women's ready-to-wear clothes. In this area a male clerk earned $2.71 an hour; a woman, $1.80 an hour. And it does not end there. Figures from Statistics Canada reveal that pay discrepancies exist in virtually every occupational area.

To rationalize such figures, one might assume that women do not have the same educational background as men. However, while 50 per cent of all Canadian women in the labour force have completed their high school education and gone on to take post-secondary training, only 39.3 per cent of men have done so. Even when women and men are on an equal footing at graduation, the inequities of hiring practices are apparent. A 24-year old man leaving university with a degree earns, on the average, 19 per cent more in his first job than a woman of the same age with equivalent education. A male high school graduate earns an average of 34.2 per cent more than the female graduate.

[Senator Norrie.]

● (2050)

Finally, honourable senators, International Women's Year will not be complete if Canadian women do not voice their objection to the inclusion of the abortion law in the Criminal Code.

In summing up, it will be interesting to learn what results will come from the world conference of the United Nations in International Women's Year, to be held from June 19 to July 2 in Mexico City. At that conference representatives from all countries will have the opportunity of expressing their countries' opinions and policies for deliberation.

On motion of Senator Carter, for Senator Fergusson, debate adjourned.

## LABOUR CONDITIONS

### STRIKE OF LONGSHOREMEN IN QUEBEC—BACK-TO-WORK LEGISLATION—QUESTION ANSWERED

**Senator Perrault:** Honourable senators, earlier this evening I undertook to provide a report on the situation in the St. Lawrence River ports. I now have a current report on the situation which, with leave of the Senate, I should like to give at this time.

**Hon. Senators:** Agreed.

**Senator Perrault:** This morning the Minister of Labour sent investigators to Montreal to ascertain the following: first of all, whether there is currently work to be done; secondly, what the maritime employers have done with respect to the matter of calling for workers, namely, whether they have processed their dispatches in the usual way; thirdly, whether the workers have placed their names on the computer as being available for work, as is the established practice in the ports affected—Montreal, Trois-Rivières and Quebec City; and fourthly, whether the workers, if in fact they have been called by the Maritime Employers Association, have responded to the dispatch orders.

As a result of today's investigation, Department of Labour officials are at this very moment in the process of completing a factual report. After this report is completed there will be consultations with the Department of Justice.

I can say that if there appear to be breaches of Parliament's order to resume longshoring, appropriate action will be taken—action which will be taken, as the minister stated, very shortly. I have been advised this evening that such action could include resort to the Criminal Code and individual maximum sentences of up to two years in jail should it be proven that the act of Parliament has been disobeyed by either side. There is as well a possibility of action under the Canada Labour Code, with penalties against employers or trade unions of up to $10,000 for each offence, and against individuals of $1,000, should it be proven that illegal strikes or lockouts have occurred. The minister stated today that the order of Parliament stands, and that both sides are expected to comply shortly.

I can also report that the minister met today with a delegation from the International Longshoremen's Association, representatives of the various locals involved in these three ports, who expressed a wish to place before the

minister a number of alleged grievances. The minister has informed the workers that no action will be taken with respect to their allegations until they are back on the job. They were specifically requested to join with the Maritime Employers Association to determine, in conjunction with a referee who has been provided for both sides, the manner in which the findings of the Gold report are to be implemented in contract terms.

The Senate adjourned until tomorrow at 2 p.m.

# THE SENATE

Wednesday, April 30, 1975

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

Prayers.

## DOCUMENTS TABLED

**Senator Perrault** tabled:

Capital Budget of Air Canada for the year ended December 31, 1974, 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. 1975-736, dated March 27, 1975, approving same.

Capital Budget of Canadian Arsenals Limited for the fiscal year ending March 31, 1976, 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. 1975-871, dated April 17, 1975, approving same.

## NORTHERN CANADA POWER COMMISSION ACT

BILL TO AMEND—REPORT OF COMMITTEE PRESENTED

**Hon. John J. Connolly,** on behalf of Senator Macnaughton, Acting Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-13, to amend the Northern Canada Power Commission Act, and had directed that the bill be reported with the following amendment:

Page 1: Strike out lines 22 to 27, inclusive, and substitute therefor the following:

"(7) A meeting of the members of the Commission may not be held unless

(a) notice of the meeting is given to each member of the Commission at his ordinary place of residence one clear day before the meeting; or

(b) all the members of the Commission are present and waive notice of the meeting."

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

**Senator Connolly (Ottawa West)** moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

## LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—BACK-TO-WORK LEGISLATION—QUESTION

**Senator Flynn:** Honourable senators, may I ask the Leader of the Government if he has any up-to-date report on the situation at the St. Lawrence ports?

