



DEBATES OF THE SENATE

OFFICIAL REPORT

(HANSARD)

THE HONOURABLE MURIEL McQUEEN FERGUSSON

SPEAKER

1974

SECOND SESSION, TWENTY-NINTH PARLIAMENT
23 ELIZABETH II

The Session was opened on February 27, 1974

and was adjourned on May 8, 1974

*The Twenty-ninth Parliament was dissolved
on May 9, 1974*

The Speaker

THE HONOURABLE MURIEL MCQUEEN FERGUSSON

The Leader of the Government

THE HONOURABLE PAUL MARTIN, P.C.

The Leader of the Opposition

THE HONOURABLE JACQUES FLYNN, P.C.

THE MINISTRY

According to Precedence

At Dissolution, May 9, 1974

The Right Honourable Pierre Elliott Trudeau	Prime Minister
The Honourable Senator Paul Joseph James Martin	Leader of the Government in The Senate
The Honourable Mitchell Sharp	Secretary of State for External Affairs
The Honourable Allan Joseph MacEachen	President of the Queen's Privy Council for Canada
The Honourable Charles Mills Drury	President of the Treasury Board
The Honourable Jean Marchand	Minister of Transport
The Honourable John Napier Turner	Minister of Finance
The Honourable Jean Chrétien	Minister of Indian Affairs and Northern Development
The Honourable Donald Stovel Macdonald	Minister of Energy, Mines and Resources
The Honourable John Carr Munro	Minister of Labour
The Honourable Gérard Pelletier	Minister of Communications
The Honourable Jack Davis	Minister of the Environment
The Honourable Jean-Eudes Dubé	Minister of Public Works
The Honourable Stanley Ronald Basford	Minister of State for Urban Affairs
The Honourable Donald Campbell Jamieson	Minister of Regional Economic Expansion
The Honourable Robert Knight Andras	Minister of Manpower and Immigration
The Honourable James Armstrong Richardson	Minister of National Defence
The Honourable Otto Emil Lang	Minister of Justice and Attorney General of Canada
The Honourable Herb Gray	Minister of Consumer and Corporate Affairs
The Honourable Robert Stanbury	Minister of National Revenue
The Honourable Jean-Pierre Goyer	Minister of Supply and Services
The Honourable Alastair William Gillespie	Minister of Industry, Trade and Commerce
The Honourable Stanley Haidasz	Minister of State
The Honourable Eugene Francis Whelan	Minister of Agriculture
The Honourable W. Warren Allmand	Solicitor General of Canada
The Honourable James Hugh Faulkner	Secretary of State of Canada
The Honourable André Ouellet	Postmaster General
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 State for Science and Technology

SENATORS OF CANADA

ACCORDING TO SENIORITY

At Dissolution, May 9, 1974

Senators	Designation	Post Office Address
THE HONOURABLE		
Salter Adrian Hayden	Toronto	Toronto, Ont.
Norman McLeod Paterson	Thunder Bay	Thunder Bay, Ont.
Léon Mercier Gouin	de Salaberry	Montreal, Que.
George Percival Burchill	Northumberland-Miramichi	Nelson-Miramichi, N.B.
Michael G. Basha	West Coast	Curling, Nfld.
Muriel McQueen Fergusson (Speaker)	Fredericton	Fredericton, N.B.
Sarto Fournier	de Lanaudière	Montreal, Que.
John J. Connolly, P.C.	Ottawa West	Ottawa, Ont.
Donald Cameron	Banff	Banff, Alta.
David A. Croll	Toronto-Spadina	Toronto, Ont.
Fred A. McGrand	Sunbury	Fredericton Junction, N.B.
Donald Smith	Queens-Shelburne	Liverpool, N.S.
Harold Connolly	Halifax North	Halifax, N.S.
Florence Elsie Inman	Murray Harbour	Montague, P.E.I.
Hartland de Montarville Molson	Alma	Montreal, Que.
William Albert Boucher	Prince Albert	Prince Albert, Sask.
J. Eugène Lefrançois	Repentigny	Montreal, Que.
Joseph A. Sullivan	North York	Toronto, Ont.
Lionel Choquette	Ottawa East	Ottawa, Ont.
Frederick Murray Blois	Colchester-Hants	Truro, N.S.
John Michael Macdonald	Cape Breton	North Sydney, N.S.
Josie Alice Dinan Quart	Victoria	Quebec, Que.
Louis Philippe Beaubien	Bedford	Montreal, Que.
J. Campbell Haig	River Heights	Winnipeg, Man.
M. Grattan O'Leary	Carleton	Ottawa, Ont.
Allister Grosart	Pickering	Toronto, Ont.
Edgar Fournier	Madawaska-Restigouche	Iroquois, N.B.
Frank C. Welch	Kings	Wolfville, N.S.
Jacques Flynn, P.C.	Rougemont	Quebec, Que.
David James Walker, P.C.	Toronto	Toronto, Ont.
Rhéal 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.
Louis P. Gélinas	Montarville	Montreal, Que.
Romuald Bourque	de la Vallière	Outremont, Que.
Azellus Denis, P.C.	La Salle	Montreal, Que.
Eric Cook	Harbour Grace	St. John's, Nfld.
Daniel Aiken Lang	South York	Toronto, Ont.
John B. Aird	Toronto	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.
James Harper Prowse	Edmonton	Edmonton, Alta.
Charles Robert McElman	Nashwaak Valley	Fredericton, N.B.
Douglas Keith Davey	York	Don Mills, Ont.
Jean-Paul Deschatelets, P.C.	Lauzon	Montreal, Que.

Senators	Designation	Post Office Address
THE HONOURABLE		
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.
Thomas Joseph Kickham	Cardigan	Souris, P.E.I.
Douglas Donald Everett	Fort Rouge	Winnipeg, Man.
Maurice Lamontagne, P.C.	Inkerman	Aylmer, Que.
Andrew Ernest Thompson	Dovercourt	Kendal, Ont.
Keith Laird	Windsor	Windsor, Ont.
Herbert Orville Sparrow	The Battlefords	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.
Paul Martin, P.C.	Windsor-Walkerville	Windsor, Ont.
Louis de Gonzague Giguère	de la Durantaye	Montreal, Que.
Ernest C. Manning, P.C.	Edmonton West	Edmonton, Alta.
Gildas L. Molgat	Ste. Rose	St. Vital, Man.
Eugene A. Forsey	Nepean	Ottawa, Ont.
William C. McNamara	Winnipeg	Winnipeg, Man.
Paul C. Lafond	Gulf	Hull, Que.
Ann Elizabeth Haddon Heath	Nanaimo-Malaspina	Nanaimo, B.C.
Edward M. Lawson	Vancouver	Vancouver, B.C.
H. Carl Goldenberg	Rigaud	Westmount, Que.
George Clifford van Roggen	Vancouver-Point Grey	Vancouver, B.C.
Sidney L. Buckwold	Saskatoon	Saskatoon, Sask.
Renaude Lapointe	Mille Isles	Montreal, Que.
Mark Lorne Bonnell	Murray River	Murray River, P.E.I.
Guy Williams	Richmond	Richmond, B.C.
Michel Fournier	Restigouche-Gloucester	Pointe Verte, N.B.
Frederick William Rowe	Lewisporte	St. John's, Nfld.
George James McIlraith, P.C.	Ottawa Valley	Ottawa, Ont.
Margaret Norrie	Colchester-Cumberland	Truro, N.S.
Henry D. Hicks	The Annapolis Valley	Halifax, N.S.
Bernard Alasdair Graham	The Highlands	Sydney, N.S.
Martial Asselin, P.C.	Stadacona	La Malbaie, Que.
Arthur Laing, P.C.	Vancouver South	Vancouver, B.C.
John James Greene, P.C.	Niagara	Niagara Falls, Ont.
Joseph Julien Jean-Pierre Côté, P.C.	Kennebec	Longueuil, Que.
Joan Neiman	Peel	Caledon East, Ont.
Raymond J. Perrault	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.

SENATORS OF CANADA

ALPHABETICAL LIST

At Dissolution, May 9, 1974

Senators	Designation	Post Office Address
THE HONOURABLE		
Aird, John B.	Toronto	Toronto, Ont.
Argue, Hazen	Regina	Kayville, Sask.
Asselin, Martial, P.C.	Stadacona	La Malbaie, Que.
Barrow, Augustus Irvine	Halifax-Darmouth	Halifax, N.S.
Basha, Michael G.	West Coast	Curling, Nfld.
Beaubien, L. P.	Bedford	Montreal, Que.
Bélisle, Rhéal	Sudbury	Sudbury, Ont.
Benidickson, W. M., P.C.	Kenora-Rainy River	Kenora, Ont.
Blois, Fred M.	Colchester-Hants	Truro, N.S.
Bonnell, M. Lorne	Murray River	Murray River, P.E.I.
Boucher, William A.	Prince Albert	Prince Albert, Sask.
Bourget, Maurice, P.C.	The Laurentides	Lévis, Que.
Bourque, Romuald	de la Vallière	Outremont, Que.
Buckwold, Sidney L.	Saskatoon	Saskatoon, Sask.
Burchill, G. Percival	Northumberland-Miramichi	Nelson-Miramichi, N.B.
Cameron, Donald	Banff	Banff, Alta.
Carter, Chesley W.	The Grand Banks	St. John's, Nfld.
Choquette, Lionel	Ottawa East	Ottawa, Ont.
Connolly, Harold	Halifax North	Halifax, N.S.
Connolly, John J., P.C.	Ottawa West	Ottawa, Ont.
Cook, Eric	Harbour Grace	St. John's, Nfld.
Côté, Joseph Julien Jean-Pierre, P.C.	Kennebec	Longueuil, Que.
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.
Fergusson, Muriel McQueen (Speaker)	Fredericton	Fredericton, N.B.
Flynn, Jacques, P.C.	Rougemont	Quebec, Que.
Forsey, Eugene A.	Nepean	Ottawa, Ont.
Fournier, Edgar	Madawaska-Restigouche	Iroquois, N.B.
Fournier, Michel	Restigouche-Gloucester	Pointe Verte, N.B.
Fournier, Sarto	de Lanaudière	Montreal, Que.
Gélinas, Louis P.	Montarville	Montreal, Que.
Giguère, Louis de G.	de la Durantaye	Montreal, Que.
Godfrey, John Morrow	Rosedale	Toronto, Ont.
Goldenberg, H. Carl	Rigaud	Westmount, Que.
Gouin, L. M.	de Salaberry	Montreal, Que.
Graham, Bernard Alasdair	The Highlands	Sydney, N.S.
Greene, John James, P.C.	Niagara	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.
Heath, A. E. Haddon	Nanaimo-Malaspina	Nanaimo, B.C.

Senators	Designation	Post Office Address
THE HONOURABLE		
Hicks, Henry D.	The Annapolis Valley	Halifax, N.S.
Inman, F. Elsie	Murray Harbour	Montague, P.E.I.
Kickham, Thomas J.	Cardigan	Souris, P.E.I.
Lafond, Paul C.	Gulf	Hull, Que.
Laing, Arthur, P.C.	Vancouver South	Vancouver, B.C.
Laird, Keith	Windsor	Windsor, Ont.
Lamontagne, Maurice, P.C.	Inkerman	Aylmer, Que.
Lang, Daniel A.	South York	Toronto, Ont.
Langlois, Léopold	Grandville	Quebec, Que.
Lapointe, Renaude	Mille Isles	Montreal, Que.
Lawson, Edward M.	Vancouver	Vancouver, B.C.
Lefrançois, J. Eugène	Repentigny	Montreal, Que.
Macdonald, John M.	Cape Breton	North Sydney, N.S.
Macnaughton, Alan A., P.C.	Sorel	Montreal, Que.
Manning, Ernest C., P.C.	Edmonton West	Edmonton, Alta.
Martin, Paul, P.C.	Windsor-Walkerville	Windsor, Ont.
McDonald, A. Hamilton	Moosomin	Moosomin, Sask.
McElman, Charles	Nashwaak Valley	Fredericton, N.B.
McGrand, Fred A.	Sunbury	Fredericton Junction, N.B.
McIlraith, George, P.C.	Ottawa Valley	Ottawa, Ont.
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.
O'Leary, M. Grattan	Carleton	Ottawa, Ont.
Paterson, Norman McL	Thunder Bay	Thunder Bay, Ont.
Perrault, Raymond J.	North Shore-Burnaby	Vancouver, B.C.
Petten, William J.	Bonavista	St. John's, Nfld.
Phillips, Orville H.	Prince	Alberton, P.E.I.
Prowse, J. Harper	Edmonton	Edmonton, Alta.
Quart, Josie D.	Victoria	Quebec, Que.
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.
Sparrow, Herbert O.	The Battlefords	North Battleford, Sask.
Stanbury, Richard J.	York Centre	Toronto, Ont.
Sullivan, Joseph A.	North York	Toronto, Ont.
Thompson, Andrew	Dovercourt	Kendal, Ont.
van Roggen, George	Vancouver-Point Grey	Vancouver, B.C.
Walker, David, P.C.	Toronto	Toronto, Ont.
Welch, Frank C.	Kings	Wolfville, N.S.
Williams, Guy	Richmond	Richmond, B.C.
Zuzyk, Paul	Fort Garry	Winnipeg, Man.

SENATORS OF CANADA

BY PROVINCES

At Dissolution, May 9, 1974

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 M. Grattan O'Leary	Carleton	Ottawa.
8 Allister Grosart	Pickering	Toronto.
9 David James Walker, P.C.	Toronto	Toronto.
10 Rhéal Bélisle	Sudbury	Sudbury.
11 Daniel Aiken Lang	South York	Toronto.
12 John B. Aird	Toronto	Toronto.
13 William Moore Benidickson, P.C.	Kenora-Rainy River	Kenora.
14 Douglas Keith Davey	York	Don Mills.
15 Andrew Ernest Thompson	Dovercourt	Kendal.
16 Keith Laird	Windsor	Windsor.
17 Richard James Stanbury	York Centre	Toronto.
18 Paul Martin, P.C.	Windsor-Walkerville	Windsor.
19 Eugene A. Forsey	Nepean	Ottawa.
20 George James McIlraith, P.C.	Ottawa Valley	Ottawa.
21 John James Greene, P.C.	Niagara	Niagara Falls.
22 Joan Neiman	Peel	Caledon East.
23 John Morrow Godfrey	Rosedale	Toronto.
24

QUEBEC—24

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

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 Frank C. Welch	Kings	Wolfville.
6 Margaret Norrie	Colchester-Cumberland	Truro.
7 Henry D. Hicks	The Annapolis Valley	Halifax.
8 Bernard Alasdair Graham	The Highlands	Sydney.
9 Augustus Irvine Barrow	Halifax-Darmouth	Halifax.
10 Ernest George Cottreau	South Western Nova	Yarmouth.

NEW BRUNSWICK—10

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

PRINCE EDWARD ISLAND—4

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

SENATORS BY PROVINCES—WESTERN DIVISION

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 Heath	Nanaimo-Malaspina	Nanaimo.
2 Edward M. Lawson	Vancouver	Vancouver.
3 George Clifford van Roggen	Vancouver-Point Grey	Vancouver.
4 Guy Williams	Richmond	Richmond.
5 Arthur Laing, P.C.	Vancouver South	Vancouver.
6 Raymond Joseph Perrault	North Shore-Burnaby	Vancouver.

SASKATCHEWAN—6

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

ALBERTA—6

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

NEWFOUNDLAND—6

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

THE SENATE

Officers and Chiefs of Principal Branches

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

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W. J. Culleton, G. K. Hubbard, D. L. Sellers,
A. A. Gallagher, L. R. Powis, H. C. Warburton

Assistant Parliamentary Reporters

Maurice Bolduc, N. C. Keeley

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THE SENATE

Wednesday, February 27, 1974

OPENING OF SECOND SESSION

TWENTY-NINTH PARLIAMENT

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

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

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE
OTTAWA

27 February 1974

Madam,

I have the honour to inform you that His Excellency the Governor General will arrive at the Main Entrance of the Parliament Buildings at 10.40 a.m. on this day, Wednesday, the 27th of February 1974, and when it has been signified that all is in readiness, will proceed to the Chamber of the Senate to open formally the Second Session of the Twenty-ninth 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.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

I have the honour to welcome you to the Second Session of the 29th Parliament of Canada.

In addressing you for the first time, I should like to express my feeling of honour at having been chosen Her Majesty's representative in Canada. As I said at the time of my investiture, the office which I have the honour to hold has a continuous history of three and a half centuries. I am anticipating with pleasure the opportunity to travel in Canada and to meet citizens from all walks of life.

We look forward to the visit of Queen Elizabeth, The Queen Mother, for whom all Canadians have a great affection. She will be in Canada from June 25th to June 30th to present new colours to the Toronto Scottish and to the Black Watch (Royal Highland Regiment) of Canada; Her Majesty is Colonel-in-Chief of both regiments.

I speak to you at a time of serious disturbance in the international economic situation, arising from problems of supply and price of certain commodities, particularly oil.

Most countries, developed and developing, witnessed significant economic expansion in 1973. The economic prospects for 1974 seemed, until recently, no less encouraging. The reduction of the amount of oil exported by some of the major producing countries and the increase in price has brought a sudden and dramatic change in this situation.

For the developing countries of the world, the increased cost of oil has in many cases wiped out the small margins on which they depended for economic development and better means to support their growing populations. For the industrialized countries, of which Canada is one of the few close to being self-reliant in oil and energy generally, it means that many of them will incur large balance of payments deficits and will have to find means of financing them. For the world as a whole, it could mean an overall reduction in demand with a consequent depressing effect on economic activity.

The Government attaches the highest importance to solving these problems through concerted international action and co-ordination of national policies. The meeting of the major oil importing countries was a first step in this direction. It will be followed by meetings with the oil-producing states and the developing countries. The United Nations, the International Monetary Fund, the World Bank and other international organizations will also become actively involved.

In working towards a solution of these international economic problems the major consuming countries must recognize the legitimate aspirations of all the producing countries to utilize their resources to assist in their own national economic development. But the developed world, as well as the resource-rich countries of the developing world, must also take increasingly vigorous steps to

reduce disparities between themselves and the less developed and less fortunate nations.

While the developments affecting the supply and price of oil are in part the product of special circumstances, the underlying situation thus set in relief is much more general. Food prices have risen sharply as a result of the growth of world population on which has been superimposed serious crop failures in a number of countries. The prices of other internationally-traded commodities have also increased following the simultaneous upsurge in economic activity in all industrialized countries. The increases in the food and commodity sectors have moreover led to increases in other prices producing generalized inflationary pressures.

No country has been immune from the increase in prices experienced in 1973 and which is continuing in 1974. The phenomenon is world-wide, not an isolated one affecting this or that country alone.

All countries, including Canada, have rejected a deliberately planned slow down in economic activity as a means to fight inflation. Some have turned to income and price controls. These attempts have on the whole not been successful.

The Canadian economy, perhaps more than any other, is closely tied to international trade and markets. The principal inflationary pressures have come from outside the country. It would have been singularly inappropriate under such conditions to have resorted to general income and price controls and the Government rejected them for these reasons.

A principal responsibility of the Government and one of its main policy objectives is to maintain high levels of income, production and employment. This policy should in itself help to overcome some of the supply problems which are causing prices to rise. But in addition, and more immediately, the Government's policy in dealing with inflation will be to step in, as it has done in the past, and take specific measures to increase the supply of certain goods and services, to protect those who are not able to protect themselves against the effects of inflation, to cushion consumers against sudden and disruptive price increases of essential commodities, and to prevent any group or groups from taking undue advantage of the current situation at the expense of others.

In the case of oil, the Government has been concerned about the individual hardships caused by the rise in prices and about the overall effect of the increase on the economy. Nonetheless, for Canada to become self-reliant and be protected against abrupt changes in supply, prices must be such as to encourage the exploration and development of non-conventional and frontier oil resources. The Government must ensure that a sufficient part of the funds generated by higher prices will be used for such exploration and development. It will introduce legislation to create a national petroleum company which will assure greater Canadian presence and participation in these and other activities. It has announced the extension of the pipeline from the Western oil fields to Eastern Canada and the establishment of a single Canadian market which will guarantee an outlet for domestically-produced oil.

In furthering these longer-term objectives, the Government has a duty to manage the economy in the interests of all Canadians, and in particular to moderate the inflationary effects resulting from the oil crisis. It has sought, in co-operation with the provinces, to make sure that the difficult transition to higher oil and energy costs occurs in an orderly way so as to not cause unnecessary disruptions in economic activity, employment and prices. To this end, it must ensure that the price of domestically-produced oil does not increase at an unreasonable rate and that the price of oil be the same in all parts of Canada subject, of course, to transportation costs. Legislation will be introduced to ensure that the responsibilities of the Government in these respects can be effectively discharged.

Discussion with the provinces on the Government's objectives and on the best means of achieving them is continuing. The Government will make every effort to reach agreement on arrangements that will discharge its responsibilities in a way that is fair to the provinces where the main sources of the oil and gas are located as well as to consumers in the country as a whole.

At the same time as there is increasing concern about shortages in the supply of energy, it is apparent there is an inadequate supply of food in many parts of the world. In some countries the situation has reached critical proportions. In Canada there have not been such serious shortages but international market pressures have forced our food prices upwards. It is clear that this country's production must be increased. The Government is developing a policy on food based on the following objectives:

- an adequate and dependable supply of quality food for a growing population in Canada enjoying a rising standard of living;

- reasonable food prices:

- for the consumer, in not requiring an undue proportion of income for Canadians to secure a sufficient and balanced diet,

- for the producer, in providing a return adequate to encourage production of food items which can be economically and efficiently produced in Canada;

- a continuing supply and increasing production of those food products in which Canada has a competitive advantage for export to commercial markets and also for a contribution to international food aid programs.

The Government's objectives will guide a re-assessment of existing programs in the areas of agriculture and fisheries. The Government will wish to consult with provincial governments, consumer groups and producers.

The producer must be ensured a fair income for his work. His confidence in long-term market opportunities is an essential element in the Government's policy. The producer should have access to all markets in Canada. He will also be encouraged to expand food exports.

The consumer must be ensured a fair value from his dollar. He must be protected against disruptive increases in the price of essential foodstuffs caused by international market demand. Guarantees against unduly low prices to producers must be coupled with guarantees against unduly high prices to consumers.

In the long term the continuity of domestic supply must take into account optimum overall land use in Canada and especially the trend to diversion of productive land for non-agricultural purposes. The Government intends to enter into discussions with the provinces since they are vitally involved in this question.

As positive steps in the achievement of adequate supplies of food at a reasonable cost, measures directed in the main at increasing food production will be laid before you in the following areas:

- guaranteed loans and other forms of assistance to both farmers and fishermen to assist them in purchasing or modernizing their equipment;

- amendments to the Export and Import Permits Act to provide the Government with better means to stabilize the Canadian market;

- improving the availability of manpower for food production;

- assistance in the construction of new storage facilities;

- research to make it possible to increase production, improve quality, and lower costs;

- improvements in harbour facilities for fishing fleets;

- incentives to increase Canada's catch of unexploited stocks of fish;

- advance payments on crops to assure producers of timely cash receipts;

- an agricultural stabilization plan to encourage rational production decisions;

- assistance to young farmers to provide sufficient financial incentives for them to establish themselves in farming;

- better veterinary training facilities;

- a prairie grain market insurance plan;

- improvements in Canadian grain rail transportation capabilities;

- increased availability of reasonably priced feed grains;

- incentives to increase the production of livestock necessary to provide for Canadian and export markets.

As part of the Government's economic management, a major element in the policy to mitigate inflation is to increase production and supply: many measures have been indicated with respect to energy and food. Of course, Canadians must strengthen their economy in other ways to expand employment opportunities and achieve a greater degree of control over their economic affairs.

Measures will be proposed to aid small businesses, both financially and by providing better counselling services by the creation of a Federal Business Development Bank. Steps will be taken to ensure further processing of resources in Canada. The Government will encourage the development of the petrochemical industry based on the upgrading of Canadian resources and better access to world markets. Amendments will be proposed to the Bank Act in order to permit provinces to participate in the ownership of banks. An amendment to the Export Development Act will be introduced to encourage further expansion of Canada's foreign trade. Proposals will be

made to ensure Canadian control of the computer communications field. Amendments to the Combines Investigation Act, directed at encouraging competition, will be put before you.

The development and use of technology is also essential to the Government's approach to increasing national economic production. Steps will be taken to obtain greater returns from industrial research and development as well as technological innovation in Canada.

Scientific knowledge and its application is a keystone to meeting the challenges facing Canada, including those in the areas of food, energy or industrial development. The objective of the Government's science policy is the rational generation and acquisition of scientific knowledge and the planned use of science and technology in support of national goals. The Ministry of State for Science and Technology will be developing national science objectives as a basis for exercising enhanced advisory and co-ordinating authority within the Government. Two new granting councils will be formed, one for social sciences and humanities and the other for natural sciences.

The Government attaches great importance to regional development. Many of the measures to be introduced during this Session were discussed at the Western Economic Opportunities Conference, and will be of benefit to all areas of Canada. Transportation in particular is a key factor in regional development. A number of measures will be taken in the larger context of ensuring that Canada's transportation capability supports the Government's national goals and is safe and efficient. Steps will be taken to end any discrimination in freight rates. A new ports policy will be developed to ensure an effective and comprehensive port structure in Canada in a framework where a high degree of local involvement in management and improvement of ports can be established.

Other measures will be taken to increase production and employment through providing workers with improved access to available jobs, and employers with improved access to Canada's manpower. These steps will relate employment policy, immigration policy and the activities of the Unemployment Insurance Commission. The Government will be working together with the provinces in developing a community employment policy in a social security context for those Canadians who have particular and continuing difficulty in getting and keeping employment. Amendments will be introduced to the Unemployment Insurance Act as a part of a comprehensive review of the plan undertaken in the light of the experience of the last few years.

In the domain of social policy the Government is playing a vital role to achieve a more balanced pattern of urban growth and to increase the quality of life in our cities in co-operation with the provinces and municipalities. Improved means of public transportation are indispensable to the achievement of these urban goals. Measures will be introduced to establish a National Urban Transportation Development Corporation to co-ordinate and market the development of required new technology in this field. You will be asked to consider measures to assist provinces and cities in the relocation of railway lines and terminals and in the redevelopment of these

areas for purposes that will enhance the environment of many of our cities and towns.

Provision of adequate shelter at reasonable prices in a satisfactory neighbourhood environment has been a continuing concern of the Government, and levels of funding to meet this objective are being reviewed. Substantial assistance to rural and native housing programs will also be proposed. The sewage assistance program will be revised to make it more effective as a means to increase the supply of serviced land. The Government will introduce measures to increase the protection available to consumers in the housing market.

The Government has taken many measures to improve the status of women in Canada since the Report of the Royal Commission on the Status of Women. Amendments to the statutes of Canada will be placed before you for the purpose of providing equal treatment for women. The legislation to be introduced creating a Federal Commission on Human Rights and Interests will include provisions to protect women from discriminatory practices. Regulations governing government employees will be amended to remove all possible inequities based on sex. Crown corporations will be asked to undertake positive action to encourage the assignment and advancement of more women into responsible positions within their administration. The Government's objective is to create a society free from discrimination.

The federal and provincial governments have agreed that the Canada and Quebec Pension Plans should be further amended to provide for increases, beyond 1975, in the levels of income upon which contributions may be made, and in the pensions which will be paid. Legislation will be introduced to remove the earnings test now required for people aged 65 to 69 from the Canada Pension Plan. Finally, federal and provincial ministers have agreed that the provisions which now accord differential treatment to men and women under the Canada and Quebec Pension Plans should be removed.

You will be asked to consider other legislative proposals.

Members of the House of Commons,

The Government intends to present a budget 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.

● (1140)

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

RAILWAYS BILL

FIRST READING

Hon. Leopold Langlois presented Bill S-1, relating to railways.

Bill read first time.

SPEECH FROM THE THRONE

CONSIDERATION NEXT SITTING

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

Hon. Senators: Dispense.

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

Hon. Leopold Langlois moved, seconded by Hon. Jacques Flynn:

That the Speech of His Excellency the Governor General delivered this day from the Throne to the two Houses of Parliament be taken into consideration at the next sitting of the Senate.

Motion agreed to.

COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

Hon. Leopold Langlois moved, seconded by Hon. Sidney L. Buckwold:

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

Hon. Leopold Langlois moved, seconded by Hon. Sidney L. Buckwold:

That pursuant to rule 66, the following senators, to wit: The Honourable Senators Bourget, Buckwold,

Choquette, Denis, Flynn, Grosart, Inman, Langlois, Macdonald, Martin 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.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, February 28, 1974

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

LIBRARY OF PARLIAMENT REPORT OF LIBRARIAN TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table the report of the Parliamentary Librarian to the Second Session of the Twenty-ninth Parliament, 1974.

Hon. Paul Martin: Honourable senators, I would ask that the report of the Parliamentary Librarian, tabled by the Speaker just now, be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent records of this house.

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

Hon. Senators: Agreed.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Department of the Environment for the fiscal year ended March 31, 1973, 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 Eastern Rockies Forest Conservation Board for the fiscal year ended March 31, 1973, pursuant to section 10 of the *Eastern Rocky Mountain Forest Conservation Act*, Chapter 59, Statutes of Canada, 1947.

Report of operations under the *International River Improvements Act* for the year ended December 31, 1973, pursuant to section 10 of the said Act, Chapter I-22, R.S.C., 1970.

Copies of a Statement of the effect of placing cocoa on the import control list, issued by the Department of Industry, Trade and Commerce pursuant to section 5 of the *Export and Import Permits Act*, Chapter E-17, as amended by section 3 of Chapter 29 (2nd Supplement), R.S.C., 1970.

Report of the Department of Industry, Trade and Commerce for the fiscal year ended March 31, 1973, pursuant to section 8 of the *Department of Industry, Trade and Commerce Act*, Chapter I-11, R.S.C., 1970.

Copies of twenty-five 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).

[Translation]

FRANCOPHONE AFRICA

CANADIAN AID—FRANCOPHONE QUESTION—NOTICE OF INQUIRY

Hon. Jean-Paul Deschatelets: I wish to give notice that on Tuesday, March 5, I will call the attention of the Senate to Canadian aid to francophone Africa and the francophone question generally.

[English]

The Hon. the Speaker: Honourable senators, I understand that the sound is not getting through to the translation booth. I would therefore ask Senator Deschatelets to repeat his Notice of Inquiry in English.

Hon. Mr. Deschatelets: Honourable senators, I was simply giving notice that on Tuesday, March 5, I will call the attention of the Senate to Canadian aid to francophone countries in Africa and to the question of "francophonie."

Hon. Mr. Martin: Honourable senators, I do not know whether the translation system is working now, but since this is the beginning of a session and since we also had difficulty with the system during the last session, I hope that those in charge will look into the matter. As I say, I do not know if the observations of Senator Deschatelets were translated, but they should have been.

The Hon. the Speaker: The translator said that the sound was not reaching the translation booth and so he was not able to give the translation.

● (1410)

TURKS AND CAICOS ISLANDS

REQUEST OF STATE COUNCIL FOR CLOSER ASSOCIATION WITH CANADA—NOTICE OF INQUIRY

Hon. Hazen Argue: Honourable senators, I give notice that on Thursday next, March 7, 1974, I will call the attention of the Senate to the resolution passed unanimously on March 15, 1973, by the State Council of the Turks and Caicos Islands, which reads as follows:

"BE IT RESOLVED AND MADE KNOWN THAT:

The State Council of the Turks and Caicos Islands desires to thank formally the Canadian People and their Government for the considerable help and advice received by these Islands from them in recent years.

This State Council, recognising the urgent need for both long and short term solutions to our present constitutional, financial and economic problems, further resolves that it would welcome additional professional and technical advice from both governmental and non-governmental organisations so that we may benefit from your long and loyal membership of the British Commonwealth.