**Senator Perrault:** I have no further report beyond the information that I was able to give to the Senate yesterday, but if there is any further information I hope it can be given to the Senate before it rises.

## NATIONAL DEFENCE ACT AND CRIMINAL CODE (TOTAL ABOLITION OF CAPITAL PUNISHMENT)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the debate on the motion of Senator Argue for second reading of Bill S-23, to amend the National Defence Act and the Criminal Code (total abolition of capital punishment).

**Hon. M. Grattan O'Leary:** Honourable senators, I rise to support the motion moved by Senator Argue. First of all, I would like to say amen to every word uttered here yesterday by Senator Macdonald. I say every word, but I should like to qualify that now by adding this. Senator Macdonald said he had respect for the opinions of those who opposed his stand. I am bound to say, and I say it without offence: I have not! I cannot respect the opinions of men who believe in capital punishment, because I do not think any civilized mind, any educated mind, with all the evidence we have had before us during the last half century, can stand in this chamber and say he still believes in capital punishment.

I must tell you, honourable senators, that I would have great difficulty in respecting the pointless statements made here yesterday, the pointless, meaningless rhetoric inflicted on this chamber by my old friend and colleague, Senator Beaubien. After all the sounding brass and tinkling cymbals, what did he say? Honourable senators, he said: "We have to look at this question. We have to look at it now." Well, the civilized world has been looking at this question for more than half a century and it has come to the conclusion, with the evidence almost overwhelming, that capital punishment is not a deterrent. I would be against capital punishment even if it were a deterrent; but there is nothing on earth, no evidence anywhere by anyone, to show that capital punishment does deter the further commission of such crimes.

The retentionists say that we must have law and order. "Law and order," my friends, has been the war cry of nearly every tyrant in history. "Law and order" was the cry of Hitler, when he assassinated nearly one million Jews.

**Senator Walker:** Five million!

**Senator O'Leary:** "Law and order" was the cry of the infamous Stalin when he reddened the soil of Russia with his purges.

There is always law and order in a graveyard. Yes, "law and order" was the cry of the spawn of Attila the Hun and of Genghis Khan when with fire and sword they laid

waste the fairest part of Europe. This has always been the cry of people who want to commit violence against others—the violence which breeds violence.

I do not think that the injunction "Thou shalt not kill" applies only to individuals. There is nothing so lawless, nothing so terrifying now or in history, as lawlessness by the state, violence by the state. And capital punishment is that and nothing else.

I cannot believe in capital punishment. I repeat I cannot understand how any civilized mind, knowing the history of this whole question, can still go on saying that the noose should be put around certain people's necks. That idea is repugnant to me. It is repugnant to the Judeo-Christian ethical civilization. I hate it. I cannot agree to it.

We speak of England as always the great cradle of liberty and civilization. God forgive me as an Irishman for admitting it, but she has been! But what has been the history of capital punishment in that very cradle of liberty? In England 300 years ago there were 350 capital offences. Lady Haldane, in her memoirs, said she remembered that when she was a child an eight-year-old boy was hanged in England for the crime of stealing a turnip. What about England now? England has abolished capital punishment. The Royal Commission on Capital Punishment was set up in England about 15 or 20 years ago. I have here the report of that royal commission. Surely this is something the people of Canada should listen to. We are supposed to take all our lessons in parliamentary government, our lessons in civilized conduct, from England. What did that royal commission say?—and we have to assume that they gave this subject the closest and most careful study. This was their conclusion:

> The general conclusion which we have reached is that there is no clear evidence in any of the figures we have examined that the abolition of capital punishment has led to an increase in the homicide rate or that its introduction has led to a fall.

● (1410)

We all know the sort of royal commission that the British put on to these things. These people have examined all the evidence and all the statistics—and God knows we are burdened with them—and have come solemnly to the conclusion that capital punishment has not lowered the crime rate. Furthermore, we see that in countries like Holland and Belgium the abolition of capital punishment meant nothing whatsoever. And this is true of the States of the Union. If you go over the states one after the other you will find that in many cases there will be two adjoining states, one with capital punishment, the other without it, and there is practically no difference in the homicide rate. So why on earth do we go on with this conclusion, this claim, that capital punishment is a deterrent? As I said, I would be against it. Why? Because I still believe in the doctrine of atonement. I believe in mercy.

The head of my church, and all the theologians in my church, are now almost unanimously agreed that capital punishment is a moral wrong, that it is a crime against humanity, and that it is something which civilized men should forget about.

I want to say this in conclusion: nearing Jordan myself, I frankly do not want to face my God with the sin on my soul of having been a party to condemning a fellow human being to facing the throne of God's judgment.

**Senator Carter:** Honourable senators, if no other senator wishes to speak on this motion I propose to move adjournment in the name of Senator Argue so that he can close the debate.