In particular, this State Council would welcome far greater official contact between our two governments and herewith cordially invite a Canadian Parliamentary Delegation to visit these Islands and advise us during these days of decision."

And to the fact that, from time to time, both before and after the passage of this Resolution, there have been discussions between a number of Senators, Members of the House of Commons and representatives of the State Council of the Turks and Caicos Islands, and that members of that Council have expressed the following:

Honourable senators, I have quite a lengthy statement of the request that has been formally put forward by this Council. If it meets the convenience of the Senate, honourable senators may wish to take it as read.

Hon. Mr. Flynn: Honourable senators, before I agree to that procedure I will register an objection. I do not believe this to be the form which a Notice of Inquiry should take. I have no objection for the time being, but in my opinion by using such a device as that of Senator Argue anyone could make a speech at this time, which would be entirely out of order.

Hon. Mr. Argue: If the Senate is agreed and without making any comment on the statement of the honourable Senator Flynn, I would like to have the balance of this taken as read.

Hon. Senators: Agreed.
(The statement follows.)

(a) The need for a new Constitution caused by the independence of the Bahamas and the desire for greater internal self-government.

(b) The need to establish a new relationship with Britain and the Commonwealth now that Britain has entered the European Community.

(c) The need to work out a practical relationship with the United States Government over such matters as immigration, bases agreement, use of Grand Turk airstrip and currency restrictions.

(d) The need for a long-term (30-year) plan for the economic development of these Islands so that the short "Three Year Plans" can fit into a meaningful pattern and so that they can establish a sensible order of priorities.

(e) The need to find many more job opportunities for the rapidly increasing work force which is leaving school or returning from the Bahamas—and who are finding it very difficult to migrate or to find suitable jobs at home.

(f) The need for the Islands to develop new and reliable markets and industries to supplement the present dangerous dependence on fishing and ephemeral tourism.

(g) the need to find additional sources of finance, capital funding and expertise so that the basic infrastructural requirements can be met more quickly and more efficiently than at present."

And that members of the Council have stated that by becoming closely associated with Canada the Islands would obtain the following advantages:

"(1) much greater internal self government at a "Provincial" or "Territorial" level, but within the framework of Canadian federal laws and regulations. They would become an integral part of a major world political unit.

The Canadian Governor General and the Federal Courts of Appeal would be shared with the Islands.

(2) The Islands would utilise the Canadian dollar.

(3) As Canadian citizens, the Islands would acquire a completely different relationship with other members of the Commonwealth and the world. They would have the benefit of the Canadian diplomatic services which are well established in the neighbouring countries and they would cease to be unwanted British Colonials and a burden on the British taxpayer. At present, the British passports give them no right to migrate or to work in Britain.

(4) The Islands would benefit from the very close relationship that Canada has with the United States.

(5) The economic future of these Islands would be rapidly integrated into that of Canada. Canada has no warm southern states and suffers some of the worst winters in the world. These Islands would naturally attract the Canadian winter vacationist and the retirement couples who wish to invest their savings, earned elsewhere, in seasonal homes. The geographical position of these Islands will probably be developed by those Canadian manufacturers who need a Caribbean show-case and entrepot facilities. Canadian airlines could become "domestic" airlines with the ability to quote preferential tariffs.

(6) The educational system would become Canadian and it should then be far easier to obtain places in Canadian universities and trade and professional institutions. Employment opportunities and the spectrum of jobs would increase far beyond those of these small Islands with their small population.

(7) As a Canadian tropical Province or Territory, the Islands would be able to tap a "domestic" tourist market.

(8) The Canadian Government has a long tradition of helping underdeveloped countries and communities. They have well established governmental agencies, development funds and professional consultancy firms who have worked throughout the world."

And that in considering this association the following steps should be taken:

"(1) Visits by parliamentary and governmental delegations.

(2) Acceptance of Canadian dollar as basis for currency.

(3) Appointment of Governor General of Canada as Governor of Turks and Caicos Islands.

(4) Establishment of Canadian banks and financial institutions.

(5) Encouragement of Canadian investment in tourist facilities and industry.

- (6) Relaxation of immigration regulations to encourage travel between the two communities.
- (7) Establishment of internal domestic air route structure so that the Islands become readily accessible from all Provinces.
- (8) Coordination of legislation to protect travellers and settlers, particularly with reference to welfare benefits.
- (9) Rationalization of Island legislation to permit operation and protection of Canadian investments.
- (10) Closer political and constitutional ties written into the legislation of both countries."

SPEECH FROM THE THRONE

TERMINATION OF DEBATE ON ADDRESS IN REPLY ON EIGHTH SITTING DAY

Hon. Leopold Langlois: Honourable senators, I move, 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 Governor General's Speech from the Throne addressed to both Houses of Parliament be concluded on the eighth sitting day on which the order is debated.

Motion agreed to.

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday next, March 5, at 8 o'clock in the evening.

Motion agreed to.

[Translation]

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

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

Hon. Louis-J. Robichaud moved, seconded by Hon. Raymond J. Perrault:

THAT the following Address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Jules Léger, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

We, Her Majesty's most loyal and dutiful subjects, the Senate of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

[Hon. Mr. Argue.]

[English]

He said: Honourable senators, in rising to address myself to this motion and to support it, I wish to pay my respects to the Honourable Senator Muriel McQueen Ferguson, our distinguished Speaker. Not only is the honourable senator a good personal friend of mine and of my family, but for many years on Waterloo Row in Fredericton she was almost our nextdoor neighbour.

As a fellow New Brunswicker, I was extremely proud of the fact that she was elected to the high office of Speaker of this house. My family rejoiced in that appointment, as did all New Brunswickers. In performing the duties of her high office she is a credit to the province of New Brunswick as well as to the Canadian Senate.

This maiden speech perhaps marks my age of political majority, for 21 years ago, in 1953, I rose for the first time in a Parliament, as the member for Kent County in the New Brunswick Legislature. I was then, I confess, exceedingly nervous, because at the age of 26 I had never before spoken in an august chamber such as the provincial legislature. I must admit that since then I have had a number of years' experience in parliamentary procedure, and the situation today is not quite the same as it was then.

To serve in this house is, for me, the continuation of a privilege that started over two decades ago. I now have the opportunity, hopefully, of being of service in a different capacity, but nevertheless as a parliamentarian.

It is a matter of no small pride to me that I can again rise and take part in public affairs, in Parliament and in such distinguished company as that of the members of the Canadian Senate.

I know that at times it is fashionable to question the purpose and usefulness of this chamber, and as a Liberal I entertain the notion that reform is not a nasty word *per se*. However, I believe one of the principal roles of this house, as envisaged by the Fathers of Confederation, is to provide a body where the provinces can make themselves heard and be defended if need be.

Honourable senators will not begrudge me the fact that this is an area, particularly where New Brunswick is concerned, in which I have some knowledge. In this spirit, I propose to represent here, together with my colleagues from New Brunswick, the interests of my province and its people within the national framework.

● (1420)

[Translation]

Honourable senators, serving one's fellow citizens is a rare privilege, and I greatly appreciate this opportunity to pursue in this House a parliamentary career that began on September 22, 1952, when I was first elected the member for Kent in the New Brunswick legislature.

When the Fathers of Confederation created this chamber of the Canadian Parliament, they meant it to look specifically after the rights of the provinces. It will certainly be understood that after being for so many years premier of my province, I should not want to stop watching over its development and defending it when needed.

I had the honour to know and serve under three Governors General, the Rt. Hon. Vincent Massey, the Rt. Hon. General Georges P. Vanier and the Rt. Hon. Roland D.

Michener. In paying tribute and extending my best wishes to the new Governor General, His Excellency the Rt. Hon. Jules Léger, I cannot help quoting from his inaugural address delivered in this very chamber on January 14.

Like him, I am a descendant of "... generations of honest and unassuming people who have always been faithful to their homeland, having no other and seeking no other".

The Acadians, established in their small part of the country since 1604, four years before the founding of Quebec, had what amounts to a difficult life. There is no need to go over their history. However, it is worth noting that, despite their hardships, not only have they survived but they developed to the point where this minority has made tremendous progress and has today by right a place of its own within the Canadian society.

For the Acadians, the fight for what they are entitled to is far from over. There is no end in sight in their efforts for the recognition and safekeeping of their vested interests. How much was accomplished, though, in a hundred years? Today, in New Brunswick, not more than a handful of retrogrades are still trying to turn back the clock of history and bring us back to a long gone time.

As did the federal government, New Brunswick adopted an Official Languages Act which, like the federal law, was passed unanimously. I am most convinced that both laws, which complement one another, were adopted in a spirit of national unity. However, I know perfectly well that good will cannot be legislated.

And yet, while the country as a whole accepts the philosophy of official bilingualism, while there remains but a small number of extremists who keep on arguing and reviving old fears, we are faced at this time with another dangerous concept which is just as pernicious, namely, that of French unilingualism in a Canadian province.

Acadians are not the only ones who are threatened by this dangerous concept; all French-speaking Canadians outside Quebec are threatened, and these minorities would be greatly endangered if Quebec were to adopt this policy.

I am well aware of the fact that in some circles in Quebec—I underline, in some circles, not everywhere—people do not care much about French-speaking minorities outside Quebec. They even predict their complete assimilation in a more or less distant future. However, I am also aware of the fact that the survival of French minorities does not depend on logic alone. If such were the case, they would have disappeared long ago.

This survival is a survival of the heart, intensely sought and paid at the price of extreme sacrifice; for, as every one knows, "The heart has its reasons which reason knows nothing of".

The disappearance of French-speaking minorities outside Quebec could be predicted and supported with the most convincing scientific evidence, but I would continue to believe that not only will they not disappear, but that they will develop in a Canada more united and stable than ever.

Hon. Senators: Hear, hear!

Hon. Mr. Robichaud: I do not believe either in cultural sovereignty—if I have well understood that term—nor in any ghetto whatever, because I am convinced that if the

rights of English-speaking citizens in Quebec were denied and if the concept of a French unilingual Quebec was to take root, then the cultural and linguistic future of more than one million French-speaking citizens outside Quebec would be seriously jeopardized.

Moreover, the French-speaking minorities outside Quebec also belong to the great international community called the "francophonie."

If the French-speaking minorities need a culturally strong Quebec—and that is as it should be—we must not on the other hand disregard their substantial cultural contribution to the development of the francophonie. Their customs, their background, their way of living, in short everything which makes them different from Quebec, are factors which are not always stressed adequately.

Shall we start all over again these sterile discussions presided over by prophets of evil for whom even the idea of a parliamentary democracy in a bilingual federation is an aberration? It would be better to remind them of the words spoken by a wise Frenchman:

Friends who predict evil for you end up by wishing you evil in order to prove they were right.

But I am not overly alarmed, because the proverbial good sense of the Quebecers will take this into consideration and, furthermore, we must also take note that the Quebec government is dealing with the matter in a level-headed manner.

[English]

Honourable senators, it would be fitting, I am sure, to ask for your indulgence and to devote a few moments to a subject which was and is still very close to me, that of the International Joint Commission. This very effective institution was created by virtue of a treaty signed in 1909 between Canada and the United States. The main purpose of this treaty was:

—to prevent disputes regarding the use of boundary waters and to make provision for the adjustment and settlement of all questions arising in future between Canada and the United States along their common frontier which involve the rights, obligations or interests of either in relation to the other or to the inhabitants of the other.

Pollution of waters was dealt with briefly but unequivocally in Article IV of the Treaty:

—boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health and property of the other.

The Commission is a permanent body composed of three Canadians and three Americans. The current chairman, who took my place in Canada a few weeks ago, is Professor Maxwell Cohen of McGill University. The other two Canadian representatives are Mr. Bernard Beaupré, a sanitary engineer from Montreal, and Mr. Keith Henry, a consulting engineer from Vancouver. As to their American counterparts, the chairman is Mr. Christian A. Herter, Jr., the son of the former Secretary of State of the United States. His colleagues are Mr. Charles R. Ross a professor of law and economics at the University of Vermont, and Mr. Victor J. Smith from Illinois, a publisher and businessman.

The Commission always had staffed offices both in Ottawa and Washington. As of last year, pursuant to an agreement signed on April 15, 1972 between President Nixon and Prime Minister Trudeau, we opened a regional office at Windsor.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Robichaud: I know that the Leader of the Government in the Senate is very happy that this office was opened in Windsor. There is quite a story behind its location, and perhaps I will be in a position later on to explain privately, if not publicly, the reasons why this office was located in Canada rather than in the United States.

Hon. Mr. Grosart: Careful!

Hon. Mr. Robichaud: I am always careful.

Since the creation of the Commission, close to one hundred references have been submitted to it by the two governments, and after extensive studies and public hearings it has recommended solutions that have been almost always accepted and acted upon by the two governments. It now has some thirty boards charged with the responsibility of monitoring the quality or level of water and reporting twice a year in a formal way to the Commission and once a month in an informal way.

● (1430)

In my opinion the most important issues ever submitted to the Commission have been the harnessing of the Columbia River, the construction of the St. Lawrence Seaway, the water quality of the Great Lakes, the water level of the Great Lakes, and the Richelieu-Champlain water level. Others that have come close in the order of magnitude have been the Skagit River reference, the air quality in the Windsor-Detroit area, and the Lake of the Woods reference. There have been hundreds of them.

The Great Lakes Water Quality Agreement stipulates, among other things, that "Programs and other measures directed toward the achievement of the water quality objectives shall be developed and implemented as soon as practicable in accordance with legislation in the two countries. Unless otherwise agreed, such programs and other measures shall be either completed or in process of implementation by December 31, 1975."

I am afraid that a large number of people, both Canadians and Americans, interpreted that language as meaning that, by December 31, 1975, the Great Lakes will return, or will be returned, to their primitive condition, that is, completely clean. That view is too optimistic. It will take a number of years to achieve the objectives that the International Joint Commission has set for itself, but these objectives will eventually be met. It will cost billions of dollars, but the money will have to be raised and it will be raised, I am sure.

As far as Canada is concerned, we are on schedule, even perhaps ahead of schedule, and most of the credit is due to the foresightedness of the Government of Ontario and the Government of Canada for this situation. While, on the United States side, eight states, some 160 municipal governments and hundreds of industries are involved, we, however, are in the advantageous position that we have only one province bordering the Great Lakes. The problem

[Hon. Mr. Robichaud.]

is thus much more complicated on the other side of the border, but I am confident there is a sufficient amount of goodwill and determination to conquer it.

Honourable senators, when I entered political life I was motivated by two primary motives quite apart from the ordinary anticipation of excitement which any New Brunswicker, or any Canadian for that matter, might seek in politics. One was the hope of doing something, eventually, toward a better material life for the people of my province. The other was the chance to contribute something to the unity of two peoples who, in my province, had lived side by side from the very beginning of that jurisdiction: equal opportunity within the framework of a unified Canadian confederation. Those motives continue to be my guides as I come into another atmosphere, or sphere, rather, of national political activity. "Atmosphere" would fit just as well there.

The two major groups in New Brunswick, which, for the sake of brevity, may be designated as English and French, created an electoral majority which gave me and my colleagues a chance to move our province some considerable distance toward these two goals.

They gave us their confidence and for ten years—the entire decade of the 1960s—we did things which I am now proud to believe moved my province and its citizens into a new era of economic and social equality.

Some Hon. Senators: Hear, hear.

Hon. Mr. Robichaud: Honourable senators, the period of reform was not an easy one and I will not now recount the trials and the tribulations of that period. We had considerable help from two federal administrations. I have no doubt that today that continues to be the case. Those administrations were sympathetic to the long-standing needs and appeals of a province which was far behind the others in sharing the prosperity and social advances of a great and rich nation.

● (1440)

There remains a long way to go, but if I say that we had a role in starting our fellow citizens along this road you will understand that I say it not as a matter of personal pride but as representing the pride of the people of New Brunswick. Without their active participation, nothing could have been achieved. We could not wait for circumstances to overcome the disparities of generations. If reforms were to be made, we ourselves had to take the initiative—and we took it.

Policies to overcome regional disparity have been central themes in political debate and government action for decades. They are the very essence of what many Canadians think of when pondering national unity and national purpose. All Canadians support fairness and equity, and all Canadians can see the value of all efforts to provide reasonable standards of services throughout our country, and reasonable opportunities for our citizens both to contribute to and share in our economic progress.

The sometimes elaborate but effective techniques we have devised to achieve our objectives have accomplished much. Our system of equalization, the many shared-cost programs, the diverse special agencies concerned with problems specific to particular areas or regions, have yielded an outstanding record of achievement. Central to

these efforts today are the policies and programs of the Department of Regional Economic Expansion. They are of growing importance to all parts of Canada which are lagging, and are of particular continuing interest and importance to the Atlantic region. While equalization and shared-cost programs ensure an equitable allocation of most public services, the policies and programs of DREE are a positive investment in the future. They are the key to the creation of jobs and the resurgence of hope. The people of New Brunswick and those in the other parts of Canada which receive DREE attention know that a conscious and concrete effort is being made to overcome past neglect and to bring them into the mainstream of Canadian economic activity.

The policies and programs have evolved over a considerable period of years. They are still changing, as they must, since there are no easy answers and no simple techniques. Regional disparity is not unique to Canada and solutions are not readily available anywhere.

We must build upon experience, and changes are being introduced to regional development policies which should prove a significant step forward. General development agreements are being entered into with each province except Prince Edward Island, which already has a comprehensive development plan. These new agreements, combined with continued regional industrial incentives, will make it possible for the federal government and the provinces jointly to determine their development priorities and the appropriate means to achieve them.

This new approach calls for the identification of development opportunities, the formulation of a plan of action, the co-ordination of all public policies which can be brought to bear, and implementation which focuses the combined federal-provincial development effort to realize on specific opportunities.

It is a national program which has great flexibility in application. It recognizes that similar problems may have different solutions in the various parts of Canada. It recognizes the coincident responsibility of the two levels of government and could well lead to closer working relationships between them than we have experienced to date. Problems of regional disparity cannot be overcome by jealous governments working at cross purposes, nor with one partner being more than equal to the other. No one government has a monopoly on wisdom.

At this stage, perhaps I may be permitted a personal note. Thinking back over the years when I had the privilege of being a colleague of the then Premier Robarts, I considered at that time that Premier Robarts had the Canadian people in his mind first and foremost, and not necessarily just the people of Ontario. I thought he was a great Canadian, and he proved it on very many occasions. He wanted to share the national wealth, and he did it in a superb way.

The introduction of general development agreements and the subsidiary agreements for specific development effort which will flow from them will require of each party a great deal of patience and conscious effort to work together. This will be a new challenge to those concerned with federal-provincial relations, but one which I feel can be successfully met.

Our Confederation began as a co-operative effort, and it is only by striving to work together to solve mutual problems that our public institutions can dynamically serve. I wish to draw attention to one example of such new co-operative activities. I do so for several reasons: First of all, because I played a role, perhaps, in promoting its consideration; then it demonstrates also that the people of the Maritime provinces are prepared to help themselves; and it has great potential as a development within Confederation.

I am sure all members of this chamber are aware that the Charlottetown Conference of 1864, from which Confederation can be traced, actually began as a conference on Maritime union. The subject was raised again, one hundred years later, in 1964, and resulted in a full-fledged examination supported and financed by the three provincial governments. The outcome of the report, which recommended the serious consideration of intensive joint efforts leading to union, has been the establishment of the Council of Maritime Premiers.

Unlike the occasional interprovincial consultations of the past, the Council of Maritime Premiers has been formally established by an act of each of the three legislatures. Innovative solutions have been devised to enable the Council to take executive action. In three short years the Council of Maritime Premiers has become an effective instrument for the consideration of regional issues, the resolution of regional problems, and the development of a regional position. Tangible progress is being made and difficult issues are not being skirted.

This is clear recognition by the governments and the legislatures of the three provinces that some policies must encompass the region and that the solutions must be devised jointly.

It is not easy to resolve the differences between governments or provinces or the various interests within them. It is not easy to overcome the natural loyalties of Nova Scotians, New Brunswickers, Prince Edward Islanders, Cape Bretoners, Acadians, Haligonians or Saint Johners—you name it, you have it.

Maritime union is not the issue. Effective and productive joint action in the interests of the Maritime provinces is very much the issue. The work of the Council of Maritime Premiers, the joint select committee of the three legislatures, and the various regional policies and agencies being devised and established are important developments within Confederation. They are a recognition of our growing interdependence in a complex world. They are also an example of the efforts being made by the governments of three small provinces to do all within their power to meet the challenge of regional disparity.

● (1450)

I now propose to seize this opportunity for some brief comments on the energy situation in Canada and the policies of the government designed to shelter our economy from rapidly escalating international oil prices and to use our indigenous energy supplies for the benefit of all Canadians.

Honourable senators will remember that on December 6 last year the Prime Minister outlined a new national oil policy for Canada which recognized the creation of a

national market for Canadian oil as "one essential requirement." Others were: a pricing mechanism which provides incentives to develop our oil resources; measures to ensure that higher prices for oil contribute to security and self-sufficiency; establishment of a publicly owned Canadian petroleum company to expedite exploration and development; early completion of a pipeline to serve Montreal and more eastern points as required, and intensified research on oil sands technology to achieve full and rapid development of a resource which potentially rivals the reserves of the Middle East.

The future price of domestic crude is the central issue at the moment in Canada's energy scene. We must allow the price of domestically produced crude oil to rise to a level high enough to ensure development of frontier supplies which will be more costly than those from traditional sources. That does not mean that they must go up at once.

The government has in place price restraints which benefit the consumers of Canadian oil and a price control mechanism for imported oil which has kept price increases for Eastern Canada closely monitored so that the spread between foreign and domestic supplies currently is seven cents a gallon for fuel oil and gasoline. In effect, the government's action avoided a 12-cent to 14-cent a gallon price increase on these products in Eastern Canada and a possible 20-cent hike across the country had international prices prevailed.

By April 1 this year, about a month from now, the government expects a one-price oil system in Canada which will keep Canadian prices at less than international prices but which will provide the revenues needed to bring new resources on stream and offset the higher costs of oil imported into Eastern Canada.

Contrast this situation with that of many other industrial nations which are far more dependent than Canada on offshore supplies of petroleum. At the opening of the energy conference on January 22, the Prime Minister was moved to observe:

... current energy developments, affecting not only Canadians but people throughout the Western World—through their homes and automobiles, their jobs and pocketbooks.

More seriously, and perhaps quite tragically, the current oil crisis is dimming the hopes of millions of men and women in the poor and developing countries. They see their economic aid and their hopes for investment—to provide food, work and a better standard of life—swept away by staggering new costs for the oil they must have.

The Secretary of State for External Affairs went to energy discussions at Washington on February 11—the so-called Kissinger initiative which brought together 13 consuming countries—and said that the meeting was necessary because a world depression was possible if methods were not devised to accommodate the fourfold increase in international oil prices. Canadians in the past could afford to shrug off Europe's higher gasoline prices, but no longer. Italians today, and I was told this about four or five days ago, are paying \$1.50 a gallon for their gasoline which means that to fill a gasoline tank they would have to pay close to \$30. In France and in other

European countries the situation is the same. Japan is similarly affected. Rising fuel costs have unleashed spiralling inflation in Japan and Europe, accompanied by balance of payments deficits which may put renewed strain on the international financial system in the next few months.

As noted in the Prime Minister's address of November 27, 1973, and his statement to the House of Commons on December 6, the federal government is especially concerned with the effects that the recent oil price increases have on people of low income.

While the Canadian Constitution designates to the provinces the responsibility to administer social assistance plans, the federal government has undertaken to contribute up to 50 per cent of whatever increases in Canada Assistance Plan payments the individual provinces deem are necessary to assist recipients in meeting their increased fuel costs. I understand that a number of provinces, including Nova Scotia, have already introduced the necessary legislation. I further understand that the legislation in Nova Scotia died because their house was dissolved two days ago. Other provinces are contemplating similar legislation to fit in with the policies of the federal government.

In addition, inasmuch as payments under the Old Age Security, Guaranteed Income Supplement, and Canada Pension Plan are tied to the Consumer Price Index, the higher fuel prices will be reflected in higher payments under these plans.

In other moves to establish self-sufficiency in energy by the end of this decade, the Prime Minister announced federal financial support for the first nuclear power unit in any province and for a second unit if regional benefits and security of supply result. At the present time the Province of New Brunswick is negotiating for such a plan, and I hope they will achieve it because it will involve the expenditure of some \$400 million made available to the province from the federal treasury. I might also say to those people who are afraid of the damage to the ecology that a nuclear plant might create, that the International Joint Commission held a seminar in July last at the Miner Institute, Chazy, in New York State. At that seminar we had the highest authority of the United States on nuclear energy and the highest authority in Ontario on nuclear energy, and it was the consensus of all the scientists that there was absolutely no danger to the ecology or to anything else resulting from the decision of a province, state or country to construct a nuclear plant. I believe this to be the case and I do not consider that there is any danger whatever to our ecology, to the quality of the air or the environment.

● (1500)

Honourable senators will appreciate Canada's unique position both as an importer and as an exporter of petroleum. This has the twin goals of deriving appropriate revenues from the export of this valuable non-renewable resource for the benefit of all Canadians and the need to cushion eastern consumers from the high-priced imports so that broad disparities do not occur between regions of the country dependent on foreign resources and those served by domestic supplies of crude oil and petroleum products.

[Hon. Mr. Robichaud.]

[Translation]

Honourable senators, when I was appointed to the Senate, I had decided to wait for two or three months before saying one single word in this chamber. However, I was unable to refuse the invitation of the Government Leader in the Senate, Senator Martin, who asked me to move the Address in reply to the Speech from the Throne. I have just performed my duty. I wish to thank you all, honourable senators.

I am pleased to move that the Address in reply to the Speech from the Throne be concurred in.

[English]

Hon. Raymond J. Perrault: Honourable senators, it is a privilege to be accorded the opportunity to second the Address in reply to the Speech from the Throne. I use the word "privilege" with good reason, because I have known the mover of the Address for a great many years. He has been a good friend; he has made a distinguished contribution to public life in this country, and his appointment to this body is an event which can only redound to the benefit of all Canadians.

[Translation]

Honourable senators, it is a very special pleasure for me to take part in this debate today with my old friend and colleague, Honourable Louis Robichaud.

Having been born and raised in British Columbia, the large Western bilingual province—and I mean English and Chinese, of course—I do not have the same ability as Senator Robichaud in the other official language of Canada. Therefore I am sure you will excuse me, honourable senators, for delivering my speech in one language only.

[English]

A few days ago I visited Senator Robichaud's great and historic province, New Brunswick. We were on the same platform together in Moncton. I noted then something which it may be appropriate to note on this occasion, that down through the years thousands of New Brunswickers, thousands of Maritimers, have made the happy decision—at least for British Columbia—to come to our West Coast province and work with us to build our province. There they continue to make a distinguished contribution.

One need only review the birthplaces of many of British Columbia's and Canada's distinguished jurists, educators, business people, professional people and others to be convinced once again of the valuable contribution of the Maritime provinces to Confederation. As a British Columbian, I salute them. Members of Parliament—whether they serve in the Senate or in the other place—are particularly fortunate, because in the course of their duties and responsibilities they are accorded many opportunities to meet Canadians from all the provinces and territories. They are accorded the privilege of assessing the length and breadth of Canada, and its grandeur, possibilities and potential.

In the Confederation Debates of February 1865, George Brown described my home province as "British Columbia, the land of golden opportunities." But only small-minded people believe that their region or their province possesses some kind of special monopoly on scenic beauty, industrious and talented people, resource potential, or even virtue.

Like other honourable senators, I have travelled the length and breadth of Canada, from British Columbia to Newfoundland and the Yukon. It is a magnificent country, greatly privileged among the nations of the world.

Undoubtedly in Canada we have many problems, which will be elucidated in exquisite detail by the members of Her Majesty's loyal Opposition in this and the other place in the days to come. Some of these problems do not lend themselves to easy solutions, but when we compare Canadian problems with the critical life-and-death issues confronting three-quarters of the world's population, then we must regard ourselves as being singularly blessed and we must be profoundly grateful.

It was Winston Churchill, I think, who said that the parliamentary system is the most inefficient and ineffective governmental system in the world, with the exception of every other. As we look around the world, and at the traumatic political events which are occurring not only abroad but among our dear and closest neighbours on this continent, I believe that we see dramatized once again the inherent strengths of our parliamentary system. So we have a good deal to be grateful for.

Honourable senators, the Speech from the Throne reflects the concern of the government about the problems of Canadians, particularly the problem of inflation or rapid price escalation. When Canadians—particularly "unorganized" Canadians, those who have no economic heft or weight—must pay prices rising by 10 per cent or more every year without end, when the man who takes less out of society than he puts in is chosen, as one writer says, "to be the sucker and burnt offering on the altar of official gods," it is time for governments to act.

So we have in the Throne Speech a number of measures designed to mitigate the effects of inflation, insofar as it is possible, especially in relation to those in a more vulnerable economic position.

It is all too easy for the Opposition to criticize the efforts of the government in this area. I note a cynical chuckle from the other side of the house. The fact is that a worldwide shortage of commodities has created serious price inflation everywhere. Despite their distressing nature, the effects of inflation in Canada have been less onerous than in most other countries. While Canadian prices have increased less than those in most other industrialized countries, they have most certainly exceeded the recent experience in Canada, and Canadians are not satisfied.

As honourable senators are aware, inflation of costs and prices reflects the scarcity of many industrial materials caused by rapid economic growth proceeding almost simultaneously in most of the major industrialized nations. In addition—and I cite these problems not by way of offering excuses, but by way of setting forth the facts as they exist—temporary world scarcities of feed grains and food products have arisen while crop failures in some major producing countries have coincided with rising consumer demand. Major currency realignments have contributed to rising prices of imports into Canada. Of course, we are all acutely aware of the rising cost of petroleum and the effect this has had on Canadian economic development.

● (1510)

Despite this escalation in costs, expansion and real production in recent months have been the highest for any period since the mid-1960s and among the highest of any industrialized country of the world. This growth, despite our problems, reflects real strength in the major sectors of the Canadian economy. The continuing decline in unemployment is another source of encouragement, which indicates that despite Canada's problems, very real and basic progress is being made.

As was stated in the Speech from the Throne, our Canadian system is closely tied to international trade and markets. We are all aware of this fact. The principal inflationary pressures have come from outside our country. In view of this, and under such conditions, it would have been singularly inappropriate to have resorted to general income and price controls, and the government has rejected them for those reasons.

At the same time, much has been done by this government to relieve the impact of rising costs on consumers. In recent months we have seen income tax and federal sales tax reductions, an increase in Family Allowance to \$20 per month, increased pensions for senior citizens, increased pensions for veterans, and increased pensions for the disabled, representing a concerted and vigorous attempt to protect those most adversely affected by the cancer of rising prices. We now have assurances that Family Allowances, payments under the Canada Pension Plan and other pensions will be increased regularly in line with increases in the cost of living.

Those are the actions of a government concerned about people, concerned about the escalation of prices.

There has been intervention to slow the increases in the price of gasoline and home-heating fuel, and subsidies have been provided to keep down consumer costs of meat, milk, bread and other bakery products. This kind of record hardly constitutes alleged "callous disregard" for the little people of Canada. It is a record of a government concerned for the Canadian people.

The net result of these measures is that when increased prices are taken into account, real personal disposable income of individual Canadians is more than 5 per cent higher than it was a year ago. Few nations can make this claim.

It is encouraging to note that the Speech from the Throne states:

But in addition, and more immediately, the Government's policy in dealing with inflation will be to step in, as it has done in the past, and take specific measures to increase the supply of certain goods and services, to protect those who are not able to protect themselves against the effects of inflation, to cushion consumers against sudden and disruptive price increases of essential commodities, and to prevent any group or groups from taking undue advantage of the current situation at the expense of others.