**Senator Flynn:** Why? Why do you have to say that? Just move the postponement of the debate.

On motion of Senator Carter, debate adjourned.

## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, April 24, the debate on the motion of Senator Forsey for second reading of Bill C-5, to establish the Radio-television and Telecommunications Commission, to amend the Broadcasting Act and other Acts in consequence thereof and to enact other consequential provisions.

**Hon. Allister Grosart:** Honourable senators, Senator Forsey, who I regret is unavoidably away today, introduced this bill last Thursday and gave us an interesting outline of it. My impression was that he was not overly enthusiastic about the bill. He said it was merely "an administrative measure", "relatively uncomplicated in essence", and so on. To some extent both remarks are a reasonable description of the bill itself. On the other hand, this is a bill whose subject matter has raised a great deal of controversy of the kind that most of us like to see avoided, a controversy between the federal government and the provincial governments of Canada.

While it was said in criticism of this bill elsewhere that the minister had not consulted with the provinces before bringing it before the House of Commons, I am quite satisfied that the minister can be absolved of that accusation, because over and over again he gave what to me was convincing evidence that he had consulted the provinces; not only that, but there had been no objection from any of the provinces to the introduction of the bill. He did, however, say that he was not in a position to tell the provinces what was in the bill. Obviously he could not do that until the bill came before the House of Commons, or should not, although I must say it seems to be the practice of the present government to ignore that rule as often as is convenient. However, that is not my major criticism of the confrontation on this subject between the federal government and the provinces. As the minister has made clear, this bill can on the surface be regarded merely as a housekeeping bill in the sense that it has the primary effect of putting together two existing federal regulatory bodies, the CRTC—the Canadian Radio-Television Commission—and the Committee on Communications of the Canadian Transportation Commission. The purpose is to put the regulatory authority of these two bodies together in one which will have the same initials—CRTC—but a slightly different name. Instead of being called the Canadian Radio-Television Commission, it will now be called the Canadian Radio-television and Telecommunications Commission.

So far as federal-provincial confrontation is concerned, this, of course, has been going on for a long time in this area. The bill as it stands is based on the claim of the federal government to certain jurisdiction in the telecommunications field, part of which is hotly disputed by the provinces, particularly that part of telecommunications which falls under the general heading of cable television. The federal government asserts complete federal authority in this field while the provinces—particularly Quebec but strongly backed up by Ontario, Manitoba, Alberta and British Columbia—not only assert that that federal jurisdiction does not exist in law, but that if it does, then it most certainly should not.

The reason is the historical development of communications in Canada where certain types of communication systems are regarded as being for the benefit of the country as a whole, while others are regarded as being merely local in nature, the latter description applying particularly to telephonic and telegraphic communication, which for a very long time, in some provinces at least, has been completely under the jurisdiction of the provincial government. Nevertheless, the intention of the federal government is, as far as possible and in cooperation with the provinces, to bring all these types of communication together in a single regulatory body, but not necessarily an exclusively federal body. I shall speak to that in a moment. It has been made clear that this is Stage I of a complete review of federal communications policy.

In this sense it is fairly uncomplicated and provides for a transfer of powers to this new CRTC and the necessary arrangements to bring this about. It enlarges slightly the number of permanent commissioners but not the number of non-permanent commissioners; it makes it possible for the head office to be elsewhere than in the national capital region, and it provides, of course, that where there are cases before the present commissions, that is to say the present bodies, these will continue under those bodies except in exceptional circumstances.

But there has come about an extraordinary development. The whole question of federal-provincial relations was discussed in the other place, and in committee of that place the minister and the federal government were asked to give some indication as to what Stage II was all about. Some bits and pieces of information were given, but not anything like a complete picture of Stage II. Yet in this house yesterday there was placed on the table a document headed *Communications: Some Federal Proposals,* which deals with the whole subject. I cannot understand why this document, which is dated April, 1975, was not in the hands of members of the other house when they were discussing this important problem. I have no explanation of this, except that it looks to me like another of these clumsy ways the federal government seems to have of handling federal-provincial relations.

● (1420)

The document not only spells out the general configuration of Stage II, which is the total revision of no less than eight acts, but deals specifically with federal-provincial cooperation and goes so far as to say that the federal government is now—as of yesterday, I presume, because I imagine it was tabled in the other place on the same day—prepared to allow the provinces to nominate 10 of the non-permanent members. Yet the debate went on in the house and in committee for days, even weeks, and this specific promise was not, as far as I have been able to ascertain, disclosed. I wonder if that is the way for the federal government to obtain cooperation from the provinces, particularly in view of the statements that have been made by provincial members and provincial ministers in Ontario and Quebec, who have openly accused the federal government of acting in bad faith in some of these matters. I am not taking sides in this, because it is a very complicated matter, but there is no question that it is a confrontation and one from which the provinces are not, apparently, prepared to back away.