Concern is expressed for individual hardship caused by the rise in the price of oil and oil products, and the effect of the increase on the economy. Action will be taken in this area.

[Hon. Mr. Perrault.]

Action will also be taken to increase Canada's production of food, with full consideration given to both the consumer and producer: for the consumer, a sufficient and balanced diet; and for the producer, an adequate return to encourage production of food items which can be economically and efficiently produced in this country.

Predictably, the government's program to combat the price spiral has been vigorously opposed by the Leader of the official Opposition in the other place. He has condemned the Throne Speech as "vacuous" and he once again opts for a program of short-term controls followed by—and this can truly be described as vacuous—"follow-up measures." Those measures have not been specified and no details have been given.

For two years now, the Leader of the official Opposition in the other place has expressed his support for controls. It is to be hoped that shortly he will bring himself to providing a detailed list of proposed controls, as well as a list of the specific measures which should follow those controls. Surely, honourable senators, he has had adequate time to do that.

The national leader of the party opposite speaks of "relentless" price increases, and, in some sort of convoluted fashion, the government is supposed to be responsible for these allegedly "relentless" price increases. Yet that leader's own family business has been affected in a most dramatic fashion by the inexorable upward spiral of world prices, and those world prices in the light of Canada's pattern of imports of wool and cotton. Since 1968 there has been a 76 per cent increase in cotton prices. Has that been within the control of the Government of Canada? A 41 per cent increase in wool prices has meant an increase in costs for all those in Canada who manufacture undergarments. Has this phenomenon been within the control of the Government of Canada?

Does anyone wonder why the cost of undergarments is escalating so rapidly in Canada today? Does the Leader of the official Opposition in the other place seriously suggest that Canada should intervene unilaterally to turn back this world tide? The policies of the Canadian government have nothing to do with the price increases made necessary in the manufacture of Stanfield underwear over the past few years.

An Hon. Senator: Shame!

Hon. Mr. Perrault: The state of the international commodity market has a great deal to do with the advance in the cost of those items.

In fact, controls in the United States and in Britain of the type advocated by the official Opposition, as well as varying systems adopted by European nations, have proved ineffective in controlling inflation.

What is the comparison with other countries? In January, if we compare statistics on a year-to-year basis, Canada's price index increase of 9.1 per cent compares with an increase of 9.4 per cent in the United States, 12 per cent in Great Britain, and 10.3 per cent for all OECD countries and OECD Europe.

The official Opposition is critical of Canada's economic performance. The United States is in the process of phasing out all price and wage controls, except in health care and petroleum products, because they have not proved to

be effective. Indeed, they have had the reverse effect of increasing inflationary pressures by creating shortages.

The British economy is threatened with nothing less than disaster—largely as a result of widespread labour strikes in opposition to wage controls—because of lack of support necessary to make those controls successful.

Hon. Mr. Flynn: What does that prove?

Hon. Mr. Perrault: Again, it should be said that those who aspire to replace the government, those who advocate controls, should tell Canadians just how differently those controls would be imposed from the way controls are imposed in other countries.

Three years ago, on January 31, 1971, a well-known Canadian political figure made a speech on the subject of controls. His words should be borne in mind. He said:

Controls would cause untold resentment among groups and individuals who felt unfairly done by, and they would result in a climate of constant confrontation. In addition, of course, they would inevitably lead to a highly centralized and therefore inefficient form of economic planning.

The well-known political figure who made that speech is today's Leader of the official Opposition in the other place. He appears to have undergone a conversion second in dramatic impact only to that of Paul's conversion while on the road to Damascus.

● (1520)

Hon. Mr. Flynn: Do you mean Paul Martin?

Hon. Mr. Perrault: Federal government policies have stimulated, in recent months and years, a record amount of housing construction, as well as providing assistance for more home ownership. The federal fund of half a billion dollars for land assembly and the establishment of the Federal Residential Mortgage Agency will also make it easier for more people to purchase homes. Just last month, the Central Mortgage and Housing Corporation reported a record number of housing starts across Canada for the third consecutive year. There were 265,000 housing starts in 1973, an increase of 6 per cent over 1972. If housing construction continues at its present record level, it will help reduce housing prices, which is of importance to all Canadians. As the Minister of State for Urban Affairs said the other day, "Construction and production have exceeded for quite some years the rate of family formation in this country. Obviously, if we can maintain this kind of construction, which I think we can, it will have a depressing effect on prices."

The government is spending \$100 million in each of the next five years on a land assembly program to increase the supply of serviced land to meet housing needs, and to control land prices. Money is now available for the purchase of both new and old houses for low income housing. This program has conferred benefits all across the country, but more improvements are needed, as is clearly admitted.

There will be substantial assistance to rural and native housing programs. This is one of the important statements in the Speech from the Throne. Also, the sewage assistance program will be revised to make it more effective as a means of increasing the supply of serviced land, and the

government will introduce measures to increase the protection available to consumers in the housing market.

At this juncture I should like to say something about alleged Western alienation. I am a Westerner. I was born in Western Canada. Indeed, my mother was born in Manitoba, raised in Saskatchewan, married in Calgary, and I was born in British Columbia, so I think I have a right to say something about the West. I am a Westerner, and over the years I have identified myself with the aspirations of those who live in Western Canada.

In my view, certain legitimate grievances exist in Western Canada, and I have stated them on many occasions, as have other members of this chamber. I have attended many meetings and conferences relating to Western problems and grievances. I welcome that section of the Throne Speech which makes reference to the implementation of certain proposals set out during the Western Economic Opportunities Conference. I welcome the announcement that a number of measures will be taken, in the larger context, to ensure that Canada's transportation capabilities support the government's national goals and are safe and efficient. Together with other Westerners, I welcome the announcement that steps will be taken to end discrimination in freight rates and that a new ports policy will be developed to ensure an effective and comprehensive ports structure in Canada, in a framework where a high degree of local involvement and management can be established. This kind of action is welcome. It is overdue.

I suspect, however, that despite these government initiatives, despite these efforts on the part of the federal government to remove the source of many Western grievances, the political critics will be as strident as ever. The fact is that no government in history has been more responsive to the needs and aspirations of Western Canada than the present government. That is a fact which cannot be distorted by Opposition efforts to say otherwise. Despite the ranting and railing of the Opposition critics, it is a fact that infinitely more has been done for Western Canada by the present government than was done by preceding governments.

There is still a great deal left to be done. No Westerner would ever admit that perfection has been achieved, despite the fact that Western Canada now enjoys its highest level of economic prosperity in history. Similarly, I would not expect my friends from the Maritimes, Ontario, Quebec, or any other province, to admit that they had achieved perfection. I do suggest, however, that politically motivated criticism of the federal government for its alleged discrimination against Western Canada discredits the entire Western position and does a great deal of damage.

A few months ago, I had the opportunity to attend the Western Economic Opportunities Conference in Calgary, which was an unique event in the history of Canada. It was the first time since Confederation that a Government of Canada brought most of its Cabinet ministers out to a sit-down conference, televised to all of the people in Western Canada, to discuss Western problems, hopes and aspirations, dreams and difficulties. It was never done by a Conservative administration. I well recall a Tory "Roads to Resources" program which resulted in British Columbia

getting \$10 million to build a road north, but no one can really recall what happened beyond that.

The Western Economic Opportunities Conference was convened as the result of a federal government initiative, the first such initiative in history. The achievements of that conference included agreement with British Columbia covering the expansion of the port of Prince Rupert, and the CNR and BC rail facilities in Northern British Columbia. The total cost, in one program alone, will exceed \$200 million. There was also a commitment to construct a vital rail bypass in British Columbia to facilitate the movement of Prairie grain to market, and to rationalize shipping by rail in southern British Columbia. The conference also brought about a reference to the Canadian Transport Commission of specific freight rates perceived as discriminatory, and a commitment to add to the reference further instances as requested by provincial governments.

In the Speech from the Throne we find specific references to the removal of freight rate anomalies in Western Canada. Despite all of this, one of the Western premiers went on national television last night and said, "Well, we are deeply disappointed because the Throne Speech terms are too vague." Well, any premier knows that a Speech from the Throne sets out the general program of the government, with the specifics following later. That kind of niggling criticism is not going to help Western Canada.

The Western Economic Opportunities Conference resulted in a commitment to establish a joint federal-western provinces committee on transportation. Other results of that conference were the imposition of an 18-month freeze on unprotected branch lines; agreement on full intergovernmental disclosure of cost data relative to railroad and trucking freight rates; an offer to Alberta, Saskatchewan and Manitoba to share 50-50 the cost of updating their primary highway network to the same capacity as presently pertains in the province of British Columbia; an offer to Alberta to establish a jointly funded Alberta coal resource evaluation program; a proposed agreement for mineral development for northwestern British Columbia and northern Saskatchewan; a commitment to decentralize DREE, placing 70 per cent of the personnel at regional and provincial offices and to delegate decision-making on regional development incentive grants to the decentralized offices; the decentralization of the Department of Industry, Trade and Commerce, which is now under way; and a commitment to propose an amendment to the Bank Act that will permit a provincial government to own, initially, up to 25 per cent of the voting shares of a new chartered bank, with provision for reduction of the holding to 10 per cent over a period of time.

In the light of these achievements, most of the people who say that they are "deeply disappointed" and that the federal government "still does not understand them" are, I fear, pursuing political motives rather than motives which might benefit Western Canada.

The Speech from the Throne talks in terms of guaranteed loans for farmers and fishermen; amendments to the Export and Import Permits Act to provide the government with better means to stabilize the Canadian market; improved harbour facilities; measures for facilitating agricultural stabilization; assistance to young farmers;

[Hon. Mr. Perrault.]

better veterinary training facilities; a prairie grain market insurance plan; improvements in Canadian grain rail transportation capabilities, and so forth. I wonder what the game of the critics really is when they criticize one of the most constructive programs for the West ever brought before a Parliament of Canada?

● (1530)

As much as I am a strong advocate of Western development, I believe just as strongly that this government must be given full credit for its remarkable efforts to consider the legitimate problems and aspirations of the West and, where possible, to provide appropriate solutions. I reject out of hand, as do most thinking Westerners, the senseless and patently political allegation that the present government "cares nothing" about Western Canada, the absurd nonsense that surfaces in commentaries across the country from time to time.

The fact is that Canada has never been an easy nation to govern. It is very difficult to design programs that will be equally effective in all parts of the country. Every region has had its problems with Confederation. I have had many opportunities to discuss with my good friends in the Maritimes some of their problems within Confederation; they have been plenty, and they need attention. I think there should be a maritime regional conference convened, if one is not already in the planning stage, of the kind we had in Calgary a few months ago. I have the deepest sympathy with my friends in the Maritimes.

I have travelled in Ontario, Quebec and the Yukon, and nobody regards Confederation as perfect, but we know very well it is better to hang together, that Confederation confers benefits that go far beyond any special regional problems that we may have. Perhaps one of the greatest miracles of all is the fact that Canada, despite its differences, and at times conflicting interests in its regions, came into existence in the first place.

Despite our problems, Canada has probably made more progress in the 106 years of its existence than any other nation on the face of the earth. We have done this despite some regional problems that we have had—some in the West, some in the East, and some in the Central provinces. We have achieved a great deal, despite what many feel to be certain impediments to our progress.

Honourable senators, I expect to be a part of many other Western delegations seeking more favourable consideration of some of our problems, but I do feel it is time to state emphatically that this government has acted with greater vigour to solve Western problems than any other government in history, that much of the alleged "Western alienation," to the extent that it exists, is in great measure the product of politically hungry and cynical men.

Westerners want to see greater decentralization of public institutions. This is one of our goals. We believe that decentralization means more regional autonomy, more policies tailored and attuned to local needs. The question of rural depopulation and undesirable changes in the social fabric of small towns in rural Canada is an urgent concern in the West. There is a need for the West to have a bigger share in national economic questions. When the Speech from the Throne talks in terms of expanding the petrochemical industry, as a Westerner I hope that some of this expansion will take place in Western Canada

at the source of the oil, where it comes out of the ground, and that not all will take place in Central Canada or some other area. We need a broader economic base in the West, and better transportation and national policies, so that the West can become more economically stable, so that growth is more steady.

In Western Canada we have moved beyond the time of the old national policy. We want to rewrite that old national policy devised by the Conservative Government of Sir John A. Macdonald a hundred years ago. It was a scheme to secure the growth and development of the Central region of the country. That was perfectly reasonable in the 1870s, when the vast majority of Canadians lived east of the Great Lakes. Under that original national policy the great and empty northwest was to be a supplier of primary resources for the flourishing industries further east. Eventually, too, the West would develop into a sort of captive market for Eastern manufactured goods. The tariff structure, economic development programs, population projections and railway construction were all factors geared to fit in with Sir John's national policy, and it worked reasonably well. But Westerners believe that the time has arrived for changes.

It is now a hundred years later, and Canada has outgrown that old design. The right policy of the 1870s is no longer appropriate in 1974. The task begun at the Western Economic Opportunities Conference was no less than the redrafting of the national policy, and in the Speech from the Throne we have fresh evidence of a government sympathetic to Western aspirations and needs, and our new dreams. I find it disappointing that some partisans have tended to take such a negative view of all the progress we have made in the West over these past few months.

Stretching as it does over 4,000 miles, this nation of ours requires a great abundance of tolerance and understanding on the part of all citizens, wherever they live. No one has ever regarded Confederation as perfect, and it may be a temptation for some to exploit regional differences for their own narrow aims and ambitions, but it is to be hoped, honourable senators, that most men and women who serve in public life will follow the other more positive course, that they will make a conscious effort to strengthen the bonds of national unity, and will attempt to emphasize the good and positive reasons for a united Canada to continue in existence.

In conclusion, I want to make reference to the advances proposed for the women of Canada. For some time I served as parliamentary secretary in the department with a responsibility for the Report of the Royal Commission on the Status of Women, and I welcome the statement in the Speech from the Throne that the women of Canada are going to make further progress towards full equality—equality they have not enjoyed up to the present time. I think Canadians will welcome the proposal to remove the difference in treatment as between men and women presently in the Canada Pension Plan. Fair-minded Canadians will applaud additional amendments, the purpose of which will be to provide equal treatment for women.

The sense of frustration and injustice that has sparked the virtual social revolution at present being supported by women in Canada has its roots, perhaps, even in fields as yet not too well known to the women themselves. The

failure of economists and statisticians to include as a national asset, for purposes of assessing the national product, the value of unpaid services provided by women in their own homes, and the failure to consider women working in their own homes as persons actively employed in the labour force, have contributed to a state of affairs that is somewhat paradoxical.

Let me illustrate with a tongue-in-cheek four-line verse that appeared recently in the *Canada Labour Gazette*, a publication well worth reading, in a column headed, "From the Women's Bureau." It concerns the labour force components.

Through women in labour,
Life keeps on its course;
But mothers don't count
In the labour force?

In so far as the omission of unpaid domestic services from the calculation of national income is concerned, the paradoxical state of affairs was illustrated by a noted economist, A.C. Pigou, in his work "The Economics of Welfare," when he gave the following example:

If a number of bachelors who were employing housekeepers in the customary manner of exchanging services for money, decided to marry these housekeepers, then the national dividend would be diminished. Obviously the housekeeper, when assuming the role of a wife, regardless of any additional services she assumed by virtue of her marriage, continued to perform those services which she, as a housekeeper, had been performing previously. In other words, the services continued but the value disappeared.

● (1540)

So there is a view, held increasingly by Canadians, both men and women—and I share the view—that housewives should be considered as members of the active labour force while the value of their domestic services should be included as part of the gross national product.

Social benefits as well as statistical and economic good sense would grow from a revision of established procedures relating to the present methods of computing the size of the active labour force. The belittling of the role of the housewife or homemaker, however she is described, has been responsible in no small part for many of the dissatisfactions being expressed by women.

By being made part of the active work force, housewives would also be eligible for certain social security benefits such as the Canada Pension Plan. These are presently reserved for those who decide to seek employment outside the home. We have a paradox today in the case of a girl who works on the so-called active labour force, and who then becomes married and raises her family. During the period when she is at home performing this vital social work she has no opportunity at all to contribute to the Canada Pension Plan. She returns to the work force when the family is grown up, but as far as Canada is concerned she simply was not in existence during that period when she performed her contribution to society in the home.

I know that there may be certain actuarial problems associated with the implementation of such a modification of the Canada Pension Plan, but I hope that we are going

to be enlightened enough to endeavour to bring housewives into that plan, and to permit them to contribute during the years when they are housewives. We require a new concept that will recognize women as individuals with economic responsibilities towards themselves and their dependants, that will take into account the economic nature of the role that women play in the family and in society, how that role affects their earning capacity in the labour market and their security for the future, and how it forms a basic support sector of the economy and provides a monumental contribution in very real terms towards the support of all the fringe benefits that society offers today only to the paid labour force.

Honourable senators, Canada can be proud of the progress which has been achieved in difficult circumstances during the past twelve months. That progress is the product of its people, wherever they live. It has been achieved in part by governments, by the private sector, by labour, and by those who contribute to this country in a multiplicity of ways. The Speech from the Throne, which His Excellency the Governor General so graciously delivered yesterday, gives promise of still greater progress in the months to come. It is a positive and optimistic statement

which expresses concern for the problems of the people of Canada. It concedes that Canada faces serious and challenging problems, but it offers constructive solutions. Thus I am pleased to second the Address in reply to the Speech from the Throne proposed by my friend and colleague, the Honourable Senator Louis Robichaud.

On motion of Senator Flynn, debate adjourned.

**HON. J. CAMPBELL HAIG
HON. ALLISTER GROSART**

FELICITATIONS ON RETURN TO CHAMBER

Hon. Paul Martin: Honourable senators, before moving that we adjourn, I am wondering whether I welcomed Senator Haig back in December.

Hon. Mr. Flynn: You did.

Hon. Mr. Martin: In any event, I am glad to see him again.

I am also glad to see Senator Grosart here. When we were having difficult days in December and January, he was unable to attend because of his illness. We are all very glad that he is well enough to be with us again, alert and fit.

The Senate adjourned until Tuesday, March 5, at 8 p.m.

THE SENATE

Tuesday, March 5, 1974

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Canadian Dairy Commission, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1973, pursuant to section 22 of the *Canadian Dairy Commission Act*, Chapter C-7, R.S.C., 1970.

Report of the Canadian Grain Commission for the year ended December 31, 1972, pursuant to section 14 of the *Canada Grain Act*, Chapter 7, Statutes of Canada, 1970-71-72.

Estimates for the fiscal year ending March 31, 1975.

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, 1973, pursuant to section 17 of the *National Arts Centre Act*, Chapter N-2, R.S.C., 1970.

Report of the Department of Communications for the fiscal year ended March 31, 1973, pursuant to section 6 of the *Department of Communications Act*, Chapter C-24, R.S.C., 1970.

Annual Report to the Governments of the United States and Canada by the Columbia River Treaty Permanent Engineering Board for the period October 1, 1972 to September 30, 1973 (English text).

Copies of an Agreement between the Government of Canada, the Government of Quebec and Quebec-Hydro Electric Commission concerning the cooperation of the Government of Canada in the establishment and development of the Hydro-Quebec Institute of Research.

Report of the Solicitor General of Canada for the fiscal year ended March 31, 1973, pursuant to section 5 of the *Department of the Solicitor General Act*, Chapter S-12, R.S.C., 1970.

Report of the Metric Commission for the period June 1971 to March 31, 1973.

Report of the Department of Manpower and Immigration for the fiscal year ended March 31, 1973, pursuant to section 5 of the *Department of Manpower and Immigration Act*, Chapter M-1, R.S.C., 1970.

Copies of Parts 1 and 2 of a Study by the Systems Analysis Branch of the Canadian Transport Commission, entitled "Midwestern Ontario—Bruce Public Transport" and dated December 1973.

[Later:]

CANADIAN NATIONAL RAILWAYS

DERAILMENT AT MONK SUBDIVISION OF ATLANTIC REGION
ON MARCH 7, 1972—INQUIRY ANSWERED

Hon. Edgar E. Fournier inquired of the government pursuant to notice:

What was the total expenditure incurred by the Canadian National Railways in a train derailment at the Monk sub-division of the Atlantic region on March 7, 1972 on train 340 at mileage 92.1?

What was the number of cars involved and how many were written off? How many were repaired and at what cost?

What was the total value of tonnage merchandise lost? What tonnage of merchandise was recuperated, and at what loss to the company?

How many feet of roadbed had to be rebuilt and at what cost? How long did it take to complete the repairs?

What was the cost of (a) material and (b) labour for repairing the bridge involved?

How many trains were rerouted via other transit during the repair period and at what cost?

Hon. Paul Martin: Answered.

Date of accident: March 7, 1972, at 5.25 a.m. E.S.T.

Location of accident: Eatonville (P.Q.) milestone 92.1 of the CN Monk subdivision.

Type of accident: Derailment of 49 cars from the 27th car behind the diesel locomotives and partial destruction of the bridge.

Cause: Track failure (abnormal lateral pressure on the upper rail at the western end of the bridge).

Train and direction: Extra 5049; east (manifest 340).

Train composition: 2 diesel locomotives pulling 69 wagons, 25 empty, 5,747 tons.

Speed at derailment: 40 m.p.h.

Number of cars derailed: 49.

Cost:

Loss on load: \$305,269 (sum recovered still unknown).

Equipment: \$435,270 (43 wagons to scrap—6 repaired at a cost of \$7,718).

Bridge: \$98,000 (material \$50,000; labour \$48,000).

Track: \$19,000 (440 feet of track).

Signals: \$1,000.

Diversion: \$43,000 (27 trains via CP and MC).

Auxiliaries: \$20,000 (crane and emergency personnel).

Rentals: \$29,120 (heavy equipment rented locally).

Transportation and telecommunications: \$800.

Penalization for lengthening the run: \$16,856 (other trains rerouted towards Moncton by the CN Mont Joli and Newcastle subdivision.)

Total—\$968,315.

Hon. Mr. Fournier (Madawaska-Restigouche): Honourable senators, I should like to thank the Leader of the Government for having obtained in record time this information in reply to my most recent questions concerning the CNR. I say it was done in record time because in my view it has not always been easy to obtain information from the CNR or, in many cases, from the CBC. I should also like to point out that many of these questions have been answered very negatively and the answers are unsatisfactory and far from being complete.

I should like to remind those two corporations, the CNR and the CBC, that these are not answers only to me; they should understand that they are giving the answers to the Senate of Canada. My latest Notice of Inquiry leads me to believe that on most occasions we are being taken for a ride. Perhaps they would like to tell the senators to mind their own business.

Hon. Mr. Choquette: Perhaps the CNR is being taken for a ride.

Hon. Mr. Langlois: Maybe they are being railroaded.

Hon. Mr. Walker: Touché.

Hon. Mr. Fournier (Madawaska-Restigouche): My last Notice of Inquiry goes back to 1972 and was concerned with a derailment on the CNR at Monk. The total loss incurred by the company at that time was stated to be \$655,270. The answer I received today in connection with the same derailment, at the same place, on the same date, is a loss of \$968,315, which makes a difference of \$313,045, a big difference for one item. I just wonder if this is the type of answer we can expect. I will leave this with you. I could ask more of these questions but I wonder if we would receive similar answers. I think it is terrible that we receive this type of answer.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, February 28, consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Senator Robichaud, seconded by Senator Perrault, for an Address in reply thereto.

[Translation]

Hon. Jacques Flynn: Honourable senators, despite all predictions, this 29th Parliament will thus have lived long enough to see the opening of its second session.

Will it live to see the end of it? Might there be a third session? That is difficult to predict, the government and its temporary ally, the NDP, having shown until now so much aptitude for opportunism, turnabouts, bows, pirouettes, compromise; the government, to keep itself in power, and the NDP, to avoid elections.

That truly is the picture the last session brings to mind and doubtless what we can expect of the one which has

[Hon. Mr. Martin.]

just started. The corner of the veil lifted by the Speech from the Throne does support this conclusion.

However, before coming to the heart of my remarks, of which you are doubtless now aware, I have just given you a general idea, I should like to say how pleased I am with the appointment of our new Governor General, His Excellency Jules Léger, an eminent diplomat whose career illustrates how talented, distinguished and devoted he is. In every post held prior to entering Rideau Hall, he did Canada proud.

In the performance of his duties, he has always had and will always have the support and co-operation of his charming, devoted and intelligent wife.

On behalf of the official Opposition, I extend to Their Excellencies our wishes for a happy and fruitful sojourn at Rideau Hall, confident that they will discharge the duties of their high office with the same dignity and competence they showed in their previous appointments.

● (2010)

[English]

Honourable senators, that a do-nothing Parliament such as this should have lasted as long as it has is deplorable.

An Hon. Senator: A miracle!

Hon. Mr. Flynn: But there is one consolation. Since we are starting a new session and not a new Parliament, it means that Senator Muriel Fergusson will continue to preside over our deliberations.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: And we are convinced that she will continue to preside with all the patience, wisdom, charm and wit that are so characteristic of her.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: Senator Fergusson is an outstanding Speaker. She has worked tirelessly and enthusiastically to try to improve the Senate's public image. I want Madam Speaker to know today that the official Opposition recognizes, and very much appreciates, her praiseworthy efforts along these lines. She can count on our continued co-operation.

Senator Fergusson's continued presence in the Speaker's Chair offers, as I have said, some consolation. Senator Martin's continued presence in the government leader's chair offers, however, somewhat less. I hasten to assure him that there is nothing personal in what I say. I, as do many others, recognize him as a man of sterling qualities, a man of outstanding ability.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: I have often found myself envious of his highly flexible personality. His career demonstrates well what a great capacity he possesses for adapting to different people, circumstances and programs. But even if the grounds for disagreement between us should be, and are, few, they are not unimportant. Basically, I have never been able to adopt his perspective with regard to the Senate, and as to the way in which it should discharge its constitutional responsibilities. Senator Martin, I continue to hope, will some day find a way to accept some of my suggestions in this respect. Although I have always been

willing to co-operate, he has given no indication of any enthusiasm for my help.

On a happier note, I would like him to know that the official Opposition wishes him all that he has ever wished for—the best. We are very happy to see him looking so healthy, vigorous and young. Like Jack Benny, he never seems to get any greyer.

[Translation]

Honourable senators, last Thursday we had the pleasure of hearing the remarkable speech of our new colleague, Senator Louis Robichaud. We could not expect less in his case. His reputation had preceded him in this house.

His career in the New Brunswick Legislature and the fact that he held the position of provincial premier in Fredericton for ten years are proof of his qualifications and assure us that his presence will be very useful during our deliberations.

I congratulate Senator Robichaud on the manner in which he acquitted himself of the relatively thankless task of mover of the Address. This speech will probably be only the first of several excellent ones and we shall look forward to hearing him again.

[English]

Senator Perrault's speech, seconding Senator Robichaud's motion for adoption of the Speech from the Throne, demonstrated amply well how conversant he is with the many and complex problems confronting this country. But his speech simultaneously revealed his Achilles' heel. He can identify problems well enough, and he sees most of their ramifications. It is in the area of solutions that I detected a certain rather significant weakness. The senator is obviously of the opinion that unless solutions flow from the collective genius of the Liberal Party's pseudo-intelligentsia, they have no value.

Honourable senators, how many of you remember last year's Speech from the Throne? How many of you can remember, without scowling, the government's eloquent resolve: its determination to see inflation controlled; the rise in the cost of living arrested; unemployment reduced.

This year's Throne Speech does not differ substantially from last year's. And if the same old, tired and overworked promises, the leftovers, have to be reheated and served up to us again, it indicates that nothing much was accomplished by Parliament in the last session. But we did not need that kind of proof. The facts of life are proof enough. The cost of living is higher now than it ever was. Unemployment has certainly not diminished. And though social benefits may have been increased, there is very little more in the pockets of the needy. Their lot has not been significantly improved since last year. They are still the helpless victims of a skyrocketing inflation rate, and no amount of fancy Throne Speech verbiage ever has or ever will change that fact.

Canadians are angry and bitter. They are taking an economic beating and there seems to be nothing they can do to defend themselves. They turn to the federal government for solace, but find none. The whole country seems to have lost its sense of order and purpose.

What happened? Why was this government's performance so poor in the last session? The answer is easy. The administration was mainly preoccupied with maintaining

itself in power. Fear of being removed from office prevented this government from acting boldly and courageously. It is sad and pitiful, but nevertheless true: this government does not have the courage of its convictions, or has no convictions at all. It was satisfied during the last session to accept any view as long as it served to guarantee its continuance in office.

Let me give you a few examples of how this government has prostituted whatever principles it had. Let me show you how it has, with incredible cowardice, refused to lead this country.

In the field of social security, Bill C-147, which was passed in May of last year, increased the old age security pension to \$100 a month. It also included a cost of living adjustment which was to be computed on an annual basis. This indexing of the increase to the cost of living was itself a retreat from the 1972 position of this government. In 1972, you will recall, they had refused to allow old age security pensions to increase more than 2 per cent per annum. Normally, Bill C-147 should have been the only bill concerning the old age security pension in the first session of this Parliament. But, threatened by the loss of NDP support, the government presented a second bill on this subject last September.

● (2020)

With Bill C-219, the government said that the indexing of old age security pension increases should be done on a quarterly basis. Indexing on a quarterly basis was an idea first suggested by the Leader of the Opposition in the other place, but, when he suggested it in May of last year, the government labelled the idea silly, too complicated, impossible to administer. Then, in September, they adopted it as their own. Their action was obviously borne of the instinct for survival.

The last session also saw introduced two bills on family allowances. The government had indicated that it was going to bring about a new system of family allowances beginning on January 1 of this year. Yet, in September, again because it felt a threat to its continued existence as a government, the Trudeau administration brought in an interim measure increasing the family allowance to a flat \$12 per month, pending the passage of Bill C-211.

Honourable senators will surely recall other instances when the government indulged in some unprincipled about-faces for the sole purpose of maintaining itself in power.

Bill C-192 provided for a reduction in income tax payable by corporations involved in manufacturing and processing activities. Because of NDP objections and Conservative reservations with respect to corporate tax reductions, the government agreed to include a provision whereby 60 members of the other place could force the government to bring in a measure to meet the conclusion of any resolution voted by that house.

Think of it, honourable senators: the government was agreeing, in advance, to bring in and support legislation to which it was opposed. Moreover, it was doing so in the area of fiscal legislation which is the prerogative of the government, and the government alone. This was a unique example of spineless capitulation; another sad example of chronic weakness and lack of direction. It was a most

shameful abdication of this government's responsibility and authority under the Constitution.

Honourable senators surely will not have forgotten also the indexing of personal exemptions in the calculation of an individual's income tax to counter the outrageous increases in the cost of living. That had been proposed as long ago as 1971 by the Leader of the Opposition in the other place. The government had ridiculed the idea then, but what seems ridiculous when you are firmly in command very often becomes the epitome of good sense when you are in danger of losing power.

Every once in a while, this administration makes a pitiful attempt at showing that it is still aware of what is going on, that it is still in command of the situation. Last week's Throne Speech is an example of that. But nobody is fooled. Everybody simply feels sorry for this government—the way one feels for a washed-up actor who doesn't know enough to retire from the stage.

As I said, the government acted in a spineless fashion in the last session, and I don't expect them to rediscover their backbone in this one. After all, the political pressure that will be exerted on them in this session is likely to be greater than it was in the last.

David Lewis is not yet ready, but soon he will be looking for an issue to justify his parting company with Pierre Trudeau. The NDP cannot afford to wait until the government, of its own volition, calls a general election. They must, for the sake of convincing their supporters that they are really different from the Liberals, continue to apply pressure. They must find some issue, sacred or not to the Socialists, and upon which the Liberals could possibly be unwilling to prostitute themselves once more. It will become increasingly difficult for the Prime Minister to temporize.