On the other hand, the document I have in my hand, *Communications: Some Federal Proposals,* is highly conciliatory of the provincial case. It says:

> This paper sets out, in broad outline, the intentions of the Federal Government, taking account of views expressed by the Provinces, as a basis for further consultation and an early revision of federal communications legislation.

That is a fine statement and I am sure all will applaud it, except that there will be many in the provinces who will wonder if it is not just another example of fine words, not to be followed by action.

The reason is that the attitude of the federal government in this field seems to be that it is sure that if it takes the case, particularly the cable TV case, to the Supreme Court, it will win. This may be so; I make no comment in that regard. The provinces have said, "Maybe you would, but we do not believe you will, but why hold that over our heads every time we ask you to sit down and co-operate in this field?" In the field of cable TV the provinces seem to have an excellent practical case. The physical installation is largely within a province, and certainly the ongoing uses, the tremendous development that will take place in cable TV, would appear to be more provincial in nature—whether they are in law, I do not know—than they are now. Of course, the federal government's claim is that as long as cable TV is nothing but an extension of broadcasting then it falls under the federal authority, being in the national field of communications. I have said that the federal government claims exclusive jurisdiction in some of these fields, and there appears to be no question that in national radio communications generally, and broadcasting, it has that jurisdiction. On the other hand, with a few exceptions there seems to be no question that the provinces have exclusive, certainly primary, jurisdiction in the telephone and telegraph fields. Exceptions, of course, are those telephone and telegraph entities which have been declared to be for the benefit of all Canadians, and therefore within the federal power, such as Bell Canada, B.C. Telephone—I am not sure about the Canadian Overseas Telecommunications Commission—and one or two others.

The minister, echoing what appears to be the federal government's position in this matter, complains that we are in a constitutional straitjacket. That was the phrase he used. From my reading of the history and current evidence, it seems to me that if there is a constitutional straitjacket, it could be blamed less on the Fathers of Confederation than on some of their grandsons who are now in the Cabinet here in Ottawa. There seems to be no

question, as one reads the evidence, that the heat of the confrontation could have been avoided or at least cooled.

If I may, I will give honourable senators a few quotes from this interesting new document because, if these are not mere words, it does encourage me. The government says:

> The effect of this situation is that no government in Canada has been in a position to give comprehensive attention to the current operations and future development of the Canadian telecommunications system as a whole.
>
> The Federal Government does not believe that these complexities can be resolved by formal transfers of legislative authority to or from the provinces—

The provinces appear to take the attitude that they do not agree with that. The suggestion is that if we are going to clear up the situation, if there are areas of conflict, let us have them delineated by Stage II, so that each jurisdiction will understand its boundaries.

The document goes on to say:

> The Government intends to give full recognition to provincial and regional objectives and priorities . . . Thus, there is an urgent need for agreement on cooperative arrangements that will enable better account to be taken of provincial concerns—

I say this is all new, coming after the debate, but perhaps the protests of provincial ministers of communications, and those that have been voiced in the dicussion on this bill, have finally got through to the government.

This is an extraordinarily conciliatory document. It has some concrete proposals:

> The Provinces have been invited to join in the establishment of a Committee for Communications Policy—

That is another step in the right direction.

> This Committee would appoint subcommittees of officials to study and advise on such matters of mutual concern as systems planning, interprovincial and international services, and technical standards.

The federal government now proposes an Association of Communications Regulatory Bodies—another excellent step towards a solution of these problems, because the suggestion is that the regulatory bodies in the provinces and the new commission would sit down together and discuss their problems.

It is fair to say that there have been federal-provincial conferences with ministers of communications, but again, because of the take-it-or-leave-it attitude of the federal government—which is not unusual in these types of confrontations—no progress has been made. Now we are told:

> —the Government would seek the concurrence of each provincial government in the nomination of one of the ten part-time members to be appointed for a term to the new Commission by the Governor in Council.

One of the strongest statements made in the debate in the other place was that there was a "glaring omission" in this bill because there was no provision for provincial representation on the commission. It is perhaps by accident that we received this new document before we completed our consideration of this bill. I can only assume that the intention was not to let the legislators see it until the bill had been passed. As I said, it was tabled in the Senate yesterday. However, it is welcome news. Even if that is an error in procedure, it is probably a plus for the government. I am always ready to accord to the government all the praise due to it when it does such things, even when, as quite often happens, they are errors of commission, if not of judgment.

I draw that to the attention of honourable senators because, as usual, this was merely dropped on our desks. I almost overlooked it in preparing some material for my remarks today. I am sure you will all be anxious to read it.

Honourable senators, that is about all I have to say about this bill. However, in connection with this document to which I have referred, I find it difficult to understand why this first step was taken in isolation from the second step, because there are proposed amendments to the Broadcasting Act, the Railway Act and the Telegraphs Act proposed in this bill. There are five other acts that will be included in the second stage amendments, and I am wondering why they were not all put together. It is quite possible that questions will be raised during discussion on the second stage amendments as to the validity of the legislation we are being asked to pass now. I have no explanation for that, but it is seldom that I have a good explanation for some of the provisions we find in government bills.

I do not know whether it is the intention to refer this bill to committee. It would seem to me on the surface that it might be advisable to do so in order that the appropriate committee, and through it the Senate, may be informed, at the top policy level, of the relationship between this bill and the document to which I have referred.

**Senator Bélisle:** Honourable senators, I delayed in rising because I was hoping that a senator from the other side would adjourn the debate. If no one else wants to move the adjournment of this debate, then I will do so.

On motion of Senator Bélisle, debate adjourned.

## INDUSTRY

### CANADIAN TEXTILE PROBLEMS—DEBATE CONTINUED

The Senate resumed from Wednesday, April 16, the debate on the inquiry of Senator Desruisseaux, calling the attention of the Senate to Canadian textile problems.

[*Translation*]

**Hon. Martial Asselin:** Honourable senators, it would seem that today is the day of the official Opposition for, since the start of the sitting, three senators of the Opposition have already spoken, and brilliantly. I want to congratulate them and point out that we, of the official Opposition, although few in numbers, are aware of our responsibilities; we too want to do serious work in order that our institution survives.

**Some Hon. Senators:** Very good. Hear, hear!

**Senator Asselin:** Thank you, honourable senators.

I also wish to congratulate Senator Desruisseaux for having called the attention of the Senate to such an important problem, that of the textile industry. He did so elaborately, as a connoisseur would, and I feel the problem he

brought up deserves the immediate attention of the Senate.

It also behooves the official Opposition to take position on this problem, especially when one knows that there are 160,000 workers in the textile industry in Quebec. If we look also at the situation in Ontario, I believe one can say that, in Canada, there are about 225,000 workers in the textile industry. The problem is not easy.

I doubt that any Canadian government has managed to date to find a way of stabilizing employment in that industry. Moreover, I remember that when we were in office we also faced the same difficulties. The national caucus had divisions, differences of opinions on the policies that the Conservative government of the time wanted to apply to solve the textile problem. Since our government was defeated, I think the Liberal government worked no miracles to find adequate solutions. Of course, that is due to the complexities of our external trade. We all know that ours is an exporting country and that to sell its surpluses it must accept imported goods which in many areas compete with our Canadian industries, as is the case of textiles.

But for the past several years the government has had trouble making textile importing countries abide by the agreements they had signed regarding quotas. It is a fact that the textile industry is going through a very unstable period.

Recently the president of the Canadian Textile Institute, Mr. Stewart, expressed comments to the newspaper the *Gazette*, in the course of an analysis of the difficulties the industry was experiencing, not only in Quebec, as I said earlier, but also in the province of Ontario. The main problem of that industry is obviously wages, and he said:

[*English*]

> Wages paid in the Canadian textile industry are at the present time the highest textile wages in the world and compare very favourably with those of Canadian industries having a similar light manufacturing character.

[*Translation*]

There lies our entire problem. We are dealing with countries which pay extremely low salaries in that industry while ours here are quite high. We know, and it is almost shocking, how our standard of living is high. The Canadian people have now the highest standard of living in the world. As for the salary increases in the labour force, I do suggest that our people are not reasonable. This is not the way to fight inflation. Recently I went in the United States where we met businessmen who were shocked by such a steep rise in salaries in this country.

We had new evidence of that recently when we discussed a bill directing longshoremen to resume work. Imagine those people asking for six or seven months of work salaries ranging between $17,000 and $20,000 a year, while newspapermen today are shocked when a parliamentarian who works six or seven days a week can earn $24,000 a year. Can you see the gap? I say that it makes no sense, it is unreasonable.

Well, the same principle applies in the textile world. How can we compete with countries exporting these materials to Canada when their labour is about 25, 35 or 50 times cheaper than our own in our textile manufactures?

Obviously, somebody must ring the alarm bell, as Senator Desruisseaux and my colleague to my right, Senator Deschatelets, did so appropriately.

● (1440)

Yesterday, I read in *Le Devoir* an article entitled:

> State of alarm at Victoriaville: clothing industry dying.

Those comments were made by the C.S.D., a union of textile workers. Here is an excerpt from the article:

> In the face of lay-offs which now create massive unemployment among textile workers in the Victoriaville area—that is half the industrial labour force in that area—the local unions affiliated to the C.S.D. claim they are ready to launch their members into the processing of asbestos if the textile industry dies out.