The only way in which the government can hope to resist the blackmail of the NDP is for it to be in a position to call an election on its own initiative. The government must appear, for all the world, as though it were ready to call an election at any time. Now, if the government can pull that off, if they can convince the NDP that they are not afraid of going to the polls, they will deserve an Academy Award, because if any government ever had good reason for staying out of an election this is it.

With inflation running wild, with the employment situation no better than it was a year ago, and with the many other problems torturing us—most of them brought on by this administration's ineptitude—an election for the government would be suicide. It will be very interesting indeed to watch the government squirm for as long as this session may last.

Honourable senators, obviously inflation remains Canada's major difficulty. We are no better off now, at the beginning of 1974, than we were at the beginning of 1973. The cost of living rose by 5.1 per cent in 1972. It rose by 9.1 per cent in 1973. This represents an increase of 80 per cent over the previous year. The present inflation rate is more than three times what it was in 1971. It is four times the average inflation rate for the past sixty years. We have one of the highest inflation rates in the industrialized world. Despite the government's claim that this is an international problem, there is no doubt that a large part

[Hon. Mr. Flynn.]

of that increase was domestically induced, and yet you will remember that Mr. Trudeau in December 1971 spoke of having licked inflation.

The inflation rate for the third quarter of 1973 was 8.2 per cent. Research has shown conclusively that 5.2 per cent was domestically induced. So the government's claim, repeated in last Wednesday's Throne Speech, that we are inflating because the whole world is inflating is simply not true.

For the record, I think it is useful to note that food prices increased by 8.6 per cent in 1972 while in 1973 they increased by 17 per cent—practically a 100 per cent increase in 1973 over the preceding year. Housing went up by 5 per cent in 1972, by 7.2 per cent in 1973. A house today costs 72 per cent more than it did in 1968. Clothing was up by 3.1 per cent in 1972, and by 7.3 per cent in 1973. Here again we have an increase of over 100 per cent in the inflation rate.

The OECD predicts that our 1974 inflation rate will exceed the incredible rate we reached in 1973. That means we are headed for an inflation rate in excess of 10 per cent per annum. No economy can long survive that kind of inflation. The economic bubble is bound to burst.

The OECD suggests that we need a concerted program of price and wage controls. But this government, as you will have noticed in the Throne Speech, stubbornly refuses to accept that this approach has any validity. The government continues to look upon inflation as a rather theoretical problem. Not everybody is affected in the same way by inflation, but surely no less than 80 per cent of the population can escape being seriously and adversely affected by an inflation rate which hovers somewhere around 10 per cent per annum.

Nobody can escape being influenced by an increase of 17 per cent in the cost of food—25 per cent in the last two years. Everybody has to eat, and the cruel part about this is that those least able to defend themselves against increases in the cost of living have to take their lumps just like the rest. The poor, those on fixed incomes—no special protection is afforded them. No wonder they are frustrated. No wonder they are angry and bitter. They have nowhere to turn. And always this cancer of inflation is eating away at their economic security.

A taxpayer having a taxable income of \$12,000 in 1973 lost, for all practical purposes, a purchase value of \$1,092.00 on account of inflation. Yet, to add insult to injury, the government comes along and taxes him on the full amount of \$12,000. This is true despite the amendments made to the income tax legislation providing for an adjustment in the personal exemptions based on the increases in the cost of living.

The only one gaining from this intolerable inflation is the government. Indexing notwithstanding, the tax moneys keep flowing in. We know, for instance, that last year the Minister of Finance anticipated a deficit of some \$400 million, and despite the fact that he added over \$1 billion for social security the deficit will be just over or around \$300 million this year.

Those whose incomes have kept abreast of inflation, as a result of which they do not feel too victimized or threatened, should have a look at their savings. If their money is

invested in bonds, they will surely have noticed that they have lost practically as much as they have earned. Inflation rates have consistently outpaced interest rates. And that does not take into consideration the fact that they have had to pay interest on their earnings.

Further, if by any chance their investment has increased in value to a level equal to the increase in the cost of living, they are bound eventually to pay a capital gains tax. This is so despite the fact that the increase in value is merely a paper gain.

It is estimated that Canadians lost 10 per cent in investment savings alone last year. Now, there is an alarming situation! Mr. Average Canadian, who has sweated his guts out for 20 years to build up a modest bankroll, is now forced to sit back and watch his life's savings melt away on the pyre of inflation. How long will Canadians have to put up with that? How long must we be forced to watch all we have worked for go up in smoke? And how long can this government continue to refuse to take positive and comprehensive action?

The only measures the government has taken to date have been measures forced upon it by the Opposition. But these increases in welfare payments and selected tax cuts have been purely defensive measures calculated only to lessen the effects of the skyrocketing cost of living. The government has yet to offer us a comprehensive program of anti-inflation measures. I am not talking about palliatives. I am talking about a positive frontal attack upon the roots of inflation.

The government has failed to deal with the root causes of inflation. The money supply continues to inflate. It has doubled since Mr. Trudeau took office. Excessive government spending continues unabated, as has been shown by the tabling of the estimates for the year 1974-75. The total is up 20 per cent in the current year alone. And oppressive rates of taxation are maintained.

The Progressive Conservative Party has enunciated a series of proposals to fight inflation:

(a) It would bring in tax cuts. It would remove the federal tax on building materials and on clothing for everyone. It would also reduce taxes on personal income.

(b) It would make sure that all its policies on economic growth, regional development, foreign investment, international trade, science and technology, were devised with a view to creating a maximum of new jobs. This would be a major consideration.

● (2030)

(c) It would not shrink, if the cost of living continued to increase, from the responsibility to impose temporary price and wage controls rather than impose yet higher levels of unemployment.

I am aware of all the arguments which have been made against price and wage controls. But the most significant of these, I submit to you, are only valid if you believe that an inflation rate of 10 per cent per annum is merely a temporary phenomenon. There will be nothing temporary about galloping inflation rates as long as we have this kind of administration mismanaging the economy.

I remember a speech by Senator Everett in which he argued that the mere enunciation of a policy of price and

wage controls would provoke immediate increases in prices. I find this argument amusing because I look at the same facts as Senator Everett and come up with a completely different conclusion.

I am firmly convinced that the present government's attitude towards price and wage controls, its utter refusal to even consider the possibility of such a program, is a clearer and more direct invitation to price increases. The producer doesn't feel at all threatened. He knows that he can jack up his prices as much as he wants. The government will simply not intervene. I am convinced that this do-nothing attitude of the government is doing more to fuel inflation than anything else.

Senator Perrault is also against price and wage controls. He points out that in the United States and Great Britain, they have been totally ineffective. I disagree completely. If these measures had not been resorted to in the United States and Great Britain, we, who trade extensively with these nations, would have been worse hit by that part of our inflation which is imported. I want to remind Senator Perrault and the rest of you that in Great Britain, not only the Conservative Party favoured such controls but also the Liberal Party.

Now, let us turn to the Speech from the Throne and see how the government plans to control inflation. The Speech from the Throne says that "... the Government's policy in dealing with inflation will be to step in, as it has done in the past, and take specific measures to increase the supply of certain goods and services." The operative words there are that the government will "step in." That is the story behind this whole sorry economic mess that we have on our hands. This government has stepped in too often to do precisely the wrong thing.

The business community is frightened of this government. It never knows what to expect next. The threat of even greater, more frustrating and stultifying government intervention always looms on the horizon. It is not the sort of atmosphere that you would call encouraging to entrepreneurs.

In the Throne Speech, the government informed us that what was needed to control inflation was a healthy increase in production. For once they are right. But these are the same people speaking who just a few years ago were paying Western farmers not to produce. It is amazing what time and a near-defeat at the polls can bring about.

We have been saying it for years and I repeat it now: one of the best methods of fighting the present inflation, intensified as it is by rising energy costs, is expansion in the ability to produce. Supply is what should preoccupy us, not the demand side of the equation. Production can be most efficiently and most effectively increased by simply assuring the entrepreneurs a rate of return that makes investment in expanded production worthwhile. That's the key. Make it possible for the producer to turn an interesting profit and he will produce all that is required. Production is down today because there is not enough money to be made. Producers are being strangled by taxes, to say nothing of tiresome government interference.

If this government wants to fight inflation by increasing production, why does it not proceed logically and reduce corporate taxes? But, above all, let us have no more hypo-

crisis. This government has a record of speaking with great fervour of its concern for small business. But in the recent past, it has turned around and increased income taxes by 7 per cent for 90 per cent of small businesses.

What we need are real honest-to-God decreases in taxes for all productive industries. And we need tax decreases also for the private individual. We must permit him to retain more of his income so he can invest it in Canadian industries and participate actively in relaunching our marooned economy.

I repeat: if we are going to control inflation, the government must be ready to curb the money supply, drastically reduce its own spending, and seriously reduce taxation. But there are no commitments along these lines to be found in the Speech from the Throne. All you find there is a desperate wringing of hands. The government repeats, *ad nauseam*, that it can do nothing about controlling the rise in prices because all this is due to an international situation over which it says it has no control. That is just so much rubbish.

Now, let us consider a related problem: unemployment. Here again we have a situation which is worsening. In 1973, the percentage of unemployed was 5.6 per cent, and the projection for 1974 is 6.5 per cent. In December 1973, unemployment in the Maritimes was 9.2 per cent and in Newfoundland it was 14.8 per cent.

The unemployment insurance is costing taxpayers more and more while at the same time becoming less and less efficient. There is general agreement that the whole system should be investigated and reviewed. During the last session the government introduced Bill C-125, which would have altered the qualifications to receive benefits. But then it did not dare bring it to a decision by the house, probably because it feared again that the NDP would have withdrawn its support. The Minister of Manpower has agreed that the system is open to abuses, and probably that is why, while there are hundreds of thousands unemployed, employers still have trouble finding people to fill jobs.

The only efficient way to fight unemployment is to help create good-paying jobs. The only way people will be enticed into working is if there is more money in it, after taxes, than there is in unemployment insurance and welfare.

It should be the task of government, in promoting Canada's economic growth, to encourage a climate in which initiative and incentives can operate for the good of the individual and society. It is essential, honourable senators, that the level of Canadian economic activity be accelerated at a rate which generates the new jobs and production required by our expanding labour force and increasing population. It is essential to close the present gap between potential and actual GNP. We must stop wasting the potential and ability of all those Canadians who are presently unemployed.

Government must end its war of attrition against the private sector. Our primary goal must be to encourage initiative and productivity. There is nothing unholy about profits, and nothing inhuman about the free market. Profits are what make the achievement of social and economic goals possible. But I doubt that this government is the one

[Hon. Mr. Flynn.]

to create the atmosphere conducive to economic growth. It alternately flirts with private enterprise and socialism. Such an ambivalent posture does not serve to encourage and reassure entrepreneurs.

● (2040)

I looked in vain through this Throne Speech for new ideas with regard to fighting unemployment. Apart from a determination to see production increased, which is bound to increase jobs, the rest is all window-dressing, the same silly platitudes no more impressive now than they ever were.

The Throne Speech speaks of "... developing a community employment policy in a social security context for those Canadians who have particular and continuing difficulty in getting and keeping employment." This sounds like a cop-out.

I have the distinct impression that some statistics are going to be swept under the rug. Those whom this government has been most unsuccessful in placing in jobs, it will now try to have removed from the labour force. Very neat, and completely in keeping with the Prime Minister's philosophy that if some people do not want to work, Canadians should be open minded and magnanimous enough to agree to support them. This is not new as an idea. Welfare statists have been peddling that notion for years, and I am convinced that it is all wrong, both morally and economically. We want to see everyone actively engaged in bettering Canadian lives. The government's attitude, as I see it, will merely encourage those in society who have parasitic tendencies.

I come to the problem of energy. The energy crisis or so-called crisis has probably been welcomed by the government, and it would not surprise me to learn that the government had exaggerated its importance. It had good reason to want to direct our attention away from inflation. Or maybe it was seeking to provoke a confrontation—one which might ripen into an election issue. In fact, we have not been short of oil or gas, nor does it appear that we will run short in the near future. The problem which has been highlighted by the decision of the Arab states is not new to Canada. We have for many years considered the question of being self-sufficient by extending the crude oil pipeline to Montreal. In fact, in 1967, the Progressive Conservative Party suggested that extension, and repeated it a year ago. The idea was ridiculed by the government.

The federal-provincial conference on the matter revealed, without the shadow of a doubt, that the government has had no energy policy. It was unable to offer leadership. It shirked its responsibility. It sadly lacked in foresight. By acting on a day-to-day basis, the government increased the climate of uncertainty and alienated the West more than ever.

By the way, speaking of alienation of the West, the Prime Minister said the other day that the main reason for this was the absence of Liberal representation in the House of Commons. In other words, the Prime Minister says the alienation of the West is not due to him, but to the West, which does not give him enough support.

If that is the only problem, then, quite obviously, what is needed is a change of government, unless Mr. Trudeau believes, as did Mackenzie King, that a Liberal govern-

ment is essential to Canada's welfare and that only the present party—I am speaking of the present party of Mr. Trudeau, because he had had another one before—is able to give the country good government.

The government announced in the Throne Speech that it "... must ensure that a sufficient part of the funds generated by higher prices will be used for exploration and development." That smells a lot like the threat of further intervention on the part of this government—further self-defeating controls with only nuisance value.

For the government to say that it will have to see to this itself as though it might have to undertake to explore and expand that particular industry, is utter nonsense. The government has no expertise in this area. The Special Senate Committee on Science Policy in one of its reports warned against just that eventuality. Government has no business getting actively involved in the petroleum industry. The Throne Speech speaks of the government's wanting "... to create a national petroleum company which will assure greater Canadian presence and participation" in exploration and development. That is more statist nonsense. Again the government goes into competition with private enterprise. And again the taxpayer will be suffered to pick up the deficits as he has in the past. So honourable senators will excuse me if I can't work up any enthusiasm for the government's plan for solving our energy problem.

I come now to the last part of my speech—the last but not the least, since I wish to devote it to the Senate. We all know that the Senate does not, in general, get a good press. As a matter of fact, it gets very little press at all. We are also aware that there is a body of opinion which holds that an unelected Senate is an anachronism in modern society. However, I am convinced that if the question were put squarely to the Canadian people, a majority would continue to favour reform over abolition of this body. Reform is what we need, and good ideas are not lacking. Many of the recommendations made in the report of the Special Joint Committee of the Senate and House of Commons on the Constitution of Canada are excellent and could be implemented without amendment to the B.N.A. Act. One of these has to do with the membership.

Recommendation 39 reads as follows:

All Senators should continue to be appointed by the Federal Government: as vacancies occur in the present Senate, one-half of the Senators from each Province and Territory should be appointed in the same manner as at present; the other half from each Province and Territory should be appointed by the Federal Government from a panel of nominees submitted by the appropriate Provincial or Territorial Government.

Now, this proposition stemmed from the fact that two roles were intended for the Senate by the Fathers of Confederation: 1. Protection of provincial, minority or regional rights; 2. The review of legislation by giving it a "sober second thought." However, there was another and much more important reason behind this recommendation. The report did not spell it out because that might have been considered indiscreet. The reason is this: for the past 30 years or more, the Senate has been as close to being a one-party house as is possible in a country which consid-

ers itself democratic. The Senate has, for over a quarter of a century, had huge Liberal majorities. There has been an imbalance in the representation of public opinion, which is dangerous for a chamber of this nature. Canadians of all political persuasions should be represented in the Senate in the same proportion, or as near to it as possible, as they are represented in the House of Commons. At the beginning of the last session we welcomed to this chamber five new senators. One of them was Senator Martial Asselin and he was the first to take a seat with the official Opposition since 1963. Since those appointments, five more senators have been summoned to this place and seated on the government side. The present standing in this place, I remind you, is: Liberals, 75; Conservatives, 17; Social Credit, 1; and Independents, 2. The point I want to make again is that it is becoming increasingly difficult for the official Opposition, as well as for the Senate as a whole, to discharge properly its constitutional duties, and the main problem is this lopsided membership.

● (2050)

At one time it was thought that the present Prime Minister had adopted a policy whereby a certain proportion of the appointments to this chamber would be supporters of the official Opposition and other parties represented in the House of Commons, or a number of independents representing large segments of the population. Many in the ranks of the official Opposition resigned in the hope that the vacancies created would be filled by PC supporters. They were not. Some of those I lead would consider resigning even today, if they could hope to be replaced by someone supporting the official Opposition.

Honourable senators must also bear in mind that apart from Senator Asselin all those sitting on this side were summoned to the Senate more than 10 years ago. Therefore, our average age is higher than that on the government side, and this is an additional handicap to the huge difference in numbers.

This problem would not be so acute if there had developed within the huge majority of government supporters a real internal opposition. This would have helped the Senate to look at legislation with a critical eye, a task which it is the Senate's duty to perform. Some Liberal senators have been known to "lose their cool" and disagree with the government. But that sort of eccentric behaviour has always met with disapproving scowls from the government benches. Consequently, only very infrequent and sporadic has been the criticism of government legislation emanating from the benches opposite.

In the last 15 years or so, the Senate has assumed an increasingly important investigative role. Our committees have been very active and extremely efficient in this role, especially when matters dealt with were of a non-partisan nature. For example, the Senate has done excellent work in the areas of science policy, poverty, economic growth, employment and price stability, the Constitution, the study of tax bills, et cetera. We have the right to be proud of what we have accomplished in this area. However, by our giving too much importance to this investigative role, the people may be led to forget that our first responsibility, and by far the more important, is the review of legislation.

I have witnessed this myself. The public tends to forget that the Senate has to pass all bills in the same manner as does the House of Commons. People know about the reports of special or standing committees of the Senate, but I worry that they do not know that we can amend or refuse to pass any piece of legislation.

I have criticized the fact that we are always invited by the Leader of the Government—and in this he is supported by the majority around him—to adopt quickly all of the government's legislation. I am deeply convinced that we are wrong in so doing. We are wrong in not taking more time, in all circumstances, to consider the bills that come to us. I do not mean that we should have to debate legislation for days and days, as they do in the other place. Very often the debates in the other place do not, in themselves, mean much, and it is a way for that house to take time to reflect and make up its mind. We should give ourselves time to think. We should delay for a few days, and occasionally for a week or more, the passage of a bill. Above all, we should always observe our rules.

I am becoming increasingly opposed to the idea of giving leave to proceed with second reading of a bill immediately after it reaches the Senate. I suggest that leave to set aside the rules of the Senate should not be granted except in situations of extreme urgency. Certainly we should never again adopt the resolution which was forced upon us at the end of last session, dispensing with the two-day and one-day notice for second and third reading of a bill. This is a subtle form of closure which is entirely out of place in this chamber. The question of whether such a policy would require an adjustment in our timetable is a minor consideration. I suggest that too often we have appeared to be interested primarily in getting the work over with and going home as quickly as possible.

Also, it is most illogical to do what we have been doing consistently in recent years—coming here in anticipation of the passage of some bill by the other place in order to be ready to rubber-stamp it. That is demeaning. It has always annoyed me to see the government leader hold out the carrot of an adjournment if we agree to pass government legislation quickly.

I invite honourable senators to consider, as an example of what I am suggesting, the case of the amendment made to the wiretapping bill. I do not intend to discuss the merit of the amendment which was made by the committee headed by Senator Goldenberg. I merely wish to point out that when the report of the committee came before the Senate, following the practice favoured by the Leader of the Government, the chairman moved that the report be, with leave, adopted immediately.

Leave was granted—and I share in the responsibility of the whole Senate for that mistake—and third reading of the bill, as amended, was given immediately. The message was sent that very day to the House of Commons that we had passed the bill with one amendment—an amendment which went squarely against the views of the majority in the other place, even though it was favourable to the viewpoint of the government, and especially of the Minister of Justice.

I venture to say that the large majority here did not know what the amendment was all about. If we had followed our rules, the report of the committee would not

[Hon. Mr. Flynn.]

have been adopted on the day it came from the committee. It would have been printed in the *Debates of the Senate*, and would have been considered by honourable senators. Those senators who had not been at the committee meeting would have had time to assess the implication of the amendment, and the Senate as a whole would have had time to get some feedback from the House of Commons. The report could have been debated for a day or two, or there could have been a postponement to the next week, since there was no urgency about this matter.

Such a delay could have provided us with the opportunity to alter our report in order to make the amendment more palatable to the House of Commons. I have in mind the amendment which was proposed subsequently by Senator Carter, and which apparently was acceptable at that time to the Opposition in the other place, as well as to the government. By proceeding as quickly as we did, we merely provoked a confrontation rather than a conference, and we lost entirely the merit that we would have earned had we been able to amend the bill in a way that would have made it acceptable to the other place.

The one thing I know for sure is that if the attitude of the House of Commons towards the amendment made by the Senate had been considered on any day other than a Saturday, and without the deadline of having royal assent on January 14, it would have been much easier to consider the possibility of a conference. Such a conference would most likely have resulted in acceptance by the House of the amendment moved by Senator Carter, which was debated on Friday and Saturday, January 11 and 12. The amendment was defeated for fear it would not be accepted by the House of Commons, and also because the Senate appeared to believe that a decision had to be made no later than Saturday, January 12. The safer course to follow, as was suggested by the Leader of the Government and others supporting him, was to advise the other place that the Senate would not insist on its amendment.

For once in the session the Senate had adopted an amendment to a bill. But we lost it. We were not overruled by the Commons. We forced ourselves into submission by our own ineptitude. This would not have happened—it would never happen again, and we would be much more inclined to make amendments—if we were allowed to work at a more normal pace; if we were not always forced to come here in anticipation of legislation and blackmailed into going home as quickly as possible.

Of course, I am rather skeptical that my ideas will be readily accepted by the government leader—or by the majority of the government supporters, for that matter. I have a hunch, however, that if there is a change of government, and if the majority is forced to sit on the left side of the Speaker, that same majority will reverse its attitude. I point out to honourable senators on the other side that if they wait until then, it will only prove that they are now more concerned with the fate of the government than with that of the Senate.

● (2100)

[Translation]

Honourable senators, before resuming my seat—and I am aware it is time to do so—I would like to come back to the Speech from the Throne for a moment.

In less controversial and contentious areas than inflation, unemployment and energy, the government has promised numerous pieces of legislation; for instance, measures aimed at putting an end to any unfair distinction in rail tariffs—a rather vague term; a new port policy; the creation of a centre for the development of urban transport; numerous amendments to the statutes of Canada in order to ensure equality of treatment to women, and a host of amendments to various acts.

In the light of the experience gathered from the previous session it is difficult to imagine how the government will succeed in having Parliament pass more than a handful of the bills mentioned in the Speech from the Throne. The last session has shown that it is not the government, but rather the NDP which takes the initiative and determines the legislative program of Parliament.

It is clear that Mr. Lewis wants to do again what he did last session and to get angry at more or less regular intervals in order to force the government to introduce minor bills which will enable him to continue to claim that a minority government under his wing is the best solution for Canadians.

This situation remains nothing short of strange and illogical. How long will the government let the business of Parliament, indeed the nation's business, be controlled by a slight minority of members? Will they let 31 members, representing 17 per cent of the electorate, call the tune for more than 230 members chosen by 80 per cent of the electors?

A change is imperative in the House of Commons and it will come only with a new general election. In the interest of the country, I hope it will come soon.

[English]

Hon. Mr. Buckwold: Before the Leader of the Government rises to speak, I wonder if I may be allowed to ask a question of Senator Flynn.

Hon. Mr. Flynn: Or two.

Hon. Mr. Buckwold: Just one. The Leader of the Opposition, during the course of his address, made the serious charge—

Hon. Mr. Asselin: Give your leader a chance to speak.

Hon. Mr. Buckwold: I am merely going to ask a question.

Hon. Mr. Walker: Well, why don't you?

Hon. Mr. O'Leary: You are making a speech. Ask the question.

Hon. Mr. Buckwold: I have only just stood up. The Leader of the Opposition has made a charge against the government of serious mismanagement of the economy in so far as food prices are concerned. He referred to the fact that food prices rose 17 per cent during the past year. My question is: Do I gather from the comments of the Leader of the Opposition that he and his party begrudge the farmers of Canada a return on their investment of capital and labour that will finally give them adequate recompense, and make up for the many years when they sold their products, very often, at less than the cost of production?

Hon. Mr. Flynn: The interpretation put on my remarks by the honourable senator is entirely wrong. I suggest that he read my speech tomorrow, at which time he might possibly understand it.

Hon. Paul Martin: Honourable senators, at the opening of this new session of Parliament may I extend to Madam Speaker our assurance of confidence in her and the charming and able way in which she presides over our affairs.

Madam Speaker, you bring honour and credit to the Senate.

I agree with Cheryl Hawkes of the Canadian Press who, in writing about our proceedings, said of Madam Speaker:

Close friends say she is obviously in her element, meeting and bringing people together with her warm and likeable personality. She looks younger and healthier as Speaker, they say, than she did when serving on Senate committees, making trips to China, Hungary, Africa or Washington with parliamentary delegations and speaking to groups across the country.

Their Excellencies Governor General and Mrs. Michener have departed from Rideau Hall after seven years of active and dedicated service to the Crown and to Canada.

Roland Michener, a former Member of the House of Commons, later its Speaker, succeeded the late Georges Vanier as Governor General of Canada. He did not come directly to the office of Governor General from the political arena. After he left the House of Commons he was invited to join Canada's diplomatic service, and served with distinction as our ambassador in Delhi, India. Canadians have extended to the Micheners their appreciation and high regard for the service rendered while they were at Rideau Hall. When we thank Mr. Michener, we add our warmest thanks to his wife, whom we know for her interest in so many enterprises and, more particularly, if I may say so, for her interest in Thomistic philosophy as a student at the Medieval Institute under the eminent Professor Étienne Gilson.

[Translation]

The New Governor General, His Excellency Jules Léger, delivered the Speech from the Throne at the opening of the second session of the 29th Parliament of Canada.

Having been acquainted with His Excellency for many years, I can speak advisedly about him. As pointed out by the Leader of the Opposition, he has a wide experience in several fields; he was a newspaperman; he filled several key posts in the civil service, more especially in two departments, External Affairs and Secretary of State. His very extensive knowledge will be quite useful in the carrying out of his new duties. He was ambassador of Canada in Mexico, Italy, France and Belgium. In short, he will fill with dignity the high office entrusted to him by Her Majesty the Queen on the government advice.

Mrs. Léger who is well known for her charm, her personality and her graciousness will be a valuable support for her husband who will be called to travel throughout Canada.

The former Governor General, the late Georges Vanier, has shown the importance of Canadian unity. His Excellency the Governor General will contribute to the understanding and the greatness of our Confederation proceed-

ing from the two founding races as well as other ethnic groups making up the large Canadian family.

Canada is proud, and duly so, of the prominence and authority of the Supreme Court of Canada. On the occasion of the early retirement of the Rt. Hon. Chief Justice Gérard Fauteux, I wish to commend him, with gratitude and admiration, for his truly great contribution to the Supreme Court of Canada.

● (2110)

[English]

He has been succeeded by Mr. Justice Bora Laskin whose work in the fields of civil rights and constitutional law has given a special quality to his reputation. The Chief Justice of the Supreme Court of Canada, as Deputy of His Excellency the Governor General, will command our respect.

[Translation]

May I point out to you that there are now in the Senate four former provincial premiers, two from Nova Scotia, one from New Brunswick and another from Alberta. These senators, with their vast experience, will make a significant contribution to our provincially oriented debates.

Surely this is one of the reasons that brought about the establishment of this House. One of these honourable senators, the Honourable Louis Robichaud served his province for ten years; last Thursday, he moved the adoption of the Address in reply to the Speech from the Throne. His speech was a masterpiece as the Leader of the Opposition called it, and I am sure that he made as good an impression on you as he did on me. Therefore, I extend to him my warmest congratulations and I am convinced that we can depend on his active and constructive contribution.

The honourable senator, a native of New Brunswick, belongs to that admirable group of Canadians, the Acadians, of whom he is one of the most distinguished.

[English]

Professor Kunz, whom I regard as the great champion outside the Senate of this House of Parliament, when he wrote his book on the Senate, said that some 37 per cent of the Senate of that day had legislative experience in the House of Commons or in provincial legislatures before coming to the Senate. I should think that the percentage continues to be approximately the same.

I have mentioned that Senator Robichaud was a provincial premier. The seconder of the motion before us, Senator Perrault, has had experience in the House of Commons, and as leader of his party he served with great ability in the Legislature of British Columbia. In seconding Senator Robichaud's motion, Senator Perrault gave us a vigorous account of government policy. He dealt—I thought, frankly and completely—with what is called the problem of Western alienation. This was not Senator Perrault's first speech in the Senate, but it was one of his best and strongest.

The Leader of the Opposition clearly established this evening that he does not agree with the Government of Canada. Let there be no doubt that he stands foremost in this house in his opposition to the government of our country. He made that very clear in what he had to say about unemployment, inflation, loss of income—indeed, about almost every kind of action that a government these

[Hon. Mr. Martin.]

days is obliged to consider. I want him to know that he convinced me, without any reservation, that he does not share my conviction that this government is not a bad administration.

Hon. Mr. Flynn: I am very happy.

Hon. Mr. Martin: He spoke of the economy and the loss of income and I want to deal with these matters, not in a political way but as factually as I can.

Hon. Mr. Flynn: You couldn't.

Hon. Mr. Martin: What is the real situation with regard to the economy, with regard to the matter of disposable income? The growth of the economy this year has been stronger than at any time since 1956, despite its interruption in the third quarter by work stoppages. Real national output increased at an annual rate of 7.1 per cent, well over the long-term potential growth rate of around 5¼ per cent.

Real personal income at the disposal of Canadians—that is, income not before but after payment of direct taxes, and after taking full account of the decline in purchasing power of the dollar caused by inflation—increased by an average of 6.8 per cent on a per capita basis, following already substantial increases of 6.7 per cent in 1972 and 5.9 per cent in 1971. This, despite the sharp increase in the cost of living that has taken place.

This significant rise in personal income is the result of several factors. The substantial cut, equivalent to 12-13 per cent, in personal income taxes, provided for in the budget of a year ago, is one factor, although Senator Flynn made no reference at all to that.

Hon. Mr. Flynn: I did.

Hon. Mr. Martin: There is the extraordinary increase in the number of Canadians at work, the sharply increased farm income, the increased social assistance, and the rising productivity of the economy as a whole.

It is significant that the increase in the per capita disposable income for Canadians in 1973 was exactly 50 per cent more than that enjoyed by individuals in the United States, and that since 1971 disposable income available to Canadians has increased at twice the rate for the United States.

Senator Flynn spoke of employment. Let us examine what the situation is. During this last year a greater number of new jobs was created in Canada than ever before in our history. Employment was up by 430,000, a record 5.2 per cent increase over last year, which is almost 25 per cent higher than the previous peak of growth in job creation of 4.2 per cent achieved in 1966.

In some regions of the country, notably the Atlantic Provinces, Quebec and British Columbia, the growth of employment has exceeded all previous records. It was nearly 6.5 per cent in the Atlantic Provinces, which was more than twice the employment growth in 1972 and more than four times that in 1971. Quebec registered an employment increase of 5.8 per cent, more than four times the rate of growth in 1972. The rate of increase in employment in British Columbia was 6.6 per cent.

For a number of years Canada has had the fastest growing labour force in the industrial world. During the past year Canadians have been pouring into the labour

market at a considerably greater rate than ever before, largely in response to the new job opportunities which are being created by an admitted rapidly expanding economy. There was a record increase in the labour force nationally of 4.4 per cent, for a total of 388,000. This was significantly higher than the previous peak increase of 3.9 per cent in 1957 and 1966. In the Atlantic provinces the growth in the labour force was considerably higher than the national rate at 6.3 per cent, leaving the level of unemployment there virtually unchanged.

● (2120)

In every other region unemployment levels declined. Nationally, the average rate of unemployment in 1973 declined to 5.6 per cent from an average of 6.3 per cent in 1972—admittedly still too high. No one wants unemployment, but no one can deny the buoyancy of our economy. No one can deny that the work force has increased to the extent that I have indicated, and the prospects for the economy in 1974 do not fit in with the pessimistic portrayal made by the Leader of the Opposition who, as I say, stated unequivocally and demonstrably his opposition to the present Government of Canada.

The growth in our exports, which last year increased at a post-war record rate of 22.3 per cent compared to 9.9 per cent in 1972, will be more moderate, admittedly, than was otherwise expected, because of slower growth in the economies of our major trading partners who are so dependent—much more than we are—on imported energy. But the prospects for 1974 certainly do not warrant the pessimistic view taken by the Leader of the Opposition.

The same is true of the prospects for capital investment. A substantial increase of capital investment in new productive facilities is needed to expand the output of equipment and material currently in short supply, and this is taking place.

Business capital investment in 1973 increased in real terms, after discounting price increases, by 11.7 per cent—more than four times that in 1972. Housing investments rose 20.9 per cent in value and 8.8 per cent in volume in 1973. A survey of 200 of the largest corporations published in November projects a 21 per cent increase in investment machinery and construction in 1974—a 46.5 per cent increase for manufacturing alone.

These figures which were given out by Statistics Canada a few weeks ago do not support the contention of the Leader of the Opposition in the vigorous and comprehensive speech he made tonight. He spoke of inflation—and one expected that he would speak of inflation—which is perhaps our most serious problem, but not a problem that is peculiar to us. Everyone in the world at the present time is the victim of inflation. It is one of our first concerns, and it is one of the great preoccupations of the government and of Canadians generally at the moment. It is a serious problem not only for developed countries like the United States, Great Britain, France and Canada, but also for the underdeveloped countries that are the beneficiaries of so much of our external aid.

What has the government done to try to meet the problem of distributing as fairly as possible the burdens of inflation? The Leader of the Opposition did not, I think, do himself justice tonight, because one would almost conclude from what he said that the government was not

concerned about the problem; that it had done little to try to provide even mitigation let alone something that might approach a solution. Well, here are some of the things it has done.

It has increased pensions and family allowances, and has tied both to the cost of living. If that was a suggestion made by the Leader of the Opposition in the other place, it does not destroy the validity of what the government has now done. Parties, no matter where they sit, whether they are on the government or on the opposition side, are expected to put forward good proposals, and a government which accepts good proposals put forward by opposition parties is only doing its duty—although I am not so sure that that was the suggestion of the Leader of the Opposition in the other place.

Hon. Mr. Flynn: Very subtle!

Hon. Mr. Martin: We have given subsidies to reduce increases in the price of bread and milk although, admittedly, there are indications today that there may be a rise of perhaps three cents, or whatever is proposed, by some bread companies.

The government has indexed personal income taxes. It has protected the domestic petroleum market from worldwide distortions. It has brought about a reduction in the price of many goods to the consumer through tariff and other trade policies.

The Prime Minister denies that the cost of labour has been the dominant factor in the present rise of prices. Certainly during the most recent period labour has not used its power to impose an unjust economic burden on the rest of the Canadian people.

The world economy, as I say, has felt the effect of this current rise in the cost of living. Whatever may have been our contribution to the cause of inflation, how could Canada possibly be immune from this worldwide economic situation when it is realized that more than one-fifth of our gross annual product comes from foreign trade? In comparison with other industrialized countries, our record has been a little better than the average during the past four years. Our dollar is strong. Our currency is sought after. This is a reflection of the strength of our economy.

Last week Statistics Canada published figures which show that the rate of real growth in 1973 in Canada was the highest in 17 years. Now surely that means something. Last year in Canada more jobs were created, as I showed a few moments ago, than at any time in our history.

There is no doubt that strong action—even stronger action, if you will, if this is available—against inflation has to be pursued along a wide front. We must continue to help pensioners and low-income families, the most vulnerable, in their fight against the effects of inflation.

The government will continue to apply selective measures intended to reduce the impact of inflation, if required. I mentioned the indexing of income taxes, the oil export tax, subsidies on certain consumer products such as milk and bread, and controls on exports of certain products. We must continue, admittedly, to take appropriate action to give the Canadian consumer an adequate, secure and reasonably priced supply of those commodities. This is certainly true of food and fuel, which we provide for both our domestic and foreign markets. We will have to contin-

ue to pay top attention to removing unsettling fluctuations in the supply and price of our domestic products. The Speech from the Throne provides measures that do these very things.

We do not think wage and price controls will help. Tonight again, just as the Leader of the Opposition in the other place did, the Leader of the Opposition in the Senate came out for wage and price controls. He has the right to do that, but we have to examine what would be the effect if we were to bring in a general system of wage and price controls. Can we ignore the experience of other countries? Can we ignore what the leading economists of the world say about what we should do in this regard? Can we ignore what a committee of this Senate found in 1971?

● (2130)

In the United States and the United Kingdom the sources of supply were dried up by price controls. The result was a temporary fixed price for scarce and sometimes unavailable products, followed by a breakaway rise in price when the controls were removed. That is the fact. We know from the political crisis in the United Kingdom that that is the situation, as was admitted by Mr. Harold Wilson two nights before the recent election in the United Kingdom.

I have in my hand the report of the Standing Senate Committee on National Finance entitled "Growth, Employment and Price Stability", under the chairmanship of Senator Everett, and the deputy chairmanship of Senator Molson. It will be remembered that a leading member of the House of Commons, the financial critic for the Opposition in the other place, was this committee's chief economic counsel. This is what the committee concluded:

While we advocate one very special kind of incomes policy for Canada we are in general deeply skeptical about most varieties of controls, guide-lines and incomes policies. Their historical record of effectiveness against inflation is poor, and they pose important threats to personal freedom and economic dynamism. They also tend to divert attention from more effective anti-inflationary policies. Problems of public acceptability alone would militate against selective wage-price controls. The control system would likely be either general in its application or a largely meaningless gesture. Controls are one of the least desirable of all economic price stabilization tools. If they are used at all in peacetime it should be on a short-term emergency basis.

That last sentence gives some comfort to my honourable friend, but if he looks at the sentence carefully he will see it begins, "If they are used at all..." The Committee recommends against their use.

Hon. Mr. Flynn: That was in 1971, not in 1974.

Hon. Mr. Martin: All right. In 1971, nevertheless, we were reminded in this very debate by the Leader of the Opposition that inflation had been a serious problem for some time, and that the government was doing little about it.

Hon. Mr. Flynn: It was nothing compared to what we have now.

Hon. Mr. Martin: Well, of course, the problem is serious.

[Hon. Mr. Martin.]

I point out that the sharp rise that has taken place in consumer prices over the past months is a matter of deep concern to this government. We regard this as perhaps the most serious problem facing Canada. We must, however, look at the problem in the light of its world context, in the light of the fact that we are a trading nation, in the light of the fact that the Opposition and other political parties and the people of Canada do not want us to resort once again to tight money policies.

Although the results may be the same, the cause of inflation varies considerably. The current inflationary pressures are worldwide, as I said. They are worldwide in origin, and they are generated by a unique combination of international circumstances. For the first time, the economies of all the major industrial nations have surged forward simultaneously, and this in turn has led to a rapid and large increase in demand for a wide variety of internationally traded goods at a time when many of them are in short supply as the result of various factors.

Food products are the most acute example of the adverse impact of these forces. The output of many basic food commodities was reduced substantially last year because of poor harvest conditions in a number of countries. At the same time, sharply rising incomes led to a substantial increase in demand for foods of all kinds, particularly wheat. Food costs, as a result, have climbed steeply, accounting for some two-thirds of above average increase in consumer prices among the 24 nations that make up the Organization for Economic Co-Operation and Development mentioned by the Leader of the Opposition in his speech.

In Canada and the United States the problem has been compounded by the significantly increased cost of many imported goods caused by the substantial appreciation during the past year of the currencies of a number of their major trading partners. The problem has been further intensified here in Canada by the adverse effect of the renewed United States price freeze last summer, which only served to reduce supplies and push up prices still further, and by United States export controls on a number of commodities.

It is the government's conviction—and it has advice not only from the Public Service but from other sources, such as its contacts with other countries and other governments—that Canada, as a major international trading nation, cannot expect to isolate itself from these worldwide inflationary forces by measures aimed at curbing prices, which at the same time would not damage the longer-term economic interests of the nation as a whole. When the inflationary problem is caused by an international imbalance of supply and demand, the only solution is to increase supply. This may not always have been government policy, but it is now the right method.

Given the inescapable increases in the prices of oil, food and other commodities, price stability might be partially restored in the short run by lowering prices of other goods and services. To achieve this by deflationary measures would involve a degree of unemployment and a reduction of real output which would be totally unacceptable to the government and the people of Canada.

Long ago, I can tell the house, the government drew up a plan for controlling prices and incomes as a matter of

contingency. Its assessment on repeated occasions has been that controls, as suggested by the Leader of the Opposition, could not be effective for any meaningful period of time in holding back a worldwide inflationary tide. They learned that in the most economically powerful country in the world, the United States, where they have abandoned their system of controls, as they did on Sunday in Italy, and as they are doing in other countries. On the contrary, the government concluded that by reducing the supply of goods, controls could, in fact, do far more harm than good by putting further upward pressure on prices. This applies particularly to foods and industrial materials, the major source of global inflationary pressures, which are the least amenable to price controls.

Those who have tried controls have found them to be significantly unsuccessful. The United States is now in process of phasing out all price and wage controls, except on health care and petroleum. They have proved to be not only ineffective, but have had the reverse effect of increasing inflationary pressures by creating shortages. The British economy appears to be confronted by disaster as a result of widespread labour strikes in opposition to wage controls because of lack of adequate consensus.

● (2140)

In January, the year-by-year increase in the Canadian Consumer Price Index of 9.1 per cent compares favourably with the increase of 9.4 per cent in the United States and 12 per cent in Britain. In December, the rate was 10.3 per cent for all OECD countries, illustrating beyond question the international nature of inflation.

The Canadian government has already pressed forward with those particular measures which are feasible in order to slow the rise in prices and to provide relief for those Canadians least able to protect themselves. It has already implemented an impressive list of measures which fall into this category and it has won commendation for having provided the strongest and most solid program in the estimation of the Organization for Economic Co-Operation and Development.

What has it done? Let me repeat.

It has indexed most of our social security payments, including old age pensions and family allowances, to protect the recipients against the effects of inflation.

It has indexed tax exemptions and rate brackets to eliminate the automatic tendency of taxes to take a higher and higher fraction of people's real income during periods of rising money wage rates.

It has reduced certain sales and import taxes, and subsidized certain commodities of particular importance in the consumer budget thereby directly reducing their prices.

It has set up the Food Prices Review Board to focus public attention on pricing practices in food distribution. It has restrained the price of oil products sold in the domestic market.

And above all it has encouraged an increase in the supply of goods available to meet the extraordinary growth in demand both at home and abroad, thus attacking the problem at its roots.

Now, there are other matters I should like to be able to deal with this evening but time does not permit. I have

asked Senator Langlois if he would mind, in his speech tomorrow, dealing with the question of oil and he has kindly agreed to do so. I should like also to have dealt at some length with the item in the Speech from the Throne concerning the government's intentions in the field of science. In this regard I would point out that on Friday last, the Minister of State for Science, Mrs. Sauvé, paid tribute to the work of Senator Lamontagne, Chairman of the Special Senate Committee on Science Policy, and other members of that committee. While I am sure that Senator Lamontagne would hope that the government would go further than it has gone, the fact is that it has made an important start, one that certainly reflects the view of the committee itself, that is, that the government must act as quickly as possible to eliminate uncertainty and provide Canada with the federal institutions and policies so badly needed to face the challenges posed by technology and science for the seventies and over the long term.

There are other matters dealt with in the Speech from the Throne that one would like to mention, but as I have said, time does not permit. However, during the course of this debate I hope that other senators will take advantage of an examination of the Speech from the Throne to see the extent to which the government is prepared to act in the interests of Canada. Now whether this is prodded by the public or by the NDP does not really matter. After all, a Parliament made up of different political parties is expected to receive contributions from those parties. If the government is prepared to accept wise suggestions, no matter where they come from, then, well and good.

There is a further matter I should like to touch upon before I make a brief reference to my concluding points, and that is a matter referred to the other day by Senator Robichaud.

[Translation]

I should now like to deal briefly with a point which is becoming a matter of concern for us and which will remain so as long as it has not been clarified; namely, the cultural independence of Quebec. You are surely aware that this was one of the main issues in the last provincial election campaign in Quebec and that it cropped up again recently when, in a forceful speech, the federal Minister of Communications, the Hon. Gérard Pelletier, stressed its ambiguity as well as its dangers for Quebec and Canada as a whole.

Indeed, if one wishes to give to this expression not only a symbolic value but a true meaning and a strict definition, it is a doctrine which will not be easily accepted by those who, like us, have placed all their confidence in a federalism which has always aimed at being economic, social and cultural.

As a Franco-Ontarian who recognizes Quebec as the spiritual home of all French Canadians, and in line with the feeling expressed by Senator Robichaud, I am also concerned about this uncertain situation in which Quebec now finds itself, a situation which could seriously endanger the interests and the rights of French Canadians in the other provinces. Although the separatist threat has been diverted by popular verdict for the next four years, the pessimists and defeatists continue their campaign urging us to erect walls around and, even, within Quebec, under

the pretence of preserving the French language which is disappearing. It is inconceivable to witness an intensification of this campaign at a time when the French language is secure under the blanket of a legislative instrument known as the Official Languages Act, at a time when Quebec artists attain international and national recognition, thanks very often to federal grants, and at a time when the economic and political future of French-speaking Quebecers is improving to such an extent that it is no longer a case of survival but of complete achievement.

We can only hope that the Quebec government will act in an equitable fashion in the area of languages, but with the necessary tact and wisdom which circumstances command, never disregarding the rights of all their citizens or the rights of French-speaking Canadians outside Quebec, and remembering that the French-speaking community in Quebec has always foiled the expectations of prophesiers of evil and victoriously accepted any challenge.

To my mind, the senator was right in putting the question because I noticed this morning, in the newspapers, that the Quebec Premier said that he did not intend to encourage the extremists. I know the Quebec Premier very well: he is a moderate man, who knows Canada well, who has great confidence in the bilingualism program throughout Canada; I know full well that he is absolutely convinced of the merits of Confederation.

● (2150)

[English]

I agree with the statements of the Leader of the Opposition regarding the recommendations made by the Special Joint Committee of the Senate and of the House of Commons for changes in the Constitution and, in particular, I agree with him that most of their recommendations are worthy of the support which he gave them tonight. He himself was a distinguished member of that committee.

I wish to say that whatever criticism is levelled at this body, let us not forget that criticism is levelled not only at the Senate but at Parliament itself. One has only to read articles that recently appeared in the *Parliamentarian* to see that all over the Commonwealth, particularly in the United Kingdom, criticisms are made of the parliamentary institution. They are also made in the United States and in particular against the Senate of the United States. Many

believe that the parliamentary system and the deliberative method is no longer valuable nor meaningful and has no longer any relevance. However, we are here as a result of the decisions made in 1864 and 1867 by the Fathers of Confederation. We are a confederation, and almost every confederation in the world has an upper house. I do not fear for the support on the part of provincial governments or of the people of Canada for this institution.

We, however, can make changes; we do not need to wait for constitutional agreement nor for government decision. We do not need to wait for action by Parliament, either in one house or in the other. We ourselves, as senators, have in our hands the opportunity of enriching our contribution toward making this an even better place than we believe fundamentally it is. Each of us knows that by observing our obligations here, paying them not peripheral attention but primary attention, we will perhaps be putting forward the best reform. I have no doubt that that is the intention of us all, as we begin this new session. That, at any rate, I hope is the intention.

I thank the Leader of the Opposition for the nice things he said about me; I am not used to receiving them. With regard to the criticism he made tonight, there may be some justification. I assure him that whatever I have done has been with only the best of intentions, because I share with him, as I share with everyone else here, the belief that, in a confederation such as ours, an institution of this type renders an important service to the country in protecting, recognizing and discussing provincial rights—in the national interest, of course, if they meet that test. I wish to state as strongly as I can, however, that while I agree with what Senator Flynn had, in the main, to say, I do not agree with the nature of his political criticisms tonight. I found little merit whatsoever in them. I commend him to read the Speech from the Throne again.

Hon. Mr. Flynn: This time I will fall asleep.

Hon. Mr. Martin: My honourable friend said he would fall asleep, but he should not fall asleep over a document which contains such a good record and gives promise for such constructive action for the welfare of Canada.

Hon. Mr. Flynn: You are making a good joke.

On motion of Senator Langlois, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, March 6, 1974

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

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Copies of a contract between the Government of Canada and the municipality of Leaf Rapids, Manitoba, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the *Royal Canadian Mounted Police Act*, Chapter R-9, R.S.C., 1970 (English text).

Report on operations under the *Regional Development Incentives Act* for the month of December 1973, pursuant to section 16 of the said Act, Chapter R-3, R.S.C., 1970.

Report of the Ministry of State for Science and Technology for the fiscal year ended March 31, 1973, pursuant to section 22 of the *Ministries and Ministers of State Act*, Part IV of Chapter 42, Statutes of Canada, 1970-71-72.

BUSINESS OF THE SENATE

Hon. Mr. Flynn: Honourable senators, may I ask the Acting Leader of the Government if we really have to stay in the absence of the Leader of the Government?

Hon. Mr. Langlois: Honourable senators, this is the first time that my honourable friend has requested the presence of the Leader before participating in any debate in this chamber. I think this is a good move on his part.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

[Translation]

Hon. Leopold Langlois: Honourable senators, in taking part in this debate, my first words will be words of warm congratulations to you, Madam Speaker, for your outstanding performance in the discharge of your duties and also for the honour that you bring to this chamber. Indeed, you are a model for all members of this august assembly.

I would also congratulate the Leader of the Opposition for his part in the debate; as my leader put it yesterday, I would add that he managed to convince us of one thing,

that he is against the party in office. He has been most successful in this.

I will also congratulate my leader, who would not want us to compliment him, because his performance keeps on being masterful, but still the speech that he delivered last night is one of the best in his career.

I also wish to extend my warmest congratulations to the mover and seconder of the Address in reply to the Speech from the Throne, Senators Louis Robichaud and Raymond Perrault. Both delivered very eloquent speeches and they dealt with current problems with a broadness of mind that makes them greater in our esteem in this house.

Although I do not hope to reach the summit of eloquence of our colleague, Senator Robichaud, I welcome the view he expressed on the Senate role and the linguistic and cultural problems that the people of Canada are faced with; they are views that meet my own, and that I already expressed in this house and in the other place.

Indeed, when I took part in the debate on Senate reform during the last session, I emphasized the Senate role as that of a protector and a guardian of regional and provincial interests, even going as far as suggesting a greater representation of the various regions and ethnic groups which make up the Canadian mosaic.

I agree entirely with Senator Robichaud's views regarding bilingualism which is being implemented in Canada as a follow up to the legislation passed both at the federal and the provincial level, to promote its early and complete development. As he did, I strongly oppose and condemn any attempt to establish unilingualism, be it French or English, in any area of our country. Also, I abhor such expressions as "cultural sovereignty" and "mass Frenchification" which we find unfortunately too often in the statements made by a number of political figures in my province whenever they deal with the future legislation concerning linguistic problems in Quebec.

First of all, I do not believe in any project aimed at imposing this or that language on an ethnic group in Canada. I feel it would be absolutely inhuman to encroach in any way upon the parents' natural right to choose freely the language of instruction for their children.

Furthermore, I feel that such action would prove detrimental to the development of the French language in this country, both inside and outside Quebec. In short, I abhor global solutions to problems as complex as those related to instruction, language and culture. I believe very strongly that all Canadian provinces should promote the cause of bilingualism throughout Canada, a cause which is already fairly well advanced and has been approved by most Canadians.

Instead of discoursing on unilingualism on the pretence that one or the other language must be saved it would be infinitely preferable to lay down the basis for integral

bilingualism by legislation in order to give every young Canadian the opportunity of being educated in the two official languages of Canada.

By taking up such a legislative program in educational matters the Canadian provinces would at the same time ensure national unity in Canada while building up for the young generations a more rosy future in this world whose remotest regions are becoming closer every day because of the speedy development of instantaneous communications everywhere.

Like Senator Robichaud, I have faith in the proverbial good sense of my fellow citizens in Quebec to avoid the unilingualism reef and this faith is strengthened, as he said, by the poise shown by the Quebec government in the consideration of such an important question.

Senator Perrault has succeeded in putting the emphasis on the pragmatism of which the Speech from the Throne is imbued, and more especially on what some English commentators referred to as the "bread and butter issues".

● (1410)
[English]

Among the many measures proposed in the Speech from the Throne, I should like to elaborate on the subjects of urban development, housing, science policy and oil policy.

The Ministry of State for Urban Affairs was created, as we all know, to respond to Canada's increasing urbanization and to resolve resulting problems. The tri-level conference, held in Toronto on October 21 and 22, 1972, marked the first national meeting of the three levels of government to focus on consultation and co-ordination of activities to respond to the urban challenge. Senator Carl Goldenberg was asked to preside at that conference, which was, to my mind, a splendid recognition of the Senate and of our distinguished colleague Senator Goldenberg.

The second tri-level conference, held in Edmonton last October, reached a consensus on the need for managing more effectively the unbalanced urban growth. This consensus involves a national approach and one which recognizes the specific regional elements of regional growth. The federal government is committed to this two-phase, integrated approach to managing urban growth—nationally and regionally—and is prepared to work closely with the provinces in this respect.

This tri-level approach does not overlook the fact that the municipalities are, under the Constitution, the creatures of the provinces. The government has agreed, within this limitation, to the tri-level approach. This decision of the government calls for priority federal urban goals, with two phases:

First, to achieve a more balanced pattern of cities and towns throughout Canada, with increased emphasis on support for improving small and medium-sized communities; and for new communities where needed.

Second, to improve the physical and social environment of the larger urban centres, particularly the core areas, or the inner city.

That decision means that federal policies and programs will be massively redirected and reshaped over the coming years to make them more responsive to the needs of an urban nation. The Throne Speech gives a good indication of this emphasis. It means that the federal government's views on urbanization are in the broadest possible terms—

[Hon. Mr. Langlois.]

not solely in terms of Toronto, Montreal or Vancouver, but in terms, as well, of smaller communities and their place in the Canadian economy.

This reshaping of policies and programs will affect not just the policy development activities of the Ministry of State for Urban Affairs or the programs of Central Mortgage and Housing Corporation but the redirection of policies and programs of many departments.

It means that increasingly the federal government will join with the provinces and their municipalities to effect beneficial changes in the evolving urban future.

The proposed measure is intended to apply to cities where obsolete or under-used railway facilities—tracks, yards, terminals and other properties—are formidable obstacles to planned and orderly urban development.

The provisions in the draft railway relocation legislation are intended to modify the flow of traffic on lines in cities, or to relocate lines entirely, in accordance with urban plans formulated by the provinces and their municipalities.

Where a rail line is relocated, the property thus vacated may be put to any number of uses. This could include the provision of improved and expanded rapid transit facilities. Railway rights of way will, in many cases, provide excellent corridors for rapid public transit systems.

Honourable senators, I now turn to the question of housing. The Speech from the Throne also mentions the government's housing objectives. The year 1973 was a record year for house construction—more than 268,000 units were started.

Before the end of March, somewhere in Canada workmen will begin laying the foundation for the one-millionth housing unit to be constructed in Canada since 1970. On a summer's day this year we will begin the four-millionth housing unit started in Canada since the end of the Second World War.

For the past five years we have been on target with the housing goals of the Economic Council of Canada, the Task Force on Housing and Urban Development, and the federal government—as outlined in the Speech from the Throne of 1969.

● (1420)

In 1974, housing production will be close to the 1973 level. The total dollar investment for new and existing housing during 1974 will approximately equal the \$6.5 billion made available last year. Mr. Basford thinks that housing starts will also be close to last year's total, and he expects that we will have a level of housing production somewhat the same as in 1973. An annual output of 235,000 housing units is needed for the foreseeable future. Last year's 268,000 starts demonstrate Canadian capacity both to cover the yearly increase in the number of families and the formation of non-family households and to replace housing destroyed or abandoned.

There are still thousands of Canadians who do not have access to adequate housing. Recent NHA amendments are intended to meet this social housing need. Ten years ago one in 70 units was slated for the low-income population group. Today one in every seven units is intended for low-income Canadians. In other words, we have multi-

plied tenfold our ability to provide suitable housing for low-income families and individuals.

I would point out that the substantial opportunities created by the NHA amendments for co-operative and non-profit groups offer a wide choice of accommodation and tenure to lower-income families. Co-operatives are capable of meeting the needs of many special groups of people and they deserve all the encouragement possible.

There are still Canadians who live in deplorable housing conditions, as I said a moment ago. Increases in housing costs do not affect only low-income Canadians, however, and all three levels of government—federal, provincial and municipal—must work together to reduce costs.

The federal government is taking several specific actions to reduce costs and improve the housing environment. These initiatives for the most part are directed at land.

First, regarding land assembly, last year the government committed \$100 million per year for a period of five years. As the result of provincial collaboration, \$150 million has been committed for the public assembly of land.

Second, sewage treatment. The present program for assistance for sewage treatment will be continued past its March 1975 deadline. The minister, Mr. Basford, will be introducing new legislation in this regard.

Third, new communities. The creation of a new community on publicly assembled land provides cheaper land for prospective homeowners as well as relieving demand pressure on land in our present cities.

Fourth, neighbourhood improvement. Over \$40 million has been committed under this and the residential rehabilitation program.

Fifth, railway relocation. The Speech from the Throne mentions that legislation will be introduced this year to provide access to the most valuable under-utilized lands in Canada, namely, the railway lands in the middle of cities.

Sixth, the government, in the Speech from the Throne, mentions the United Nations Conference on Human Settlements that will take place in Vancouver in 1976. This will focus world attention on what Canadian architects and builders are capable of doing.

Now I pass on to our science policy. As honourable senators know, the Special Senate Committee on Science Policy, under the able and distinguished chairmanship of Senator Lamontagne, last September submitted the final volume of its report and recommendations for an appropriate policy on science and technology for Canada. It was the consensus of the committee members that:

The government must now act as quickly as possible to eliminate uncertainty and provide Canada with the federal institutions and policies so badly needed to face the challenges posed by technology and science in the 1970s and in the long-term future.

The government has studied the recommendations of the Senate's committee, and in order to meet these challenges a number of important decisions have resulted.

As was indicated in the Speech from the Throne, and subsequently by the Minister of State for Science and Technology, Mrs. Sauvé, the changes which the government indicated it was prepared to undertake at this time

are primarily of an organizational nature, but will substantially rationalize existing facilities. The goal is to achieve more effective utilization of the scientific manpower and resources of Canada. In order that this objective may be reached, a strengthening of the Ministry of State for Science and Technology will be effected so that this ministry will exercise an enhanced advisory and co-ordinating authority. This involves the formulation of national policies, objectives and priorities to guide departmental planning and to serve as a basis for evaluating expenditure proposals.

On the basis of its study, the government has determined that there is an urgent need for changing the granting council structure and ensuring better co-ordination among the granting councils. A reorganization is proposed that involves separating the granting function of the National Research Council from the laboratories of the council and giving responsibility for grants to a new council to be called the Natural Science Research Council. Responsibility for financial support to the social sciences and humanities will be removed from the Canada Council and placed under the Social Sciences and Humanities Research Council.

The rationale for the establishment of these two new granting councils is briefly this: The government is concerned to ensure that the administration and guidance of university research granting shall be under the direction of councils composed of selected individuals who will be in a position to give their undivided attention and the benefits of their experience to the specific disciplines and fields of research which are to be addressed respectively by the two granting councils.

● (1430)

The last of the existing councils, the Medical Research Council, will remain unchanged. These councils will come under a new inter-council co-ordinating committee, the objectives of which are:

1. to advise on the allocation of funds among the councils;
2. to ensure coverage by the councils of all recognized disciplines;
3. to ensure standardization of granting practices;
4. to ensure that the needs of inter-disciplinary research are met;
5. to co-ordinate and advise on council programs and on federal government support of university research projects.

In accordance with the government's policy of having government research relate closely to national objectives, the Defence Research Board's laboratory and analytical functions will be integrated with the Department of National Defence. The board's granting functions will be absorbed by the three granting councils previously mentioned.

To promote the better understanding of science policy issues, the government intends that the Science Council of Canada should adopt an active public information role. This is felt to be an essential activity of the council.

Science policy—described in the Speech from the Throne as "the rational generation and acquisition of

scientific knowledge and the planned use of science and technology in support of national goals"—provides the basic rationale for the enhanced responsibilities of the Ministry of State for Science and Technology as well as of the organizational course which has been outlined.

The need for over-all planning and consistency is great if we are to understand, exploit and protect the resources of Canada, take our place in the international scientific community, and assist our scientists, engineers and technologists to better prepare us to meet the future crises which we will inevitably have to face in this technologically changing world. This concern is reflected in the many initiatives mentioned in the Speech from the Throne and an effective science policy will be required. I would suggest that the changes proposed by the government would effect the required redirection.

Now I pass on to oil policy. The government, of course, has a duty, as we all understand, to organize and administer the economy so as to more effectively reduce the inflationary effects that followed the oil crisis. The government is exchanging views with the provinces in regard to a domestic and export pricing structure. The objective sought is to protect the consumer, to encourage more production and discovery of the oil resources, and to give the provinces that produce these resources a fair return on what is theirs under the Constitution of Canada. The government will insist on a federal share of the increased revenue derived from higher oil prices. This is not an intervention in the resources that belong to the provinces; it is simply carrying out the obligation that the Government of Canada has toward all the people of Canada.

Here is what the Prime Minister said on the actual or potential conflicts between the interests of the producing companies and the individual consumers, or between the producing provinces and consumer provinces:

... there is a clear and fundamental obligation of the federal government to intervene in the over-all national interests. To intervene effectively we must have the financial capacity to direct the economy toward national goals and to spread the burden of higher prices evenly across the country.

This is not a quarrel about jurisdiction over natural resources. Again, to quote the words of the Prime Minister:

This is a duty discharged by the Government of Canada to ensure that the kind of disorder and disruption, which has been brought upon the economies of many nations which could not find within their own borders policies to stabilize the impact of disruptive prices, does not take place in Canada.

[Translation]

I want now to come back to my preliminary remarks concerning the participation of Senator Perrault in this debate and I want to underline especially his appeal for Pan-Canadianism and for the unity of the nation.

Even if they are not prepared to admit everything he said in this regard, not many colleagues in this house will hesitate to endorse Senator Perrault's views on all the things which can unite Canada rather than weaken national unity.

[Hon. Mr. Langlois.]

Our colleague sees in the Speech from the Throne—and here again there will surely be differences of opinion—a complete work plan that must be preferred to the too easy negative criticisms and incomplete cure-alls of those who enjoy being prophets of evil and, to paraphrase a quotation by Senator Robichaud, always wish in the end their gloomy prophecies will come true to prove they were right.

Hon. Mr. Flynn: You should recall Senator Martin in the Opposition.

Hon. Mr. Langlois: Unfortunately, I did not have the advantage Senator Martin had of being in the opposition when my honourable colleague was in power because it would be easier to find out the differences of view he has developed since then.

Nevertheless, I continue by saying that our colleague sees in the Speech from the Throne a complete work plan which must be preferred to the too easy negative criticisms and incomplete cure-alls of those who enjoy being prophets of evil. Anyone who reads the Speech from the Throne with any sense of objectivity finds it hard not to notice the analysis of the causes of inflation and the assessment of the appropriate means to deal with it without bringing about an inevitable slowdown in the Canadian economy which too drastic measures could necessarily bring—the setting up of a Canadian oil policy to counter the effects of the energy crisis which existed in the past several months and ensuring the self-sufficiency of Canada with respect to energy; assessing the interdependence—and this is important—of the economy of this country with international trade and markets which render inappropriate and often inapplicable a general price and income policy whatever the proposed period of duration.