There is talk of the textile industry dying. My colleagues from Quebec know that we have already witnessed the disappearance of other industries in that province. Senator Bourget was telling me the other day that the footwear industry has completely folded up in Quebec; that industry had been made up of family undertakings which, from father to son, had given many jobs to specialized workers.

The footwear industry has disappeared. Senator Bourget lived through those days. We are now, in fact, witnessing the death of the textile industry. Every month, hundreds and hundreds of people are laid off. The problem is that those people are not easy to recycle into other industrial or business sectors. They would need to spend some time at Manpower Centres and in other spheres, to get new training and to be able rejoin the labour force or other sectors of our economy. The article also says:

> The situation is now as follows.

This was in Victoriaville, according to an article published on April 29, 1975. This is not too long ago, it was yesterday. The article says:

> There are 1,900 unemployed in Victoriaville itself, and 5,700 in the area. The unemployment rate has gone up from 7 per cent last year to 17 per cent this year and the lay-offs have become nearly permanent since they last as long as one year, for instance at the two major employers of Victoriaville, Rubin Brothers and Utex. In the furniture industry which employs 38 per cent of the industrial manpower, the future does not look more encouraging and the union leaders are already talking about Victoriaville as a ghost town.

The article adds other interesting facts. The Rubin Brothers Company, which, of course, is a textile industry in Victoriaville, has said that it has just installed in Cali, Colombia, a factory where the workers earn 35 cents an hour. Of course, the wages in Victoriaville are ten or fifteen times higher than this. How can we compete with these countries where the wages are so low?

Foreign textile companies established in Victoriaville and the area are now considering closing their plants and asking for import permits. It would be more profitable for these companies to have import permits and to buy textiles from Japan, Thailand, Korea, or Colombia, and to sell

these at a profit in Canada. In the same article, it is said that Utex, which employs 700 workers, is now firing them gradually. The administrators are becoming importers and are thinking of closing down their factories.

In Quebec and Canada, we can have import permits to make some profits by importing textiles from countries where, as I said earlier, manufacturing costs are very low.

What will the solution be? Would it be to ask importing countries to limit their imports, or should stringent quotas be imposed? In that case, how would those countries react? Do we wish to keep on trading with them? If we do, it will be difficult for our country to impose compulsory quotas and tell those countries: You are allowed to import into this country only a limited quantity of textile products per year.

Another possible answer is that they might not be interested in buying our grain. They might also not be interested in buying other goods that we export.

Would our nation be prepared to stop trading with China—because we have fairly important trade relations with China—and tell them: Listen, we are no longer buying from you. We forbid you to sell textile products in Canada. In my opinion, such a stand would totally disrupt our economy, which is diversified when you compare western and eastern areas of Canada.

When the government decides to take decisions with such a great economic impact, it should consider Canada as a whole. Then I say that, in my opinion, the solution to be sought would not be to ask the government to break off all trading relations with those countries and impose quotas which they obviously would not accept.

My colleague, Senator Deschatelets, said in his statement that in 1971 Industry, Trade and Commerce Minister Jean-Luc Pepin made a great effort on behalf of the government to devise a way of solving the problem we are now considering.

Apparently, that did not bring much success because in the 1972 federal election, in spite of the minister's efforts, he was defeated in Drummondville. I say quite objectively that the departure of Mr. Pepin was a great loss for Canada. Yet those were his own people; there are textile workers in that area who did not understand his message, who did not appreciate the efforts made by Mr. Pepin to try to bring solutions to the textile industry. He was replaced by a Social Crediter, who will not solve the problem either.

**Senator Flynn:** Even less.

**Senator Asselin:** Yes.

**Senator Fournier (de Lanaudière):** Not at all!

**Senator Asselin:** As I say, Mr. Pepin set up a Textile Board in 1971. I know one of the textile commissioners, Jacques St-Laurent of Laval University in Quebec City. He is an extremely competent man, remarkably dedicated to the textile cause.

● (1450)

The formula is good but so far I have the impression the minister has not been able to take into account the board's recommendations.

The board has the power to make inquiries when a manufacturer complains to the minister that his product is being severely undercut by foreign imports. It has the right to report to the minister. Then, the minister, under section 19 of the Textile Board Act, gives the board a mandate to make an in-depth investigation. The board has the right to go out and hear public evidence. That is indeed what it does. It then makes recommendations to the minister. I feel the board was not awarded enough publicity, although it did an astounding job.

According to a document before me, the board since its inception in 1971—its activities started in 1972—submitted to the minister 30 different reports on various textile issues, and I suggest senators interested in the matter should go through these reports which are available at the Parliamentary Library. The board has made in-depth and detailed studies of problems brought before it. It goes to very thorough investigations, hears witnesses and then prepares a report for the minister.