● (1440)

In this regard, I would like to refer this House to the recommendation quoted yesterday by the government leader and made in the report of the Senate Committee on National Finance on Growth, Employment and Price Stability.

I do not intend to repeat such a recommendation which denounced quite plainly the peacetime application of a control policy on prices and incomes. But, I must again point out something which a great many senators already know, but of which the public is not aware, that this recommendation by the Senate Committee on National Finance was not made blindly. This standing Senate committee, to which I had the honour to belong, heard 45 witnesses before making its recommendations.

Hon. Mr. Asselin: In what year?

Hon. Mr. Langlois: In 1971.

I was saying that the committee heard 45 witnesses, chosen not only among experts from the economics department of Canadian and American universities, but found at large throughout the world. As proof of what I am saying, let me give you a few names.

First, among the leading witnesses: Sir Roy Harrod of the Department of Economics of the University of Maryland and ex-professor of political economy, Christchurch College, Oxford; Dr. Arthur J. R. Smith, former Chairman of the Economic Council of Canada as well as several members of the Economic Council of Canada, namely, Dr.

Otto Thur, Dr. Sylvia Ostry and Dr. R. C. Bellan; Dr. Richard G. Lipsey, professor at the Department of Economics at Queen's University; Dr. John Crispo, Director of the Industrial Relations Centre of Toronto University, Dr. Saburo Okita, President of the Japanese Centre of Economic Research. Then, and I skip over many others, Dr. Raymond J. Saulnier, Dean of the Department of Economics, Barnard College, University of Columbia, and ex-president of the group of economic advisers to the President of the United States.

Several bankers also appeared as witnesses, including Mr. René Leclerc, Chairman of the Canadian Bankers Association, Mr. Currie, vice-chairman and economic consultant to the Bank of Montreal and several others. Then Dr. Herbert Giersch, professor at the Department of Economics at Kiel University, West Germany and ex-president of the West German council of experts in economic development.

Finally, there were among Canadians, Dr. André Raynauld, a former professor of the Economics Department of the University of Montreal, then chairman designate of the Economic Council of Canada of which he is now chairman; another banker, Mr. Louis Rasminsky, Governor of the Bank of Canada and Mr. Bouey, then Deputy Governor but now Governor of the Bank of Canada.

I think this simplified enumeration of the 45 witnesses who appeared before the committee gives considerable weight to the recommendations of the committee.

Hon. Mr. Flynn: Not necessarily.

Hon. Mr. Langlois: Necessarily, and I do not think that just anyone in politics can proclaim himself an expert on the matter today and make ex cathedra pronouncements.

Hon. Mr. Flynn: Maybe not, but it does not follow that because the committee accepted a witness its conclusions are necessarily in agreement with the witness's opinions.

Hon. Mr. Langlois: I was a member of the committee and I followed its proceedings as closely or more closely than my distinguished colleague.

Hon. Mr. Flynn: Not more.

Hon. Mr. Langlois: Then at least as much, but I agree that the recommendations of the committee were in line with those of expert witnesses, which again adds weight to our own recommendations. In my opinion, the government is justified in paying attention to the recommendations of such a dedicated committee, made up of senators from every political affiliation. I do not remember whether there were considerable discussions on the recommendations made.

Hon. Mr. Flynn: May I ask—

Hon. Mr. Langlois: On a point of order. My honourable friend keeps on interrupting me; I patiently listened to him yesterday, although I did not agree with him. I understand that he cannot stand being contradicted, but there is nothing I can do about changing his personality.

Hon. Mr. Flynn: It is for the sake of clarification.

No Senate committee report expects dissidence on the over-all opinion. But no dissidence is recorded in a committee.

Hon. Mr. Langlois: If my colleague wants to make a speech because he disagrees with what I am saying, well he can take my place, but I did not talk about dissidence.

Hon. Mr. Flynn: No, about discussions.

Hon. Mr. Langlois: I talked about recommendations. I limited myself to that, to the recommendations made.

Hon. Mr. Flynn: You are hinting that everyone agreed.

Hon. Mr. Langlois: Moreover, I noticed yesterday that when my leader mentioned that the committee's technical adviser is now the Opposition's financial critic in the other House, he shook his head, showing to my mind that he disapproved—I cannot be categorical for I only construe his nod as meaning that it was not correct.

I have just received a note on my desk confirming that the gentleman acting as the committee's technical adviser was Mr. James Gillies, then professor at York University and now Conservative M.P. for Toronto and the Opposition's financial critic in the other House.

Hon. Mr. Flynn: You know there are those who never change their mind.

Hon. Mr. Langlois: Go on, if you wish to make a speech, I can yield to you.

Hon. Mr. Denis: We would be the losers.

Hon. Mr. Langlois: That is Senator Denis' personal opinion.

● (1450)

[English]

Hon. Mr. Walker: When are you going to talk about inflation?

Hon. Mr. Langlois: I am talking about it, if the honourable senator would only listen. I am sorry, I was speaking in French. I will carry on in that language, as it is my right to do.

Hon. Mr. Walker: Will you be coming to inflation? Have you a committee on inflation too?

Hon. Mr. Langlois: I hope the honourable senator noted the remark of his leader in the course of his speech yesterday. He said that a good deal of inflation was imported into Canada. I took note of it. I will not be distracted by these light observations from the other side, from people who are not prepared to see the truth. I hope that some day they will.

[Translation]

Let us go back now to the speech delivered by Senator Perrault. I continue with the enumeration of the main measures announced in the Speech from the Throne, the efforts of the Canadian government to maintain high levels of income, production and employment in order to overcome some of the supply problems which are causing prices to rise; the passing of specific measures to increase the supply of certain goods and services and to cushion consumers against sudden and disruptive price increases of essential commodities, and to prevent any group or groups from taking undue advantage of the current situation at the expense of the Canadian consumer; the development of a policy on food based on the following objectives: first, an adequate and dependable supply of

quality food for the Canadian people; second, reasonable prices, for the consumer as well as for the producer, as regards all foodstuffs produced in this country; and third, a continuing supply and increasing production of those food products in which Canada has a competitive advantage for export to commercial markets, and also for a contribution to international food aid programs; for the producer, the provision of a fair income for his work, and for the consumer a fair value for his dollar and protection against disruptive increases in the price of essential foodstuffs. Guarantees against unduly low prices to producers must be coupled with guarantees against unduly high prices to consumers. There must be continuity of domestic supply through optimum overall land use in Canada while taking into account the trend to diversify productive land for non-agricultural purposes.

Furthermore, to achieve adequate supplies of food at reasonable cost, the following measures directed in the main at increasing food production are proposed: guaranteed loans and other forms of assistance to farmers and fishermen to enable them to purchase or modernize their equipment; amendments to the Export and Import Permits Act to provide the government with better means to stabilize the Canadian market; increased availability of manpower for food production; some assistance in the construction of new storage facilities; research to make it possible to increase production, improve quality, and lower costs; improvements in harbour facilities to be used by fishing fleets; incentives to increase Canada's catch of unexploited stocks of fish; advance payments on crops to assure producers of timely cash receipts; an agricultural stabilization plan to encourage rational production decisions; financial incentives for young farmers; better veterinary training facilities; a prairie grain market insurance plan; improvements in Canadian grain rail transportation capabilities; increased availability of reasonably priced feed grains; finally, incentives to increase the production of livestock necessary to provide for Canadian and export markets.

Honourable senators, the legislative program also contains measures to aid small businesses both financially and by providing better counselling services, and by the creation of a Federal Business Development Bank.

In addition to the encouragement given to the development of the petrochemical industry, the government will propose amendments to the Bank Act to pave the way for provincial participation in the ownership of banks.

The government also proposes to draw up a national scientific policy, which I mentioned a while ago, as well as a national transportation policy to promote regional growth, including the elimination of any discrimination in freight rates, and a port policy based on the highest possible local involvement in management and improvement of ports.

To that general outline of the legislation can be added the policy for the development of urban transportation, the relocation of railway lines and stations in many cities and towns, which I also mentioned a while ago, as well as a policy aimed at providing Canadians with proper housing in a pleasant environment at a reasonable price.

What is more striking in this vast legislative program, honourable senators, is the number of references to con-

[Hon. Mr. Langlois.]

sultation with the provinces for the development and implementation of these various policies. Indeed, a hasty examination of the Speech from the Throne reveals no fewer than eight direct references to the desire to consult, co-operate, make arrangements or otherwise confer intimately with all other government levels in Canada. This wish for co-operation is very significant in my opinion, and shows the complexity of the anticipated legislation. It is to be hoped that the central power will be able to open these discussions and exchanges in such a way as to obtain the full co-operation of all provincial and municipal governments in Canada.

Honourable senators, this is vital for the welfare of Canadians and the future of our country.

● (1500)

[English]

Hon. M. Grattan O'Leary: Honourable senators, my first words, surely, must be to congratulate Canada upon securing Mr. Jules Léger as our Governor General. Mr. Léger is an old newspaper colleague of mine, whose recent past in the service of the state has been marked by distinction and good renown. I do not know whether honourable senators realize it or not, but when Shakespeare wrote King Lear he merely made the mistake of dropping the "y". Although a descendant of Irish kings, I must confess at once I am not a passionate monarchist, but I will say this: if we can get representatives of the Crown of the calibre and character of Mr. Léger, I think we would do well to go along with the monarchy.

I must also congratulate the Senate and Canada, too, upon your continued presence with us, Madam Speaker. All parties in this house and all persons in this house feel inspired by your gentle wisdom, your dignity and your dedication to your office. My wish would be, no matter what happens in the future—and you know the sort of thing I wish would happen—that you remain with us regardless.

I would like to say a word, too, in congratulating the mover and seconder of the Address in reply. They had a very difficult job. Personally, I would not have liked the task of having to condone, let alone defend, what was given us and called the Speech from the Throne. We call these pronouncements Speeches from the Throne, but actually what we were given here was merely a formula for survival. Arthur Meighen once said in the House of Commons that if he had a project dear to his heart, the worst fate he could fear for it would be that some day it might get into a Liberal platform. For myself, I think I can say that the worst fate I fear for anything dear to my heart would be for it to be included in a Liberal Speech from the Throne.

I listened last evening to two great debating speakers. I thought the speech made by my leader, Senator Flynn, in penetration, in eloquence, in relevance and in passion was a great parliamentary performance.

Some Hon. Senators: Hear, hear.

Hon. Mr. O'Leary: I am afraid that an imperative call of age compelled me to leave the chamber while Senator Martin was speaking, but I read his speech this morning, and I did so with continued admiration for his gigantic

capacity to make bricks out of straw. He is excellent at that sort of thing.

Now today I listened to my fellow Gaspesian speaking on the Speech from the Throne and dealing in the future. Everything is going to be sunshine for our grandchildren. He omitted many things.

Speaking of omissions, I want to say just a word about Senator Robichaud. I am an admirer of Senator Robichaud. I have known him in New Brunswick for years. He, too, found it necessary to do a lot of padding when he came to the Speech from the Throne. He gave us page after page on what the International Joint Commission is about. I am sorry to say that, either through forgetfulness or something worse, he omitted to mention the fact that when Elihu Root, the great American lawyer, sat down to draft the terms of that Commission—he was the Secretary of State then—an equally great Canadian lawyer, a fellow New Brunswicker of Senator Robichaud's, the Honourable William Pugsley, a member of Sir Wilfrid Laurier's Cabinet, had a hand with the great Elihu Root in drafting that document. I do not know whether Senator Robichaud knew about that, but I am afraid that the Honourable William Pugsley has not been given in this country the things that are due him. He was a great lawyer, a great man, and a great parliamentarian. We do not breed his kind any more.

Moreover, Senator Robichaud did not mention the letters that Sir Wilfrid Laurier wrote to Mr. George Gibbons regarding the International Joint Commission. Had he done so, he would have found something contrary to the general belief that Laurier was not a master of detail and that he knew little about economics or international affairs. Sir Wilfrid Laurier is one of my heroes of public life, just one on that side of the house, that party, and if one reads those letters he wrote to Sir George Gibbons in criticism of some of the proposals made by our American friends, it will be seen that he was a great, great Canadian. These are things, I am afraid, that we in this country forget.

I was just thinking this morning, the snows of 65 winters have melted from Parliament Hill since I first came here. I have been in Parliament, in the Press Gallery. I tried to become a member of the House of Commons. I was not as good as my friend across the way, however, and I failed to become the member for Gaspé, which he did, and I thought of it while he was making his curious remarks today. Everything was in the future. He spoke of housing. Housing! Great heavens, who can buy a house now? What can a young married couple do about a house? Here is a government that has been in office since 1968, and yet a young married couple in this country today cannot get shelter. He, himself, says that is true.

● (1510)

He did not mention inflation. I do not blame him for that, because his party has no policy regarding inflation, or certainly no policy about the consequences of inflation. What we face in this country today are the causes of inflation and the consequences, and nothing, nothing whatever in a practical way has been done about that. Oh, they tell us, there is not much we can do. They say, why, this is worldwide, it is international. Nonsense! That is not

true. Some 64, 65 or 70 per cent of everything consumed in this country is of Canadian origin.

I would ask the senator tomorrow night, or Friday night, to take his basket and go down to one of our supermarkets and try to buy a supply of food for his family for the coming week. Let him walk down the aisles and pick his food from the shelves and fill his basket. And when he takes his basket home let him examine the contents and see how much of it did not originate in Canada. You tell me that we cannot fix prices or control prices, because these things come to us from abroad. All this is nonsense. If I went to Rockcliffe today to buy a home, I would pay a price for it 70 per cent more than I would have paid three years ago. And that surely would have nothing to do with the price of a house in Washington. We are not dealing with external affairs—we are not dealing with foreign-produced goods. Our bread, our tea, our sugar, our bacon, our meat, anything we buy has its origin in Canada. And the consumer in Canada is paying for goods produced in Canada when he buys his goods at the store at inflated prices. And the cause of that inflation—

Hon. Mr. Langlois: Where do we grow tea in Canada?

Hon. Mr. O'Leary: It was a slip of the tongue if I said "tea".

Hon. Mr. Langlois: Or sugar?

Hon. Mr. Flynn: It doesn't come to us from the United States.

Hon. Mr. O'Leary: All right, I mentioned six items, let us take the other six.

Hon. Mr. Langlois: Sugar?

Hon. Mr. O'Leary: Sugar?

An Hon. Senator: Molasses?

Hon. Mr. O'Leary: Sugar? You had better read the speech by your boss in the house the other night when he said that the cartels of sugar were responsible for the price of sugar.

Hon. Mr. Langlois: It does not come from Canada.

Hon. Mr. O'Leary: And what are you doing about it? Nothing. What you are doing is pouring hundreds of millions of dollars into circulation. That is the principal and main cause of inflation in Canada. And all you are trying to do—and you are not trying to do much—is to cure the consequences. What are the causes?

I have here with me the estimates. Do you realize that to date the interest, not the principal but the interest, on the public debt is reaching \$3 billion a year? That is \$3 billion a year for the interest alone on the debt—and that is more than the total deficit year after year. And how does that come about? It comes about because not a minority government but a socialist-liberal coalition is dragging this country down into the welfare state and is bludgeoning this country into costs that mean this country will be driven into bankruptcy if we do not stop them.

When I first came to the Press Gallery in 1911, the total capital debt of Canada was \$350 million. I well remember Mr. Fielding making this announcement, which was grim, and Sir George Foster, the financial critic of the other

side, getting up and saying that we were galloping hellwards because our debt was \$350 million.

This government, with their welfare-statism, are spending that much now in two or three weeks. We have more welfare-statism in Canada than in any country in the world with the possible exception of Britain and Sweden. And we know what has happened to Sweden. Sweden still has 80 per cent of all her industries privately owned. Why do they keep them privately owned? To get money through taxes to pay for the welfare-statism. And they have gone so far now that in the last election they were all but defeated; only 40 per cent of Swedes voted for that welfare-state government. They had 40 years of it and now they know what it is. Apart from Sweden and Britain there is not one country today, not one, with more welfare-state costs than Canada. And this is going on and on. Money is being poured into the market and every time you pour that money into the market you take something away from private enterprise. You take something away from me and from every man in this house, and I know what they tell us. They say, "Don't worry too much about it; we owe the debt to ourselves."

Honourable senators, that is a false and fallacious statement. We do not owe the debt to ourselves; we owe the debt to certain people in the country and they will have to collect. Owe it to ourselves? Do you realize that not 50 per cent of the Canadian people own the government bonds? Those bonds are not held by all of us. When those debts come to be paid, and those obligations will have to be paid, they will not be paid to me. I am not a holder of bonds. They will not be paid to many people in this house. They will be paid to a few people who will collect. The obligations will have to be paid and they will be paid out of your taxes and mine.

These are the clichés of the welfare state—and they have them in abundance—that this debt does not matter, that it does not matter what we spend or what we owe, that we owe it to ourselves. I venture to say that when we come to pay, we will have to pay, not to ourselves but to a few people in this country and some of them are still holding interest-free bonds.

This is the trouble with this government. This is not, I repeat, a minority government in the true sense of the word. We have had minority governments in every state for a hundred years. Some were good governments, and in certain cases they could be good. This is a liberal-socialist alliance with the socialists calling the shot.

My friend knows that very well. Why Mr. David Lewis is not in the Cabinet I do not know, but he should be in there as "Minister for Everything." The Prime Minister? The Prime Minister goes around with Adam Smith in one hand and Karl Marx in the other, but paying more attention to Karl Marx than to poor Adam Smith. I knew an Irish politician who spoke for two hours on one occasion and he ended up by saying, "Gentlemen, these are my principles, but if you don't like them I have others." The Prime Minister goes further than that. The Prime Minister says "Gentlemen, these are our principles but if Mr. David Lewis doesn't like them we have others."

That is the kind of government we are getting today. This is a government of pragmatic opportunists, and my friend comes today to list a whole lot of things that are in

[Hon. Mr. O'Leary.]

the Speech from the Throne. Someone once said that the American Constitution was a collection of glittering generalities. These are generalities but, God help us, they are not glittering. They are in stilted and pedestrian English and I am sure Mr. Jules Léger, who is a very sophisticated man, must have often paused and said, "Can I really speak that?"

This is true. I have seen many Speeches from the Throne, but I have never seen such a conglomeration of nonsense as there is in the Speech from the Throne that is before us at the present time.

It is appalling that in a country like Canada with all that we have, all that we hope to be, that a government after three years—three years of inaction, three years of failure, three years of defeat—comes to us now with a lot of promises for the future. They say, "We cannot do anything about inflation. It is impossible. This is a worldwide thing and we cannot do a thing about it, but you just wait and see what we are going to do next year."

Honourable senators, I know you think I am partisan, and I am, but so are you. Even if I were not partisan, even if I were the most objective person in the world, I could not sit down and stomach that Speech from the Throne. If I were a socialist I would certainly want this government to continue in office, but if I believed even a mite in freedom, if I believed even a mite in free enterprise, I could not understand or would not be able to understand how any person believing in free enterprise, believing in any kind of free system, would want this government to continue in power.

● (1520)

Honourable senators, there is one other thing I wanted to say and that I will come back to some other day. In the Speech from the Throne they mentioned railways. Ever since I have been around Parliament they have been going to revise railway freight rates. We had the Turgeon Commission, we had the MacPherson Commission, we had the Duncan Commission, and God knows what else. I want to say this: I have made a bit of a study of railway rates and I believe that railway rates in Canada are among the best in the world. Don't forget that the railways today are not the railways we knew 30, 40 or 50 years ago. The railways in Canada today are subject to the most stringent competition, and that competition is growing. You cannot judge today what the railways are doing or trying to do, or are not doing, by what was happening 10, 20 or 30 or 40 years ago. I do believe, myself, that railway rates in Canada, considering the character of our country's geography, are perhaps the lowest and the best in the world. So whatever we do, let us not rush blindly along saying that we must do something about transportation.

It is true that transportation in the Atlantic provinces is something we might want to look at, but don't let us listen to the pseudo-socialists and pseudo-liberals who come along now and think that it is a good, vote-getting scheme to say, "We are going to do something about transportation." I believe they said that on the eve of the election in Nova Scotia. That is something I object to.

I object to the pragmatism of this government. They are opportunists, nothing else. They have no principle, no policies, no ideology even, but have merely a hand-to-mouth existence. That is what we have been getting in the

past three years; that is what we are promised—or worse—in the coming three years; and I am afraid that, if this thing continues, this country with its “welfare-state-ism” will eventually be driven to bankruptcy.

Some Hon. Senators: Hear, hear.

Hon. Mr. Laing: Would the honourable senator permit a question?

Hon. Mr. O’Leary: Yes, indeed.

Hon. Mr. Laing: As I was listening to his vigorous and remarkable speech I was wishing that I were 18 years older so that I could talk like that.

Hon. Mr. Flynn: That will come.

Hon. Mr. Laing: The honourable senator said that 70-odd per cent—I think the figure is actually 76 per cent—of the goods consumed by Canadians are produced within Canada, and that it should be within the competence of the government, therefore, to see that those prices are kept down. What he must be advocating is a two-price system in Canada for every item, and I would remind him that, if that is what he is suggesting, the only advocates of that policy are Mr. Lewis and the NDP.

Hon. Mr. O’Leary: My answer to that is quite clear. What I am advocating is the policy enunciated by my leader that we take a breathing spell and deal with those prices we can deal with. Let us say three months. He has suggested three months.

But when your party says, and keeps saying—and they have repeated it so often that I think they believe it—that price-fixing has been a failure in Britain and in the United States, they are not speaking the facts. The fact is that inflation has grown faster in Canada than it has in either America or Great Britain, and that is because we have done nothing about it.

Hon. Mr. Laing: Honourable Senator O’Leary, dealing with housebuilding, said that lumber is produced in Canada and that the increase in the cost of housing had nothing to do with it at all. He must remember that in our province we used to sell cedar at \$24 a thousand, but we have had a flood of Japanese coming in and paying \$500 a thousand.

Hon. Mr. O’Leary: I think the honourable senator should ask that question of the Prime Minister, because the Prime Minister stated in the House of Commons only last week that wages had nothing to do with inflation. You should find out what your leader thinks about these things.

Hon. Mr. Laing: Is the honourable senator advocating setting aside portions of Canadian production of all kinds to be maintained at price levels in Canada, including lumber, metals and everything else? Obviously, the advocacy for that policy is the NDP.

Hon. Mr. O’Leary: I did not say “all kinds” at all. I said we should look at the situation to see what we can do about prices in order to get at least a breathing spell and to stop these runaway prices. Then we could sit down, three months having gone by, and having stopped this mad march of inflation, we could see what we could do in the future. That is all. There is nothing very remarkable about that.

Hon. Mr. Forsey: Would the honourable senator tell us what his party proposes to do when it has got its breath after three months?

Hon. Mr. O’Leary: That is ridiculous! That is just another of those damned clichés you have been using over and over again that don’t mean a thing. Nobody can sit down and make a list. I said we would have to sit down and see what we could do. We don’t say, “Yes, we will do this, that and the other thing.” Governments do not work that way and nobody knows that better than Senator Forsey.

Hon. Mr. Flynn: What he says is always somewhat “forcé”.

Hon. Frederick William Rowe: Honourable senators, first of all I should like to express my appreciation, as other senators have already done, and, I believe, the pleasure of all Canadians, at the appointment of His Excellency the Governor General. Until last week I had not had the pleasure or the honour of meeting that distinguished gentleman, although I had had the honour of meeting and conversing with his distinguished brother. All Canada can be proud that this nation, comprised of such diversity as it is, has been able to produce such a distinguished family as the one represented by our new Governor General.

To you, Madam Speaker, may I say that I concur with all the compliments that have been made about you. I could easily go on to add to them, but to do so would be almost needless repetition. We all admire Madam Speaker.

I should also like to express my congratulations to the proposer of this motion, our new colleague Senator Robichaud. I have had the pleasure of knowing Senator Robichaud for many years, including the ten years that he was Premier of New Brunswick. I wish to say that, from observing him over the years at federal-provincial conferences and at Atlantic conferences, I have had the impression and have developed the conviction that in addition to being a dedicated premier of one of our historic provinces he has at all times been a great and dedicated Canadian. Nothing that has happened since his days as premier has changed my mind in that respect.

I should also like to congratulate the seconder of this motion. By his presence here Senator Perrault has brought to this chamber one of the finest speaking voices I have ever heard. Certainly, he has used his voice with great articulation and eloquence, and that alone represents a significant and valuable addition to this chamber.

May I also express at this time my good wishes to the Leader of the Government in the Senate. I am sure I speak for all senators when I say that we would like to assure him of our continuing co-operation in his onerous duties. In saying that I should also add that we appreciate the onerous burden which rests on the Leader of the Opposition here. We all feel, on both sides of this house, I am sure, that in the person of Senator Flynn we have another distinguished Canadian leading the Opposition in this house.

Some Hon. Senators: Hear, hear.

Hon. Mr. Rowe: I should like now to say just a word about our distinguished friend and colleague Senator O’Leary. As he was speaking a few moments ago my mind went back to a time when I was 16 years of age and had

first come into contact with what is sometimes referred to as Canada's national magazine, *Maclean's*. In that copy, the first I had ever seen, the leading article was entitled, "How I Made a Hole in One," and it was over the name of Grattan O'Leary. I had never heard of him before. I read the article with considerable enjoyment. It was a beautiful piece of humour. At that time I had no idea what a "hole in one" was. In Newfoundland 40 or 50 years ago we had not too many golf courses. However, that article was certainly intrinsically interesting and it gave me a keen desire to meet its author.

● (1530)

It was a great pleasure to me when I came to this Senate to find that Senator O'Leary was still here with us. I can only repeat what I said here in recent months, that is, that if I were given the choice of selecting a debating opponent, the last one I would choose would be Senator O'Leary. Of course, I do not go along with all of his views, but I will say that whenever he speaks it is vastly entertaining and, more than that, it is vastly educational.

I want to make a brief passing reference—and some time I hope to deal with it more fully—to this nonsense that we hear from time to time about age. There are people who are over-aged, who are elderly, at 50, and there are others in their 80's, as we saw here today in the person of Senator O'Leary, whose minds and tongues are just as active, just as alert, just as penetrating, as they were 40 years ago. That is manifested par excellence in the person of Senator O'Leary.

Hon. Senators: Hear, hear!

Hon. Mr. Rowe: Finally, on these introductory matters, I would like, as a large "L" Liberal, and, I hope, a small "l" Liberal, to re-affirm my continuing confidence in the present administration of Her Majesty's Government in Canada and in the leadership of the Prime Minister. I do not, as honourable senators may recall, make a practice, and I have no intention of beginning to make a practice, of talking partisan politics, in the narrow sense of the word, in this chamber; but I feel that every senator has the right, on occasions such as this, in these historic debates on the Speech from the Throne, to say where he stands on the overriding issues confronting our nation.

The Speech from the Throne deals with some of the major problems of our time in a cool and unexcited and dispassionate manner. This is as it should be. The complex problems of world energy supplies, of inflation and its concomitant, the cost of living, unemployment, regional disparity—these are all matters with regard to which there is always a danger of someone appealing to the emotions of our people, with consequent pressing of panic buttons and of resorting to extreme measures which, in the end, can be self-defeating.

The Speech indicates that, while aware of the seriousness and magnitude of these great problems, and while equally aware that when confronted by them some action must be taken, the government appreciates also the danger of rushing off madly in all directions, frantically and fruitlessly searching for solutions. That has happened elsewhere with disastrous effect. We have to be, to some extent, fatalists about some of these problems, in the sense that we must face up to the fact that most of them are international in scope and are therefore outside our

[Hon. Mr. Rowe.]

immediate and direct control. I am not using this argument as an excuse for inaction.

We must remind ourselves also of the fact that for some of these problems there never can be a final and complete solution, and that we would be fooling ourselves, we would be guilty of childish conduct, if we convinced ourselves that there are final and absolute solutions to such problems as inflation.

Inflation has always been present, ever since man came out of the cave or down out of the trees, or wherever he came from. It was present in Rome at the time of Augustus, two thousand years ago, no less than it is at the time of our own Queen Elizabeth. It was equally as persistent during the Napoleonic wars as it is today. We cannot ignore it, but we should not lose our sense or proportion. History has shown that when potential dangers are recognized, and realistically appraised, and when appropriate restraining actions are taken from time to time, it is a disease that, while we cannot cure it, at least we can keep in check. In short, it is a disease that need not be fatal. This, I think, is the lesson of history in so far as inflation is concerned. In my opinion, our preoccupation—one might almost say our obsession—with these major and immediate and urgent problems of inflation, of energy crises, and the like, confronts us with the possibility of an even more serious danger, which is that we might ignore or fail to cope adequately with other basic problems which, in the long run, could lead to a deterioration in our way of life or, if not to a deterioration, at least to a state of stagnation, which in the long view could be equally disastrous.

Among the basic assumptions of democracy, as we know it, must be numbered respect for the needs and aspirations and rights of the individual. During the past year we have seen, by way of the revelations in the United States, how easy it is for powerful and unscrupulous agencies to erode this principle. While we have watched with sympathy and admiration the agonizing efforts that that great nation has made, and is making at this moment, to re-assert the basic rights of citizens and to affirm that principle of the rights of the individual, we cannot but have a feeling akin to horror—as I am sure thousands of Canadians had—that such insidious and, for a period at least, such undetected inroads could have been made into the very vitals of the democratic process and the democratic way of life, and all, incidentally, done under the guise and in the name of democracy.

We in Canada, while we sympathize, should do more than that. We should watch the situation, and guide ourselves accordingly.

Another great assumption of our way of life is that by goodwill and perseverance and determination, our way of life can be improved. Here I fear I am going to have to take issue with one or two of the points made by my distinguished friend who just spoke. I say that another of the great assumptions by which we govern ourselves is that our way of life can be improved. That improvement cannot take place, however, if we allow ourselves to be distracted by the emergencies and the crises of the moment.

Perhaps I can best express the idea that I have in mind by referring to an incident which took place in the mother

country of many of us here, Great Britain, during World War II. May I say at this point that while I recognize the many defects, faults and shortcomings of the British people, and the grave injustices that they have at times perpetrated—as a student of history I would be very naive and dense were I not to recognize that those things have happened—nevertheless, I wish to say with equal emphasis, and without any tinge of racialism, that I have always been proud of my British ancestry. I was especially proud, of course, as were all other Canadians, and for that matter all other people in the free world, during those years when the only thing standing between a madman and world domination was the character of the British people. I was very proud of that. But the time that I felt proudest was not at the time of Dunkirk; it was not when the British people stood up under the might of the Luftwaffe; and it was not when the British people coped with the Battle of the Atlantic, with which we in Newfoundland were so intimately associated. My proudest moment came at a time when the fortunes of the British people were at their lowest ebb, when everyone was predicting the imminent defeat and collapse of Britain, and when the government, with the complete approval of the people of Britain, decided that the time was appropriate to set up a commission to study elementary and high school education so that the educational welfare of the children of Britain could be provided for in the years to come.

● (1540)

To interject a personal note, I was in the Canadian Officers' Training Corps at the time and I remember this announcement coincided with a very great reverse in Britain's fortunes—another one of those reverses. I remember an officer in our corps saying to me privately that this reverse only confirmed what in his opinion he all knew at the bottom of our hearts, that Britain was about to collapse and Germany would take over. I remember that my retort to him—and I do not say this boastfully but as a matter of fact—was that any people who at such a time could be concerning themselves with the future education of their children could not be permanently subdued. History showed, of course, that that conviction was correct.

I have used an extreme case deliberately as an example to illustrate the fact that while we are not faced, of course, with a crisis of the magnitude of that which Britain faced back in the early days of World War II, we are faced with other crises and there is the danger that we can lose our sense of proportion. I wish to state here—and I am not thinking only of the federal government and Parliament, but of all levels of government and our society generally—that I have felt in the last three or four years that because of our struggle with those great problems to which I have just referred of unemployment, inflation and so on, we are not doing what we should be doing about a multitude of other problems confronting us. This is a pity for, apart from the inherent danger that this neglect holds for us, we are by our sins of omission sully a proud record in social achievement which for a time put Canada in the forefront as a world leader in social welfare matched only, perhaps, by a handful—maybe only two or three—of the smaller nations of the world. I think we have lost that pre-eminent position.

I shall not spell out in detail the nature or the magnitude of the problems that I think we are at this moment guilty of neglecting and with which we must cope if we are to recover that pre-eminent position, or even if we are to hold our own and not slip back further, but I will refer to a number of them although not in any order of priority.

First, there is the matter of our criminal laws—the Criminal Code, if you wish—allied with which is our penal system. In case I may be misunderstood in this connection, allow me to say that some people must be incarcerated in order to protect society, but they should not be incarcerated as an act of vengeance. Any incarceration, or any conviction resulting in a penalty, should carry with it the obligation on society to rehabilitate where necessary and when possible.

The study recently concluded—I believe only last week; at least that was the first time I read the conclusions of the Centre of Criminology of my old alma mater, the University of Toronto—has just confirmed something which I and others, including Senator Hastings, have stated before in this chamber. Most of those in jail in Canada at this moment should not be there. Putting a person in jail under our present system merely aggravates the problem for the rest of us. It does nothing to solve the problem, but makes the problem greater in the long run, apart from the obvious fact that any lengthy period of incarceration usually in turn makes the inmate a better criminal—not better in a moral sense, but a better and more accomplished criminal. This is apart from the fact that it usually makes him more hostile to society than when he was committed to jail. The fact is that we are really compounding the factors which led to his antisocial behaviour in the first place. We do not rehabilitate, and we do not make it possible for any of the unfortunates concerned to rehabilitate themselves. Witness the difficulty, for example—

Hon. Mr. Walker: Would the honourable senator permit a question?

Hon. Mr. Rowe: Certainly.

Hon. Mr. Walker: Would he tell us what he would do instead of putting them in jail? For instance, Rose was freed recently. What would you propose as a substitute for imprisonment?

Hon. Mr. Rowe: I appreciate the idea behind the honourable senator's question. I think I answered it partly at the beginning of this part of my speech when I said I recognized, and would be foolish not to recognize, the fact that society must be protected. Things being as they are, some people must be put away. We cannot have criminal rapists at large, we cannot have people attacking little children and, for that matter, we cannot have people breaking into banks every second week.

I should like to have more time to deal with that question. I cannot deal with it in the time at my disposal now, which fact I am sure Senator Walker appreciates. This whole vast field of criminology is one, of course, that cannot be dealt with in detail in a speech such as this. We can only make bald statements of principle, which is what I am endeavouring to do now.

I was about to emphasize the fact that the average person leaving jail finds it next to impossible to obtain

any kind of decent work. That fact in itself is an indictment of our whole system. What is the man to do? I wish to say now unequivocally—there are many Canadians who do not recognize this principle, but it is a principle and a basic fact—that the majority of persons who are sent to jail are handicapped persons. There are other types of handicapped than those who happen to be blind, deaf or mentally retarded. The majority of those who go to jail do so because they are handicapped in other ways. It is the responsibility of the society which puts them in jail to undertake rehabilitation while they are there, and that is not now being done in Canada.

● (1550)

Certainly, when he comes out of jail, the state should not lose interest in or concern for that individual, otherwise the problem will be compounded. He will be back in jail again, and in the interim he may have done immeasurable damage to property and perhaps life. It is the responsibility of the state to rehabilitate those unfortunates after they come out of jail. I want to state now, as a profound conviction, that for any person who is released following incarceration in jail the state should bear the responsibility of providing meaningful employment.

I have spoken of rehabilitation in jail. This is really a contradiction in terms, because if there is one fact that should now be clear to all it is that rehabilitation or reform cannot be accomplished in the all-corruptive environment of custody as we know it. I would interject a question at this point: What is the explanation for the fact that at this moment—I am told this by penologists—we have a larger number of our citizens in jail than does any other country in Western society? That surely indicates something. Reform or rehabilitation can only take place, in my view, in the community at large. Society has a responsibility to support persons released from jail, and to assist in undoing the damage caused while in custody, which should never have taken place in the first instance.

I say again that the Criminal Code should be overhauled to remove from it what we call, for want of a better word, non-victim crimes. I could speak for some time on that subject. Surely, in this day and age, common sense and the lessons of history indicate that the time has come for us to remove from our midst this relic of our puritanical past. Many people are in jail not because they have injured anyone, but because they have offended our sense of morality.

Another social problem about which little has been done in recent years—and this may surprise honourable senators—lies in the field of child welfare. Increasingly we have come to recognize that most problem adults, whether young adults of 19 or 20 years of age or recidivists of 40 years of age, are the innocent victims of neglect and abuse in early life. What is most frightening—and apparently this is only now being recognized by society as a whole, although it has been long known by those working in the field of social welfare—is the number of helpless children in this civilized country of Canada, many of whom are infants of a few days, a few weeks or a few months, who are physically battered and abused by either their parents or other adults. This is something about which practically nothing has been done in our enlightened society.

[Hon. Mr. Rowe.]

The latest statistics, which came out a week or two ago, indicate that there are hundreds of such cases in every province and, in Canada as a whole, the number is in the thousands. In actuality, every year in Canada—this is not my estimate; it is the estimate of those who have made a study in this field—several hundred children die directly or indirectly as a result of the battering administered to them by sadistic or perverted adults. Often it is administered by parents, many of whom—I say this as one who has enjoyed the use of alcohol from time to time—are under the influence of alcohol. Honourable senators, we should think of this the next time an 18 year-old girl is put in jail for smoking a marijuana cigarette, or a 16 year-old boy is put in jail for trading a few marijuana cigarettes with his chums.

This problem is tied in with our attitude in other areas. Instead of training our police to be more efficient and competent in dealing with such social evils—I am not attaching any blame to the police; they are as much victims of this process as are some of the unfortunate people I have been speaking about—instead of encouraging our police to work in close association with medical and other welfare authorities with a view to making an intelligent and scientific frontal attack on the evil of child abuse, we encourage them to dissipate their energies and resources in utterly meaningless and stupid activities such as keeping a close eye on the so-called massage parlours of Toronto, Montreal, and perhaps Ottawa, and in scrutinizing newsstands with a view to catching some of the publishers and distributors of girlie magazines.

All this is done in defiance, for example, of the findings of the presidential commission set up in the United States a few years ago on obscenity and pornography, in defiance of the great bulk of psychiatric evidence available on obscenity and pornography, and in defiance of the experience of the Scandinavian countries and other enlightened and civilized countries of Europe. We continue to dissipate our money and our resources in that ridiculous way.

Another major problem with which we have made some progress, but which is still prevalent—so prevalent, in fact, as to negate some of the assumptions of democracy—is the lack of educational opportunity for so many Canadian children. I know that the program to remove regional disparity has met with considerable success. I have seen this happen in my own province. I was part of a team which implemented such a program in Newfoundland, and I know what is being done. But it is a long-term program, and an attack on the lack of educational opportunity for our children should not have to wait for the major program of regional disparity to be implemented. It should not be outside the wit and resources of Canada to devise formulae and programs such as those in several communist countries—and I hasten to add that I am not a communist—whereby every child in Canada—and when I say “every child,” I mean precisely that—will have the opportunity to realize his educational potential.

Equal in magnitude is the problem of the aged. More and more of our people are living longer, and more and more they are being encouraged, and indeed forced, to retire at a relatively early age. It was one thing for a man to retire at the age of 60 or 65 when, as was the case in my father's day, the average span of life was 50 years. But it is another

thing for a man to be forced into retirement at 60 or 65 when the average span of life is 70, and when so many people live into their eighties and nineties.

This is another way of saying that an increasing number of people find themselves with nothing to do for years and years, with no resources or, at least, insufficient resources to live on. Thousands of Canadian citizens, people who worked hard and faithfully to build up this great nation and make it what it is today—and it is a great nation—are today living at or below the poverty line. I know I sound as if I am preaching a sermon. I am not a preacher. Let us remind ourselves that in this regard man or woman does not live by bread alone. Thousands of people in their sixties, seventies and eighties have nothing to do, nothing to occupy themselves with, and, in many cases, insufficient resources to live a half decent life. This represents a great Canadian problem.

● (1600)

Incidentally, because of this policy of forced retirement, people of the calibre of Senator O'Leary could be put out to pasture prematurely. In Senator O'Leary's case he could have been put out to pasture 20 years ago. Surely we need no further evidence of the utter ridiculousness of such a policy. This policy of forced retirement deprives the nation of the knowledge, skills and dedicated service of men of Senator O'Leary's calibre. Had Senator O'Leary been a civil servant or bank employee he would have been vegetating for the last 20 years, instead of making the great contribution that he has made to Canadian culture and Canadian civilization.

The fact that there may be unemployment in Canada in no way invalidates the principle I am enunciating here. In no way is that an excuse for the inhumane and stupid approach to this evergrowing problem—and it is an evergrowing problem. Mathematically, it has to grow.

I must confess that it is only in recent years that the seriousness of this situation has come home to me. For some years I was deputy minister of the Department of Public Welfare in my province and later the minister, during which time I saw firsthand the needs of our elderly people in what was then one of the most deprived parts of this nation. I realize the value of institutions, but it is worth noting here that Canada was one of the first countries, perhaps the first, to start institutionalizing the aged on a large scale. I am told, too, that we do more of it today than does any other country. There are, of course, good aspects to institutionalization, but that, in turn, creates problems and obligations to which we fail to face up. We cannot salve our consciences by simply saying to our elderly people by the thousands, "Here is a good institution. You will be warm; you will be well fed; you will receive medical attention. Goodbye." We should not do that in a civilized country.

We have made some progress in protecting the rights of the consumer, but we have only touched the fringe of the problem. The fact is that over and over again the Canadian people—and we are not alone in this—are being exploited by some of the great corporations in Canada, many of which are merely the offspring of still larger corporations in the United States or, for that matter, multinational corporations. If there is one lesson we ought to have learned from the past few years it is that the larger and

more powerful the corporation, the greater is its potential for harm. I realize you cannot damn and condemn all corporations, or paint them all with the same brush, and I am not doing so. Nevertheless, we cannot ignore the experience and the lessons of the last few years. The more power a corporation possesses, the greater the likelihood it will abuse that power in the interests of its own greed and aggrandizement.

It is not an accident that those corporations in the United States and, by projection, in Canada which have been guilty of some of the most serious crimes against society—and I am using these words deliberately—are among the largest and most powerful in the world. We had motorcar manufacturers knowingly putting out cars with lethal defects; drug companies putting out improperly tested drugs, knowing that they had not been properly tested; tobacco companies defying the legitimate findings of medical and scientific inquiries by spending untold millions of dollars to discredit those findings.

Two nights ago on one of our television stations the head of one of the greatest tobacco corporations in the world boasted that the tobacco interests combined are now spending \$25 million a year in a research program which, he alleged, is designed to find out—and I am using his words now—what, if any, harmful ingredients there are in tobacco. They are very proud of that. He neglected to mention that those same companies last year spent between \$300 and \$400 million in a program to discredit those medical findings and, more serious still, to seduce our young people, our children, into a habit which they know, and as you and I know, statistically must shorten their lives. A significant number of children who are being seduced into this habit through these magazine advertisements and other forms of advertising will, inevitably, die from cancer of the lung induced by smoking.

Lest anyone think I am biased in this approach or that I am against the big money interests, the great corporations, let me say with equal emphasis that the power and activities of some trade unions in our North American society must be viewed with suspicion and apprehension. In a democratic society, or a society which calls itself democratic, no comparatively small group of men should have the right or the power to do to an entire province what was done to my own province last summer. I say that with full knowledge that we have here in this chamber two distinguished representatives of the trade union movement, and I say it with full knowledge of all that the trade union movement has done for the betterment of human beings in our society. Having said that, I repeat: No group of men should have the right or the power to do what was done to my province, and what has been done to other provinces, in recent years.

If there is one lesson which my study of history, which has been fairly extensive, and my experience in politics, which, again, has been fairly extensive, have implanted in my consciousness it is that power, no matter where it is found—whether in business, politics, organized religion, or trade unions—is always a potentially highly dangerous commodity, and one which must be kept under constant scrutiny and over which there must be ultimate control if it is not to lead to disastrous abuse of the democratic process and to devastating corruption.

● (1610)

The Canadian people are, by and large, reasonable, patient and sensible. This nation has great physical and human resources, but if we allow abuses such as we have seen, for example, in the profiteering of recent months—and is there anybody in this chamber who does not think there has been profiteering in recent months; that the ordinary people have not been exploited and taken advantage of—to continue unchecked, then there is always the danger that our people, no matter how patient, no matter how sensible, no matter how moderate, no matter how reasonable, will resort to desperate solutions, to desperate measures, to find solutions.

I am using again extreme examples, knowingly. It was not Trotsky and Lenin or the handful of Bolsheviks who made possible the Russian Revolution of 1917 with its fateful consequences for so many hundreds of millions of people; it was the corruption in state and in church—let us never forget that—and in the landed nobility, the Establishment, of Russia. It was they who brought about the communist takeover. In our own time, it was not Castro who brought about the communist revolution in Cuba.

What we have seen happen in other countries, including some democratic countries, in recent years should give us pause. We are not immune in Canada. We must be on our guard, we must be eternally vigilant, and we must continue to remove inequities, injustices and abuses wherever they exist. This is the price we have to pay if we are to remain a democratic nation in every sense of the word.

Hon. Mr. Walker: Would the honourable senator permit a question? As he knows, I have admiration for him. I know of his career in the Government of Newfoundland. Everybody on the government side seems to have omitted any discussion of our most pressing problem, inflation. Would my honourable friend care to say whether he agrees with the Prime Minister's announcement that there is nothing that can be done about it by the government, or would he like to speak on the subject at another time?

Hon. Mr. Rowe: Honourable senators, I would say that I have normally refrained from making statements that are economic in nature, for the simple reason that most of my background has not been in that field; it has been in the fields of education and social welfare and related areas, as the honourable senator knows.

I do not see any serious reason to quarrel with the attitude of the Prime Minister. I know that the Prime Minister is a dedicated Canadian, and I know that he is a very intelligent man. If I were to make an invidious comparison, then from my own knowledge—some of it personal and some of it indirect—of Canadian political life and prime ministers I would say that the present Prime Minister is certainly one of the most—and perhaps the most—intelligent man ever to have headed an administration of Canada.

Having said that, I realize and appreciate the possibility that his approach could be wrong. I do not know. But I do want to remove the thought, in case it exists, that in saying what I have I was for one minute ignoring the seriousness of the growth of inflation and the increase in the cost of living. It affects everybody. We must be concerned about this over-riding problem, and we must take

[Hon. Mr. Rowe.]

action against it. I find myself going back to what Plato said about education—we may disagree about the nature of it but we all agree on the importance of doing something about it. This is true also of inflation.

Hon. Mrs. F. Elsie Inman: Honourable senators, we have entered the Second Session of Canada's 29th Parliament since Confederation.

I would like to extend my congratulations to Their Excellencies, the Governor General and Madame Jules Léger. His Excellency's ambassadorial appointments have shown qualities that eminently suit him to represent Her Majesty in Canada. We welcome Madame Léger with her sincere charm and grace.

Our best wishes go to our former Governor General, The Right Honourable Roland Michener, and to Mrs. Michener, that they may have many happy and useful years ahead. They were popular, beloved and highly respected by Canadians everywhere.

I am sure all honourable senators wish at this time to congratulate the Honourable Senator Fergusson on the excellent and outstanding manner in which she has carried out the duties of Speaker of the Senate. We are all very proud of our Speaker.

It gives us great pleasure to see the leaders and deputy leaders in their accustomed seats.

I congratulate also the mover, the Honourable Senator Robichaud, and the seconder, the Honourable Senator Perrault, of the motion for an Address in reply to the Speech from the Throne. I listened to their speeches with the greatest interest. They were interesting and informative, and we look forward to hearing them speak often in this chamber.

At this point I wish to extend a warm welcome to the two new senators who have recently joined us. Senator Robichaud is well known to all of us. For many years he was a prominent member of the Liberal Party in New Brunswick, and the former premier of that province for 10 years. It is a pleasure to see Senator Riley with us. He is a Prince Edward Islander by birth. I knew his parents very well, and I know it was the Island's loss when he moved to New Brunswick. However, I think he retains a warm feeling for his native province. These gentlemen will contribute much to the deliberations of this chamber, and I wish them a successful and happy sojourn here.

Honourable senators, we are all familiar with the word "progress", which means "going forward". I wish to speak of some of the benefits which the federal government has provided for Canadian citizens, as it has gone forward in the path of progress and development.

An old dictionary defined "politics" as "the administration of public affairs in the interest of the peace, prosperity and safety of the state." That is a definition in the broadest sense. There are many facets to our politics in this age and one of the most important is the welfare of the Canadian people, which includes health and all the social benefits and security which we look for and enjoy at the present time.

During the regime of this federal government many important and far-reaching pieces of social legislation have been introduced and become law. The human needs of the individual Canadian and his family continue to be

the constant concern of the government led by the Right Honourable Mr. Trudeau. We are pleased to hear that the Throne Speech gives promise that the welfare of our people is again very much the concern of the government. I am especially pleased to note that the status and rights of women will be given more consideration in the future.

Honourable senators, I should like at this time to tell you something about Prince Edward Island, and its transportation problems. It will be remembered that by the terms of Prince Edward Island's entry into Confederation in 1873, the province was promised continuous means of transportation to and communication with the mainland. In fact, the provision of continual service is a Constitutional obligation. I shall give you a short history of our communication and transportation service, leading up to the present.

● (1620)

Until the establishment of the railway car ferry service in 1916 the iceboats service provided the most reliable, and sometimes the only, means of winter communication between Prince Edward Island and the mainland, New Brunswick and Nova Scotia. In the earliest days of our history, travel by birch bark canoe in winter through icebound conditions was the only method of travel. That was a hardship beyond our imagination today.

In 1827 the iceboats came into use during the winter months. These iceboats were simply row-boats with steel runners. They were hauled by men who had harness strapped around them. When they encountered open water they took to the oars. Travel by this means was often most difficult. Later came the ice-breaking steamers, but even then there were times when the ice boats had to be brought back into service because the ice-breaking vessels could not navigate through heavy ice in the Strait of Northumberland.

I should like to recall the names of the ice-breaking steamers which followed the ice boats. First came *The Albert*, a wooden ice-breaking ship built in 1874. Then came *The Northern Light*, followed by *The Neptune*, *The Landsdown*, *The Petrel*, and *The Stanley*, the first steel ship built by the dominion government in 1888. *The Minto*, which was more powerful than *The Stanley*, was built in 1899. *The Earl Grey* was built in 1912, I believe.

The Prince Edward Island, more powerful still, was built in 1915 to work along with *The Stanley*, *The Minto* and *The Earl Grey*. In 1931, a new ship, *The Charlottetown*, was built at Lauzon. She was the most powerful ice-breaker in the world at that time, but she was lost off the coast of Nova Scotia during the war in 1941. The *Abegweit*, a ship rated at 15,000 horsepower, came next. She is still in service, and was our only rail car ferry until recently.

The story of these ships fighting the ice fields and ice packs of the Northumberland Strait, being caught in the ice for hours and sometimes days, is long and heroic. It took men of iron nerve to combat such conditions.

From the province of Prince Edward Island—sometimes called "Canada's front lawn"—we export such products as potatoes, turnips, fish and some fruits in season, all of which must reach their markets without delay. These products are perishable, and cannot be kept for long peri-

ods as is the case with wheat and other grains which can be stored in granaries.

Honourable senators, I should like to tell you something about the tourist industry in the Atlantic provinces, particularly Prince Edward Island. Tourism is now our third, and may soon be our second, most important source of income. We take a great effort to attract visitors to our Island, but, unfortunately, they are then very often left stranded for hours at the ferry terminals.

The importance of this industry to our small province cannot be too strongly stressed. We have no large industries as do the other provinces, for several reasons. We do not have easy access to the raw materials necessary for big industry. We have not the population to supply the necessary labour for large factories, but our greatest problem is in transportation for what we have to produce and export.

There are now three ferries crossing between Prince Edward Island and Nova Scotia. We were most fortunate in having the Northumberland ferries, as they are known, operating at the eastern end of the province at Wood Island during the days and weeks of the railway strike last summer. The men operating these ferries are not unionized, and great credit must go to Captain Hunter and his crews for their tireless efforts in keeping their ferries running day and night, thus helping to avert what might have been in some instances a real crisis. In the busiest part of the tourist season there are long lines of cars waiting for the ferries. During the rail strike of last summer, cars were lined up for over three miles from the pier, and drivers almost always had to stay by their cars in order to retain their priority on the boats.

This past summer, when all the ferries at the western end of the province were tied up for weeks by the railway employees' strike, great hardship was caused to many people; for some it was a real calamity. Some of our visitors lost their jobs on account of not being able to get back from their holidays in time. Children were late in returning to school, and there were even tragedies when people could not get to sick and dying relatives. The airlines, of which I will have something to say later, were not able to accommodate all those stranded by the strike. Altogether it was a dreadful situation.

There are six ferries running between the Island and New Brunswick during the summer months; indeed for almost eight months of the year. The great hardship that ensues when our ferries are tied up for weeks at a time by a strike can readily be visualized. Before we suffer further from crippling strikes, I appeal to those in authority to devise some machinery by which it will be impossible for the conditions of the summer of 1973 to recur in the province of Prince Edward Island.

An adequate ferry service is also necessary to provide Newfoundland with the necessities of life, such as vegetables, meat and milk. Owing to its terrain, Newfoundland does not lend itself to agriculture on a large scale. As honourable senators know, the same modes of transportation are used in getting to and from Newfoundland and Prince Edward Island—transportation by water and by air.

Honourable senators, there has been a great deal of talk of a causeway being constructed between Prince Edward

Island and New Brunswick. In fact, some time ago a start was made on the construction of such a causeway, but that has been abandoned for the present. However, I have often crossed on the ferries in winter during storms and blizzards when no vehicle could possibly travel the nine miles of Northumberland Strait on a causeway. So the Islanders have mixed feeling about any proposal to link Prince Edward Island to the mainland, whether it be by causeway, tunnel, or bridge, as they feel they would lose their individuality and identity as Islanders. We are proud of being Islanders.

Personally, I do not favour a causeway for we would still have to maintain a ferry service. There would be many times when crossing a causeway in winter would be hazardous, and, indeed, at times impossible, as I have mentioned—even for a train, although I believe rail service across a causeway was not considered at first.

Two surveys have been made which indicate that the final clearing of ice west of a causeway would be delayed in most seasons from four to twelve days. This could easily cause a blockage that would last many more days—perhaps a month, some authorities say—thus impeding the launching of boats for the fishing industry, an industry vital to our economy. It is possible to build a causeway, of course, but it is not feasible in the opinion of many people.

The two provinces, Prince Edward Island and Newfoundland, are in a very different position from that of any other Canadian province. We are surrounded by the ocean. Water is the principal method of transportation of our exports and imports—those necessities of life without which we cannot survive. Again, I say the ferries are the lifelines of our eastern island provinces. There is a great need for more and larger boats to transport more rail cars and automobiles between those provinces and the mainland of Canada.

Traffic has increased greatly in the past ten years. Indeed, it has almost doubled, and our transportation system has not kept up with the services required. It is inadequate. On the Borden-Tormentine route, more than a hundred automobiles can be carried at each crossing, but at many times during July and August at least that number are left at each side waiting for transportation. I may say from personal experience that this is a very annoying situation. On one occasion I sat in a car for six hours at Tormentine before getting on the boat.

To one travelling to Prince Edward Island by train I am sure it must appear that we have taken a backward step. Formerly we had direct train service to various points on the Island. Now it is necessary to detrain at Amherst, board a bus and drive 34 miles to Tormentine, get off the bus while crossing on the ferry, and return to the bus on arrival at Borden to proceed to Summerside or Charlottetown. The buses have no washrooms. In winter they are especially draughty and rough. It is not a pleasant trip at the best of times. This discrimination is unfair. We are the only province without passenger trains. I strongly urge that passenger service be restored to Prince Edward Island. Many people prefer to travel this way.

● (1630)

At the present time tourist spending amounts to something over \$16 million in Prince Edward Island, and with greater and more convenient transportation facilities and increased accommodation in hotels, motels, tourist homes and cottages, that amount could be quickly doubled—a very significant factor in the economy of a small province.

More than 80 per cent of tourists to the Maritime provinces and Newfoundland arrive by automobile, because a car is necessary in touring these provinces. It is the cheapest way for a family to see the scenery and get from place to place. Over 500,000 came to Prince Edward Island last year, the majority of them by the ferries.

Air transportation in Prince Edward Island is in great need of improvement. The first air mail in Canada was flown between Charlottetown and Moncton in the early twenties. Air transportation has increased greatly during the past years, but the service given is entirely inadequate to meet the needs of those who use this method of travel. The connections, even between Maritime centres, are time-consuming and expensive. Eastern Provincial Airways gives a good service, but it is handicapped in giving better service by several disadvantages. The airport at Charlottetown is a travesty so far as airports go. It is a real disgrace to expect a province to put up with the accommodation provided for the people coming to and going from this airport. It is far too small, very few seats are provided for the crowds who arrive and leave, there is no provision for food, and there is just nowhere for one to rest during long waits.

On one occasion in August of last year I waited over three hours for my flight to Montreal. There was not even elbow room in the building. The conditions were appalling. Over 200 people were crowded into a space sufficient for 75; the heat was stifling. The aircraft for which we were waiting was in Moncton for repair, and no other was available at the time. Flights were coming in from the Magdalen Islands and Newfoundland with passengers for Montreal. We were very crowded and suffered great discomfort.

The staff work under conditions that in this day and age should not be expected of anyone. Miss Helen Cox, the manager, and her staff have no accommodation for their outdoor clothing, except under their desks or over the backs of their chairs. The working rooms are small, airless and altogether depressing. Miss Cox and her staff are most courteous and obliging, and do all they can to assist the passengers who patronize the airlines. They deserve much better working conditions.

I hope these problems will be overcome so that in every way air travel to and from Prince Edward Island will be a pleasure, and not just something to be endured as it is today. In this year, when so much money is to be spent on various projects, surely some of it can be spent on improving conditions at the Charlottetown airport.

Perhaps this is the year when we Prince Edward Islanders should assess ourselves. We have just finished our centennial year. We have looked back a hundred years, and now we must look to the foreseeable future. We have progressed from a dependent colony to the status of a province in the Confederation of Canada. We merit the

consideration due us as such, and I hope our government will provide us with adequate transportation services, so necessary to our economy and development.

On motion of Senator Blois, debate adjourned.
The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 7, 1974

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

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, March 12, at 8 o'clock in the evening.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Fred M. Blois: Honourable senators, like those who have preceded me in this debate I, too, wish to pay my respects and good wishes to Madam Speaker and compliment her on the dignified and impartial manner in which she presides over this chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Blois: I am sure all honourable senators were pleased when Madam Speaker was appointed to preside over this very important office. I believe she is the only woman presiding over a second chamber in North America.

We wish you, Madam Speaker, continued success and good health during this second session of the Twentieth Parliament of Canada. When you were appointed to this high position all Maritimers were very proud of you. Your appointment as Speaker of the Senate was a wonderful compliment to you, your own province of New Brunswick and to all the Maritime provinces.

I wish to express my thanks to the Leader of the Government and to the deputy leader, on behalf of the members of my party in this chamber, for their co-operation with us. Also, I should like to express my own appreciation and, I am sure, that of all honourable senators, to the Clerk of the Senate, the First Clerk Assistant, the Gentleman Usher of the Black Rod and his staff, all of whom have been very helpful to honourable senators.

I want to express my personal appreciation to the Liberal Whip, Senator Buckwold, who worked with me when I had the pleasure of acting as Conservative Whip during the necessary absence of our Whip, Senator John M. Macdonald.

In passing on these few compliments, which are sincere on my part, I am not forgetting the charming page girls

who have been most kind to all of us and who have brightened this chamber with their smiles and deportment. I know these complimentary remarks are somewhat unusual, but I feel they are deserved, and, as I stated a moment ago, they are very sincere on my part.

I congratulate the mover and seconder of the Address to His Excellency the Governor General in reply to the Speech from the Throne at the opening of this second session of the 29th Parliament. I think they did a very good job, considering the fact that they had to work hard at it. Naturally, I do not agree with everything they said, nor with their interpretation of the things mentioned in the Throne Speech. This is a country of free speech and everyone is entitled to his or her own personal views. Personally, I found the Speech from the Throne very vague, forcing one to try to read between the lines to see what the government had in mind.

Senator Perrault said that the Speech from the Throne reflects the concern of the government about the problems of inflation and rapid price escalation, because of which seemingly all Canadians must pay prices rising ten per cent or more every year without end. I remember that as far back as 1970 Prime Minister Trudeau stated that the government had inflation licked. In his speech Senator Perrault said:

So we have in the Throne Speech a number of measures designed to mitigate the effects of inflation.

If we have inflation licked, I wonder why we need these measures? For some time Mr. Trudeau has said that inflation in Canada is due to international factors, and that there is little the government can do. In fact, Mr. Trudeau has said that if a government cannot cope with self-induced inflation it deserves to be thrown out. I hope the people keep that in mind a little later this year, perhaps.

What are the real facts? Sixty per cent of our current inflation of 9.1 per cent is self-induced. International inflation may account for little more than one-third of our total inflation. Furthermore, the domestic or self-induced component of inflation has been escalating continuously since the last quarter of 1970, when Mr. Trudeau said that inflation was licked.

One senator who spoke earlier in our debate referred to the promises the government made in the Speech from the Throne read by His Excellency the Governor General. I do not recall one single definite promise. The Speech states that the government intends to revise farm prices and income structure, to guarantee farmers a stabilized income through joint government-farmer funds. It intends to prevent unreasonable increases in oil prices. It intends to establish a one-price oil marketing system, to set up a national petroleum corporation. It intends to develop a port policy. It intends to change the Bank Act, to facilitate provincial participation in bank ownership. It intends to

end the discrimination in freight rates. It intends to end discrimination against women. The details, of course, are absent. Therefore, for all Canadians only time will tell whether the intentions written into the Throne Speech will be translated into the kind of action they appear on the surface to promise.

● (1410)

Frankly, I do not put too much faith in intentions. I presume the government's intentions are good and reliable, but most of us have heard, among our families and friends, such phrases as: I intended to do so and so but I completely forgot. I intended to do that but it just slipped my mind. I intended to, but I didn't have time. Sometimes the use of "intended" is simply an excuse—and a poor one at that—for not doing anything definite. We know the old saying, "The road to hell is paved with good intentions." I hope that is not going to be true of the intentions contained in the Speech from the Throne.

The Speech generated a very cool reception at best across Canada, but Throne Speeches have never been known to meet with widespread enthusiasm. The majority of the Western premiers who anticipated it would contain strong and positive responses to concerns raised at last year's Western Economic Opportunities Conference were disappointed. Both Westerners and Easterners alike could hardly feel overly optimistic that their transportation and energy problems were going to be tackled and resolved satisfactorily.

Prime Minister Trudeau called the Throne Speech a matter-of-fact program of action. Obviously it is intended as a major weapon against escalating inflation, but unless it is translated into legislation and policies far more effective than those applied to inflation thus far, it will please very few.

Every other issue aside, the spiralling cost of living still dominates public concern, and the government's response to that will be seen as time goes on.