I quote from one of its reports chosen at random, the one on double-knit and warp-knit fabrics, dated June 5, 1974, in which the board put forward valuable recommendations:

> The Board recommends:
>
> 1. that steps be taken to ensure that in the calendar year 1974 imports from Japan, South Korea and Taiwan, respectively, of double-knit and warp-knit fabrics of all kinds classified under Tariff Item 56805-1 do not exceed the following amounts:
>
> | | |
> |---|---|
> | Japan | 12,300,000 lbs. |
> | South Korea | 556,500 lbs. |
> | Taiwan | 500,000 lbs. |
>
> 2. that arrangements be made with Hong Kong to maintain through 1974 the existing surveillance of shipments to Canada of double-knit and warp-knit fabrics;
>
> 3. that the situation be kept under observation by the Board as long as special measures of protection are in effect, in order that the modification or removal of these measures may be recommended as circumstances permit or require.

This is being done in textile areas, either ties or suits, and every allied product.

Clearly the minister cannot implement all such recommendations because, as I said earlier, he must consider the overall economy.

However, the government will have to do something one day, either drop that industry or intervene to guarantee its survival through subsidies. I think it is not the best way to help private enterprise. If the government makes it a habit, every time a business is in trouble of covering deficits, then we are headed directly towards a socialist economy. I for one think private enterprise must be respected.

Senator Deschatelets has made a suggestion, and I think those surveys should be made rather soon, because next fall the GATT agreements are to be renewed on the international level.

I think the Senate is the appropriate body to consider those regional problems. Today, I talked to you about

regional problems, because I think the Senate was precisely set up to study the regional problems of Canadians.

Senator Deschatelets said—and I say it too on behalf of the official Opposition—that if Senator Desruisseaux wants to introduce a motion that this issue be considered by a committee of the Senate, he would vote for it, and I say the official Opposition would also vote for it because we on this side of the house think it is a serious problem.

I discussed the matter with Senator Bourget and Senator Deschatelets the other day after the speech by Senator Desruisseaux. We were wondering whether the question should be referred to a standing committee and, if so, how many weeks it would take before taking a decision and making recommendations.

I feel that the Senate should study the matter. The best way would be to establish a Senate sub-committee on which three or four designated senators would sit to study rapidly the questions put before it, hear witnesses and make recommendations, without having to wait months on end before any recommendation is submitted. It often happens in the case of a standing committee that several months go by before the evidence is heard and subsequent recommendations are made to the house. Proof of this is the study now being conducted by the Committee on Legal and Constitutional Affairs. We have now been sitting in committee for two or three months, and we have just finished hearing the evidence. When shall we be making our recommendations?

I endorse the suggestion made by Senator Deschatelets—and I have discussed the matter with other Liberal senators—to delegate responsibilities to sub-committees of Senate standing committees, which would be in a position to study such questions more rapidly and make proper recommendations in due course.

I do not claim to be a textile expert, but I was impressed by the way Senator Desruisseaux raised this problem as well as by Senator Deschatelets' remarks. I want to say to Senator Desruisseaux that we of the official Opposition will help him find a solution. If the honourable senator should decide to refer this matter to a committee, we shall do our part hopefully to find solutions to help these people who are faced with unemployment.

On motion of Senator Bourget, debate adjourned.

● (1500)

[*English*]

## LABOUR CONDITIONS

### STRIKE OF LONGSHOREMEN IN QUEBEC—BACK-TO-WORK LEGISLATION—QUESTION ANSWERED

**Senator Perrault:** Honourable senators, I was requested earlier today to give an up-to-date report regarding the St. Lawrence ports situation. There has been little change since yesterday afternoon.

**Senator Asselin:** Has anyone been sent to jail?

**Senator Perrault:** Honourable senators are aware of discussions which took place yesterday between the Minister of Labour and union representatives. The workers were advised at that time to return to work, after which their representations, charges and allegations of yesterday could be dealt with.

The minister is meeting today with the President of the Maritime Employers Association and with legal counsel. The minister is having discussions as well with the Minister of Justice to determine the current legal position and the courses which may be open to the government.

While I am on my feet, I should perhaps report very briefly on the situation with respect to postal workers.

**Senator Flynn:** Before you do so, may I ask a supplementary question? I draw from the reply of the Leader of the Government that the strike is continuing in the ports of the St. Lawrence and that the stevedores have not gone back to work. Is that correct?

**Senator Perrault:** At this time I am not in a position to reveal the contents of the report prepared by the investigators—

**Senator Flynn:** The facts.

**Senator Perrault:** —the investigators who went to the Quebec ports yesterday. Let me say in reply to Senator Flynn that the level of activity at the ports is not what we had hoped it would be at this time.

May I say a brief word about the Post Office situation? The situation, to a very large extent across the country, is now back to normal. There is, of course, an internecine difference of opinion between the Canadian Union of Postal Workers and its Montreal local, and this has resulted in dislocation of certain mail services out of Montreal.

**Senator Croll:** Everything is normal. No one has gone back to work.

## STANDING COMMITTEES

### NOTICE OF MEETINGS

On the Motion to Adjourn:

**Senator Carter:** Honourable senators, before the question is put on the motion to adjourn, I should like to inform you that the Standing Senate Committee on National Finance and the Standing Senate Committee on Health, Welfare and Science will meet as soon as the Senate rises.

**Senator Grosart:** Only two committee meetings?

The Senate adjourned until tomorrow at 2 p.m.

**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 |

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| | *October 30, 1974* | |
| 2. | Appropriation Act No. 3, 1974 | C-31 |
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| 3. | Army Benevolent Fund Act amendment | C-17 |
| 4. | Canada Pension Plan Act amendment | C-22 |
| 5. | Customs Act amendment | S-4 |
| 6. | Customs Tariff Act (No. 1) amendment | C-27 |
| 7. | Trust Companies Act and Loan Companies Act amendment | S-7 |
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| 10. | Electoral Boundaries Readjustment Act amendment | C-214 |
| 11. | Alberta-British Columbia Boundary Act, 1974 | S-13 |
| 12. | Fire Losses Replacement Account Act amendment | C-18 |
| | *December 20, 1974* | |
| 13. | Representation Act, 1974 | C-36 |
| 14. | Federal Business Development Bank Act | C-14 |
| 15. | Indian Oil and Gas Act | C-15 |
| 16. | Public Service Employment Act, Public Service Staff Relations Act, Public Service Superannuation Act, and Interpretation Act amendment | C-38 |
| 17. | Export Development Act amendment | C-9 |
| 18. | Supreme Court Act and Federal Court Act amendment | S-2 |
| 19. | Revision of references to Quebec Court of Queen's Bench Act | S-16 |
| 20. | Statute Revision Act | S-3 |
| 21. | Appropriation Act No. 4, 1974 | C-42 |
| 22. | Appropriation Act No. 5, 1974 | C-45 |
| | *February 27, 1975* | |
| 23. | Customs Tariff Act (No. 2) amendment | C-39 |
| 24. | Excise Tax Act and the Excise Act amendment | C-40 |
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| | *March 13, 1975* | |
| 26. | Statute law relating to Income Tax Act amendment (No. 1) | C-49 |
| 27. | Canadian Wheat Board Act amendment | S-6 |
| 28. | Northwest Territories Representation Act | C-51 |
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| 33. | Canada Business Corporations Act | C-29 |
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| 40. | Law Reform Commission Act amendment | C-43 |
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| 42. | Civil Service Insurance Act amendment | C-26 |
| 43. | Proprietary or Patent Medicine Act repeal and Trade Marks Act (No. 1) amendment | S-9 |
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| 44. | Senate and House of Commons Act, Salaries Act, and Parliamentary Secretaries Act amendment | C-44 |
| 45. | Farm Credit Act amendment | C-34 |
| 46. | Fort-Falls Bridge Authority Act amendment | C-367 |
| | *June 19, 1975* | |
| 47. | Petroleum Administration Act | C-32 |
| 48. | Judges Act and certain other Acts for related purposes and in respect of the reconstitution of the Supreme Courts of Newfoundland and Prince Edward Island Act amendment | C-47 |
| 49. | Canadian Radio-Television and Telecommunications Commission Act | C-5 |
| 50. | Cultural Property Export and Import Act | C-33 |
| 51. | Northern Canada Power Commission Act amendment | C-13 |
| 52. | Territorial Lands Act amendment | S-20 |
| 53. | British North America Acts, 1867 to 1975 Act amendment | C-3 |
| 54. | Two-Price Wheat Act | C-19 |
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| 58. | Old Age Security Act amendment | C-62 |
| 59. | Department of Industry, Trade and Commerce Act amendment | S-15 |
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| 65. | Federal-Provincial Fiscal Arrangements Act 1972 amendment | C-57 |
| 66. | Statute Law (Status of Women) 1974 Act amendment | C-16 |
| 67. | Public Service Staff Relations Act amendment | C-70 |
| 68. | Olympic (1976) Act amendment | C-63 |
| 69. | Privileges and Immunities (International Organization) Act amendment | S-25 |
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| 79. | Supplementary Borrowing Authority Act, 1975 | C-80 |
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| 81. | Statute Law (Superannuation) Amendment Act, 1975 | C-52 |
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