Senator Perrault criticizes the Leader of the Opposition in the other place for opposing the government's program to combat the price spiral. He criticizes Mr. Stanfield because of his having a program of short-term control and follow-up measures. Senator Perrault said, "These measures have not been specified and no details have been given." I say to the Senate that surely as a businessman Senator Perrault would not give away his plans to his competitors if he were bringing out something new. And Mr. Stanfield would not give away anything that would help his political opponents; he would wait until the time becomes ripe to detail his plans—that is, when he takes over the government. This is what the senator said:

It is to be hoped that shortly the Leader of the Opposition in the other place will bring himself to providing a detailed list of proposed controls as well as a list of specific measures which should follow these controls.

I would gather that he, like myself, hopes and believes that Mr. Stanfield is to be the next Prime Minister of Canada and will be in a position to do this, and soon.

I realize that it is quite in order for any member of Parliament to criticize the Leader of the Opposition in the other place, but I was a little disturbed when Senator Perrault mentioned the Stanfield Limited firm and the

price increase made necessary in the manufacture of underwear over the past few years. I am sorry Senator Perrault is not in the house as I am saying these things, but that cannot be helped.

Hon. Mr. Flynn: He has been away since he made those remarks.

Hon. Mr. Laing: Senator Perrault is ill.

Hon. Mr. Flynn: He should be, after saying that.

Hon. Mr. Blois: I trust he was not suggesting that the prices of Stanfield garments are unnecessarily high. It is true that the firm in question is controlled by the Stanfield family, but Mr. Bob Stanfield is not, and never has been, an officer or director of that company. No doubt he is a shareholder and probably quite a large shareholder, but he has absolutely nothing to do with the formulating of plans for that company. I am pointing out these facts because I think Senator Perrault was trying to throw a certain amount of blame on Mr. Stanfield and also perhaps trying to degrade the company. Furthermore, apparently Senator Perrault does not know that the Stanfield company has been in business for over 100 years. Perhaps it would be just as well, since he opened up the subject, if I were to give Senator Perrault some information about this company. They have constantly paid fair dividends to their shareholders and any extra profits have been put aside to purchase new equipment and construct new buildings, et cetera. Today, as always, it is one of the most modern and up-to-date textile plants in North America, with exceptionally good working conditions. I am very proud of that company, of which for 40 years I was the general superintendent or mill manager in charge of manufacturing. I was also a director for 29 years. I am most proud of the fact that during my years with them I put into effect the plan of paying equal rates of pay to male and female employees. I believe I was the first to do that in Canada, and, as a matter of fact, I think few in Canada have ever done that, and I am quite proud of that fact.

Hon. Senators: Hear, hear.

Hon. Mr. Blois: Someone has asked me when that was. If my memory serves me correctly, I believe it was in 1947-48.

The Stanfield company had the finest pension plan of any manufacturing company in Canada, and for the last few years they have had a guaranteed wage plan for all their employees. This plan went into effect around 1966-67. I only wish we had many such manufacturing plants in Canada, which gives steady employment to 1,000 or more persons. I repeat that I am saying this particularly for the benefit of Senator Perrault.

Hon. Mr. McElman: Moreover, they turn out a first-rate product.

Hon. Mr. Blois: I was not making these remarks for the purpose of advertising. I was simply getting back at certain people for what I considered to be unfair remarks. The company does not need the advertising.

Now, I should like to make a few remarks on the subject of unemployment insurance. The Leader of the Opposition in the other place has called for a major inquiry into the operation of the unemployment insurance program. I

believe that inquiry is necessary, and I will go into that a little further. I should like to know, as would many other people, whether there are in fact certain disincentives to work actually built into today's unemployment insurance plan. If there are, what are they and what should be done about them? Is unemployment insurance really an insurance plan or is it a welfare plan in which the contributions by the employers and employees are simply a new kind of tax?

When the unemployment insurance scheme was originally set up, it was designed so that the amount assessed against the employer and the employee would take care of the payments to be made to unemployed persons, and for a time such was the case, I believe. This assessment has increased greatly, but even so the fund is far from carrying itself. In fact, the latest figure I could get shows that the deficit is now estimated at about \$500 million, which is up from \$174 million at the end of 1972. Insurance benefits paid out in 1972 were \$1.87 billion, and in 1973, \$2.03 billion, and the unrecoverable overpayments amounted to \$1,064,000. Benefits increased by \$15 million in 1973 over 1971, despite a benefit control program run by the Unemployment Insurance Commission that disqualified an estimated 250,000 claimants.

● (1420)

Who is paying this deficit under the Unemployment Insurance Commission program? The answer, of course, is very plain. It is the already overtaxed Canadian citizen who is paying this extra amount of money. Therefore, it is essential to all Canadians that this matter be thoroughly investigated.

The government does not seem to be worried about the tremendous cost of the UIC program. You probably remember the answer that Mr. Trudeau gave when asked during the last election campaign to comment on the report that the UIC account was running a deficit of several hundred million dollars. His reply was, "I don't see any scandal. What is it? What if it needs another \$100 million, or \$200 million? What is the magic in numbers?"

Now, that is hardly the type of answer, I think, that a Canadian citizen should expect from his Prime Minister. That is just my opinion, of course. As I said earlier, however, everyone is entitled to his own opinion.

I would like to make a further reference to the 250,000 that the Unemployment Insurance Commission disqualified. I do not think that these persons should share all the blame. I would now, however, like to mention a few cases that were brought to my attention recently.

Last summer a businessman came to see me and told me of two of his staff who were drawing unemployment insurance payments. They informed him that they were taking a month off. He explained that they were entitled to two weeks' holidays with pay. This was the tourist season when things were busy, and it would make quite a hardship for him if they went away at that time. He told them, therefore, that if they would stay on for a couple of months before taking their holidays he would increase the holiday pay from two weeks to three weeks. Their answer was, "We've already been to the unemployment insurance office, and it's all arranged for us to have four weeks' holidays."

[Hon. Mr. Blois.]

Later I personally talked with these employees. They said it was no trouble. All they had to do was to get a form filled out by their boss, and it was no problem. I said, "Did your boss give you this form?" They said, "No. He refused to give it to us because he said he needed us. But we told that to the manager of the unemployment insurance office, and he said, 'Oh, all right.'" They told me this themselves. They received four weeks' pay from the Unemployment Insurance Commission. Now, that is a mighty bad abuse.

Another case brought to my attention a few years ago was that of a man, a foreman in a plant for many years, who was severing his long association with the company. In appreciation they were paying him his regular salary each month for a full year, and after that he would go on pension. I talked with him to find out about it, and at first he said that it was none of my business—and of course it was not. However, he finally told me that one month before he was due to retire he went to the unemployment insurance office and told them he was going to be all through, and about the years he had spent with the firm. He did not tell them he was getting paid for a year. They fixed everything up for him and he told me that he drew unemployment insurance for 102 weeks. This was his story. He did not tell them he was getting his pay for one full year, nor did he tell them he was then going on pension. In my opinion the Leader of the Opposition is fully justified in asking for a full investigation. There is something wrong which should be cleared up, not only for the Leader of the Opposition but for other Canadian citizens. I am sure that every member of this house, regardless of politics, is equally anxious to see this business cleared up.

Hon. Chesley W. Carter: Honourable senators, I should like to begin my remarks by associating myself with the tributes and good wishes that have been extended to our new Governor General, His Excellency Jules Léger, and Madame Léger, as they assume the duties of this high office. Next, I wish to join in the plaudits you have received, Madam Speaker, for the great qualities you have brought to your high office and for the gracious, charming and efficient manner in which you preside over our deliberations. I should also like to associate myself with those who have complimented the mover and seconder of the motion for an Address in reply to the Speech from the Throne on the excellence of both the content and the manner of their presentations.

The Throne Speech we are now debating focuses mainly on energy and inflation—two areas of concern which are global in scope and should be considered in the light of the drastic changes which have occurred in the world situation in recent months. Every year world problems tend to grow more serious and beyond man's wisdom and capacity to solve. Peace and happiness, the two most cherished desires of mankind, are in ever shorter supply. Social unrest, crime, drug addiction and terrorism continue to increase. World population keeps increasing at the rate of over 70 million per year—much faster than the production of food. Last year crop failures, floods, droughts, insects and other causes reduced food production below normal levels, and hundreds of thousands of human beings in Africa and Asia died of famine, while countless millions of others were brought to the brink of starvation.

The undeveloped countries of the Third World struggle bravely to expand their economies to improve the unbearably low living standards of their people, only to have their efforts frustrated over and over again by the ever-increasing prices of the necessities they have to import, coupled with a reduction in the prices of the products they have to sell. Thus, the gap between the rich countries and the poor countries continues to widen.

For the rich industrialized nations, inflation was probably the number one problem throughout the Western World. In Britain, France and other European countries it increased more rapidly than in Canada. Even in the United States, with its huge domestic market, inflation approached 10 per cent. In Japan and Italy it was higher.

Next to inflation, most industrialized countries were plagued with the twin problems of balance of trade deficits and the instability of world currencies due in large measure to the fluctuating value of the United States dollar. This was due in part to the abnormal situation with which our great southern neighbour has been plagued for the past two years, and due also to the great distrust of paper currency by speculators, including the rulers of Mid-Eastern oil-producing countries, who have much more money than they know what to do with and therefore try to convert as much of it as possible into gold. The problem of unemployment was also becoming increasingly severe. However, in spite of all these problems, the rich industrialized nations of the world were expanding their economies and improving their living standards, and were in the process of developing long-range policies and programs which in time would bring these problems under control and would enable them to give more help to the Third World.

● (1430)

These long-range policies and programs, however, were predicated on an abundant long-term supply of oil energy at stable prices. Then came the so-called oil crisis when oil-producing countries decided to freeze or reduce their production while at the same time increasing the price from around \$3 a barrel to around \$10 a barrel delivered in London, Tokyo, and Montreal.

The result of this sudden and exorbitant increase was to disrupt completely the economies of all the industrialized nations in the world. All their plans for solving inflation, unemployment and trade deficit problems were knocked into a cocked hat.

The world picture before this event was not at all pretty, but today it is much worse. The industrialized nations must now start all over again to try to put together the different pieces of their shattered economies and to work out new adjustments and devise new methods of solving the new problems that have been created along with the old ones which have now been rendered much more difficult.

The Speech from the Throne, therefore, marks not only the beginning of a new session but, in a sense, the beginning of a new era, because the world as we knew it 12 months ago has undergone permanent change, although it may be some time yet before the full impact becomes apparent. However, one thing is certain. Gone forever are the days of cheap energy and low-priced goods. Many commodities now cheap and abundant will become scarce

and costly. It is in this global context that the policies set forth in the Throne Speech should be appraised, particularly those relating to inflation.

Inflation has many causes. There is cost-push inflation, demand-pull inflation, inflation that results from profiteering or from low productivity when we fail to give an honest day's work in return for an honest day's pay. And there is imported inflation. To the extent that inflation is caused by human greed, selfishness and dishonesty, we all contribute to it in one way or another.

Inflation is the net result of a multitude of factors acting together in different parts of our nation and in different parts of the world at different times and resulting from different causes. There is an analogy between inflation and the common cold. The common cold can be caused by hundreds of different types of viruses, and the remedy for a cold caused by one type of virus will have no effect on a cold caused by other types. Inflation is not a simple matter and has no simple solution. However, it is the rate of inflation that causes concern rather than inflation itself. Two per cent inflation per year has been considered normal under our system for many years. In recent years even 3 per cent has not been considered excessive, but last year inflation in Canada approximated 9 per cent. This is too close to the danger point to be comfortable, because history has shown that democratic governments do not survive if two-figure inflation is permitted to exist over a period of years.

A large part of Canada's inflation is imported, however, and therefore beyond our control. Canada is a trading nation. Twenty-five per cent of our gross national product and a corresponding percentage of our jobs depend upon our trade with other countries. In 1973 Canada imported \$23.3 billion worth of goods, including \$1.6 billion worth of agricultural products, and there is no way we can escape importing the inflation that exists in the countries where these goods are produced.

Neither can we have any control over the changes that take place in world currencies. For example, the Japanese yen, the Australian dollar and the New Zealand dollar have increased in price approximately 25 per cent, while the German mark has increased approximately 40 per cent in relation to the Canadian and U.S. dollar. This means that Japanese and German consumers, as compared with Canadian consumers, have respectively 25 and 40 per cent more buying power in the world trading market. This means, in turn, that Canada has to pay 25 and 40 per cent more respectively for goods imported from these countries, while on the other hand Japanese and German consumers can purchase correspondingly more Canadian goods per unit of their currency.

This results in a corresponding increase in the demand for Canadian goods, so that an upward pressure is exerted on the price of Canadian products for Canadian consumers, because Canadian producers will naturally sell where the return is highest, and that may very well be the export market. This has been the case with our wheat, which went from \$1.70 a bushel in August 1972 to \$5.66 per bushel on September 21, 1973. Top quality Durum wheat went from \$1.69 per bushel to \$9 per bushel in the same period.

There are other factors, such as the increase in world population—some 70 million people per year—and a 4.5

per cent decrease in world agricultural production in 1972 due to drought, floods and crop failures. In addition, industrial countries are becoming more affluent and, as their people earn higher incomes, they can afford a better diet. For example, in 1972 Japan bought from Canada wheat, fish and grain in quantities two and three times greater than ever before. Canada's own consumption of meat—beef, pork and broilers—increased from 144.6 pounds per capita in 1963 to 188.2 pounds in 1972. With the possible exception of meat rationing, there is nothing that any Canadian government can do to control any of these factors. If they freeze prices, the farmers either hold their products off the market or stop producing altogether, as did the United States farmers last fall.

How much of Canada's 9 per cent rate of inflation was imported it is impossible to calculate, but having regard to our total trade figures and the increased currency value of the countries from which we made the purchases, a guess-estimate of 50 per cent does not appear to be unreasonable. On this basis, the amount of inflation generated here in Canada would be around 4.5 per cent, and if we accept 2.5 per cent inflation as normal, or the irreducible minimum, that still leaves 2 per cent which we must try to eliminate.

In the world at large inflation is much higher than here in Canada, and now, on top of it all, comes this tremendous increase in the price of oil which can only make a bad situation worse for every country. How much worse, nobody yet knows. A lot will depend on how much wisdom the industrialized nations can bring to bear on their problems and to what extent they will agree to co-operate and take unified action to solve them. If they adopt the attitude of "each man for himself and the devil take the hindmost," then a restriction of world trade is bound to result at the very time when trade expansion is an absolute necessity. This could well lead to a collapse of the economies of one or more of the industrialized nations which, in turn, could bring on a world depression.

Although the grounds for optimism are not particularly strong, these things may not happen. But we have a duty to tell the Canadian people the facts as we see them, so that they will be better prepared to do what they can to prevent the worst from happening and be better able to adjust if it does happen.

In Canada inflation has been most evident in the price of food. As stated earlier, this has been due to increased world population, world food shortage and increased demand due to increased affluence in Canada as well as abroad. The tremendous increase in the price of oil will push food prices still higher, because the agriculture industry is one of the largest oil consumers, not only in the form of oil and gas to operate equipment but also in the form of fertilizer, which is becoming increasingly scarce and expensive. Higher priced oil means higher priced food. We might as well face that fact at once, because there is no way around it. As was pointed out earlier, the freezing of prices simply will not work.

● (1440)

Across-the-board price freezing is a very simplistic solution—too simple, in fact—but it does have a wide appeal, especially to pensioners and those in the low income brackets. But if you take time to examine it, you will see

[Hon. Mr. Carter.]

that the cure is worse than the disease. As pointed out earlier, freezing farm prices only results in restricting the supply. This is what happened in the United States last year, and we would be foolish not to learn from their experience.

Besides, a general price freeze without an income freeze will only feed inflation. When an increased amount of money chases after a fixed or reduced amount of goods, the inevitable result is higher prices, either on the open market or on the black market, which is practically impossible to control.

On the other hand, the only incomes that really can be controlled are the wages of the blue collar workers. Salaried people can easily avoid income controls by means of reclassification or salary bonuses. The incomes of professional or self-employed people are practically impossible to control. Even if an effective means of controlling their incomes could be found, they would merely curtail their services. Nothing would be gained, and those depending on their services would suffer.

A system of income controls would merely put the main burden of fighting inflation on the blue collar workers, while the white collar workers would escape with little or no burden at all. This would be manifestly unfair and unjust. Also, we must remember that to enforce a system of price and income controls effectively would require a greatly expanded bureaucracy, whose additional cost to the taxpayer could well be as great or even greater than the savings gained from the price freeze policy.

It is very unfair and very misleading to say that the government has done nothing at all about inflation. It has done a great deal. Only last fall the government took action to stabilize the price of bread and milk. In addition, a freeze was put on the price of heating oil and gasoline, export barriers were placed on beef to keep the price from rising to the U.S. level, and the price of oil was frozen at \$4 per barrel. Also, to protect the weak—that is, the low income consumers, pensioners and those on fixed incomes—family allowances were adjusted upwards, pensions were indexed and heating fuel allowances were provided. In addition, amendments to the Income Tax Act removed some 750,000 low income earners from the tax roll. In general, the government has been pursuing a flexible combination of policies ranging from selective controls to subsidization, while at the same time attacking inflation at its roots by encouraging Canadians to produce more of our best commodities.

Controls treat only the symptoms of inflation, not the causes. One of the best ways of bringing down prices is to produce more goods and produce them more efficiently. This is the basis of the government's food policy as outlined in the following quotation from the Speech from the Throne:

The Government is developing a policy on food based on the following objectives:

—an adequate and dependable supply of quality food for a growing population in Canada enjoying a rising standard of living;

—reasonable food prices:

—for the consumer, in not requiring an undue proportion of income for Canadians to secure a sufficient and balanced diet,

—for the producer, in providing a return adequate to encourage production of food items which can be economically and efficiently produced in Canada;

—a continuing supply and increasing production of those food products in which Canada has a competitive advantage for export to commercial markets and also for a contribution to international food aid programs.

The Government's objectives will guide a re-assessment of existing programs in the areas of agriculture and fisheries.

As a Newfoundlander, I am very happy to see that the food prices policy applies to the fishing industry as well as to agriculture. The government's food policy is designed to protect the weak, cushion all Canadians against sudden and disruptive price increases of essential commodities, and increase production and supply. To this end, the required legislative action, as outlined in the Speech from the Throne, can be listed under the following seven subjects:

—Income stabilization.

—Encouragement for young farmers.

—Upgrading of equipment.

—Incentives to be provided to increase the production of livestock and to increase Canada's catch of fish for both Canadian and export markets.

—Orderly marketing, which includes the construction of new storage facilities for storable crops.

—An improved marketing system, including improvements in grain transportation facilities.

—Improving the availability of manpower for food production by co-operative arrangements between Manpower and Immigration in order to bring job applicants and employers together.

Honourable senators, this is a very comprehensive and far-sighted policy. It ensures a fair income to farmers and fishermen, which will encourage them to stay on the job, and provides incentives for them to produce as much as possible. This, together with orderly marketing, will ensure a stable supply of food products, the consequence being stability in food prices.

With respect to energy, the Throne Speech focuses chiefly on oil and gas, the two main policy features being the creation of a nationwide single price market for Canadian-produced oil and the creation of a national petroleum corporation. The price freeze on oil of \$4 per barrel expires at the end of this month, at which time a new arrangement will have to be worked out in conjunction with the provinces concerned. It is not realistic to expect the price of \$4 per barrel to be maintained indefinitely. The price of Canadian oil must be permitted to rise to a level that will enable the oil companies to carry on the necessary exploration in Canada to find new sources. What that level is must be determined by the experts. It could very well come close to the price of imported oil. But whatever level is decided upon, the increase must not be sharp and sudden, as was the case last year. The price rise must be

orderly, controlled, and at a rate that can be absorbed without further disruption of the Canadian economy.

With respect to the national petroleum corporation, although I am a believer in free enterprise I do not think the government really has much choice in this matter. World supplies of oil, as well as practically all other energy sources, are controlled by a few large multinational corporations. In Canada all the big oil companies are foreign-owned, and big governments are also now getting into the oil business, with the Arab governments leading the way.

These oil companies are big monopolies. They have their own market structures and their own carriers. Some even have their own retail outlets, thereby controlling their product all the way from the wellhead to the gas pump. They set their own prices and can do pretty much as they like. Though they call themselves free enterprise, their performance since the oil crisis started has proved they are not responsible enterprise.

The government has a duty to protect the Canadian economy and the interests of Canadians generally, which means stable supplies of oil at reasonable and stable prices. The manipulations and performance of the oil companies during the past eight months have shown that these oil monopolies cannot be trusted. The government would be remiss in not taking whatever steps are open to it to minimize the extent to which the Canadian people are at their mercy.

● (1450)

Also, since we will have to pay higher prices for Canadian oil and since we can now generate the necessary capital internally, why shouldn't we own a chunk of the oil industry in Canada and have some say in its decisions? Whether this corporation will be 51 per cent owned or 100 per cent owned, or whether shares will be available to the provinces, will not be known until the legislation is before us, but the idea is sound, and in principle I think it will be generally approved.

Canada really needs an overall energy policy embracing all forms of energy sources—oil, gas, coal, hydroelectric, tidal power, geo-thermal and nuclear sources. We must remember it takes energy to produce energy. It is the net amount of energy produced that is really important. We must, therefore, search for ways of getting maximum output with minimum input. We must also search for the best mix of various types of energy having regard to the different needs and the peculiar characteristics of the Canadian economy. For example, it may be better to gasify coal and substitute it where possible for oil, which is needed so urgently for the petro-chemical industry and for the production of so many commodities, ranging from plastics to acrylic paints, which have become so essential to our everyday life. It is for this reason that I welcome the emphasis which the Throne Speech places on scientific research, technology and innovation.

In one sense the so-called energy crisis has been a blessing in disguise. It has forced us to face the fact that certain resources, such as oil, gas, copper and other commodities which we take for granted, are in limited supply, not only in Canada but in the world at large. The need for conservation has been dramatically demonstrated, and we have already begun to put it into practice—turning off

unnecessary lights, turning down thermostats and driving at reduced speeds. We have not really suffered from this slight modification of our life style. Instead we have benefited, because we have done more walking and cycling, we have created less pollution, and all this is beneficial to our health.

It seems to me that we now have a golden opportunity to take a good look at our life style generally and ask ourselves some questions about it. How much of it is really necessary or beneficial? Can we afford to go on wasting so much of our resources when fellow human beings in so many parts of the world are suffering from lack of them? What are our duties and obligations as custodians of these resources for future generations? Is it sensible to waste precious energy and resources building obsolescence into our products and producing "throw away" goods, gimmicks and other things that we could well do without, while at the same time undermining our health and destroying our environment?

Experience has shown that once our needs are satisfied an excess of material possessions does not add to our peace, happiness or contentment. Reality, symbolized by the oil crisis, is going to force a change in our life style whether we wish it or not. Isn't it much better to do it voluntarily at our own convenience rather than have sudden readjustments forced upon us? I believe that if we put this proposition to those Canadians who are well above the poverty level, that challenge will be accepted.

Another blessing of the oil crisis is that it has brought home to us all how wonderfully fortunate we are to live in a country like Canada, a country that is able to produce its own food supply and can become self-sufficient in energy resources. We should thank God for that, every day of our lives, and impress it upon our children.

Honourable senators, to solve the problems with which we are faced at the present time and to minimize future adjustments will require the utmost co-operation and understanding between the various provincial governments. It will also demand from every one of us the highest ethical conduct of which we are capable. In this connection I should like to read an article which appeared in the *Christian Science Monitor* on January 16, 1974. It is entitled "The Nation's Greatest Needs," and was written by Roscoe Drummond, but in my opinion it applies to Canada equally as much as to the United States:

The No. 1 problem in the United States is not the energy crisis nor health nor housing nor unemployment—urgent as these matters are.

It's something else.

It's sleazy ethics and pervasive dishonesty in just about everything—in government, in politics, in business, in labor, and to some extent in the media. They all suffer from widespread public distrust.

The truth is that a lack of faith is dangerously eroding the resources of the nation.

Here is one verdict which is blunt and to the point:

People are fed up, disillusioned by the liars, sick of the exploiters. People want faith instead of anxiety. Faith in themselves, faith in their unions, their schools, their government, faith in each other.

[Hon. Mr. Carter.]

They are ready to believe in ethics and honesty. But to improve our system, we must improve ourselves. That's the challenge.

But just how important is it to confront this challenge and begin to do something about it? Is it something just nice to do or is it imperative? I submit that corrupt politics, shabby ethics, and widespread dishonesty are death-dealing to human freedom and to democratic government. To reverse the downward drift we have been witnessing for a decade of lawless violence and lawless government will be life-giving.

One organization which is setting out to do something about declining ethics in the U.S. is called American Viewpoint Inc., and its premise goes to the heart of the matter. It is: "Let's Make America Honest Enough to Stay Free."

This is not mere rhetoric. History makes it amply clear that the alternative to a decent and workable standard of honor and honesty in any society is not disorder; it is enforced discipline; it is repression; it is the authoritarian state and, in the end, dictatorship.

That is why the theme, "Let's Make America Honest Enough to Stay Free," means what it says. That's why it is crucial to do something about it now. It may sound idealistic. So what? It may sound Utopian. It isn't, it's practical. Healthy ethics is no more Utopian than a healthy democracy. Neglect one and you kill the other.

The danger is plain to see. It is not an overstatement to say that it is as great a challenge to American freedom as World War II. We either face it or run away from it and suffer the consequences. Much can be done individually to restore higher ethical conduct to all our relations. But collective efforts will be needed. I make this suggestion:

Shouldn't every major civic organization in the U.S.—like the League of Women Voters, the Junior Chambers of Commerce, Rotary, Kiwanis—every labor union, every business organization, every professional group, make it a first priority in 1974 to study codes of ethics to find out how well they work and find ways to make them work better?

I'm not talking about ethics you frame and hang on the wall. I am not talking about ethics with which to measure others, but ethics to measure ourselves and to live by.

The leaders of these and other organizations can do much to stir and stimulate a genuine revival of ethics-at-work in the U.S. and one way to begin would be to consult with American Viewpoint Inc. whose sole, non-profit concern is to help "make honesty a working social principle, rather than a moral issue apart from our daily lives."

The American people can have any kind of government, any kind of politics, any kind of society they want. But it won't come from wishing; only from doing.

Honourable senators, this article also pinpoints Canada's greatest need and what we can and should do about it. I believe that if the government and we as parliamentari-

ans have the courage to issue this challenge to the Canadian people they will accept it.

● (1500)

Hon. Edward M. Lawson: Honourable senators, I felt somewhat handicapped with respect to commenting on the Speech from the Throne, but while I did not hear it when it was being delivered here in this chamber last week I now have the benefit of the neutral, objective and unbiased analysis by the government leader, and I feel better equipped to comment on it.

I want to say at the outset that I accept the excellent presentation of the government's record made by the government leader. I think that it was an outstanding recitation of the accomplishments of the government, and an excellent comparison of its record with that of other countries. The only question is: Is it a valid comparison? It is like someone asking, "How is your wife?" and getting the reply, "Well, compared with whose?" I wonder if it is a valid comparison, or if it would be more valid to ask about the government's record in relation to the problems that exist in the country.

I see that the government is going to deal with the area of inflation. I read with interest the sentence about the government's developing "a policy on food based on the following objectives," and the part about "enjoying a rising standard of living." I am curious to know who these people are who are enjoying a rising standard of living. Certainly the people on fixed incomes are not enjoying a rising standard of living. The pensioners are not, to take one side of the spectrum. Judges, whose last increase was approved here three or four years ago, have not had a rising standard of living. On the contrary, as a result of inflation eroding that increase they are getting 25 or 30 per cent less today than they did two or three years ago.

Honourable senators, in the trade unions I have the privilege to represent there is a kind of quiet revolution going on, but it is ceasing to be quiet—certainly among trade union members. In times past they would go with the recommendation of the trade union officer that the increases negotiated were reasonable within the total framework. The officer would make a few comments and a recommendation about retroactive pay, and so on, and generally the majority would agree with the recommendation and go back to work. When such an officer now presents a recommendation to a group of workers he will have difficulty completing the recommendation before there are 50 people at each microphone, each with his own private list. It will be said, "Two years ago you got me a dollar an hour increase, which sounded like an outstanding increase. I netted 7 cents an hour out of it, and when you negotiated an increase of 10 per cent last year that hardly kept me even. We now have to talk in terms of having at least 10 per cent to maintain our standard of living. If we are to improve our standard of living, then go and get us 12 per cent or 15 per cent, because we cannot keep pace with inflation." Each one has his own handful of statistics with predictions of what things will be like for the future.

That is why today many contracts are being turned down—the union members are concerned about runaway inflation. Their concern is still a basic one of security, but they also want the security of knowing that the increases

they negotiate, the wages they receive, which were considered fair, are not being rapidly eroded from under them. That is why I think it is safe to say that the new thing that will be negotiated and obtained, even if it takes strikes to obtain it, will be a cost of living clause. I think it is a fair prediction to make that in the majority of contracts negotiated in the next two or three years, every collective agreement will contain a cost of living escalator clause of some kind as a means of protection or security for the work force. The unions will talk in terms of this increase in the cost of living. Those organizations that have bargaining power, that have recovery power, are able to negotiate these kinds of clauses, but it seems that while progress has been made in the area of inflation, it is impossible to tell that inflation is solved, mostly solved, or ceases to be a problem.

It seems to me, if we follow what Senator Carter recommends, that there is going to be more honesty in government, and we should acknowledge that there are certain percentages of inflation that we cannot eradicate and we should develop a simple cure. Perhaps to every fixed income we should attach a cost of living clause that would keep pace with inflation, and thus maintain the standard. We should encourage or develop, through the federal Department of Labour, cost of living escalator clauses that will be uniform across the country. That would be a more honest approach than the present one.

I am pleased to see that there is concern expressed by the government in respect of agriculture, in particular. This is my interest. I wonder how they are going to go about this. The best example I can give is that not so long ago in the province of British Columbia there was a front page news story of a feed lot that went out of business. It was not a big one. The man put through about 5,000 head of cattle a year—perhaps five million pounds of beef. He announced that he was going out of business because he simply could not afford to continue.

This gentleman is a friend of mine, and I went out and talked to him. He told me that in the previous year he paid \$35 a ton for hay, and now it was costing him \$90 or \$100 a ton. He said that molasses went up from \$38 to \$78 a ton. There were all these additional costs, and it was simply impossible, because of all these factors, to continue.

I would be more impressed with the government's statement that they are going to counsel people, talk with the provinces and concern themselves about this, if I had not got the answer that I did from this farmer. I asked him, "Didn't the federal government come and talk to you about this?" He said, "No." It was widely publicized, although he was dealing with only five million pounds of beef a year.

It seems to me, if there had been a genuine concern, that someone from the federal Department of Agriculture would have knocked on that man's door and asked how his production could be kept going, what were the problems and how the government could help. One of the problems that that man talked about was that the price, which had gone to over a dollar a pound, had dropped to 75 cents and then settled at about 82 cents a pound. There was so much missing—20 cents a pound—and he knew he did not get it, and I know that the consumers did not get it. So there is some mystery as to where that difference of 20 cents a

pound disappeared to. Again, if we are to believe what is said in the Speech from the Throne, someone should have been there checking to find the answer, to see how they could keep this operation going.

I am delighted to hear that the government is talking about encouraging new farmers. That is very important. However, it seems to me that a first step would be to keep those who are in the business, and who have many years of experience, going.

There is an excellent study that I would refer the government to. It was prepared for the Greater Vancouver Regional District, and it concerns the Delta farm lands. The first thing they discovered about farmers was that about 50 per cent were absentee owners. When each farmer was interviewed as to whether he was going to continue or leave, the answers went something like this: "I am leasing this farm from the National Harbours Board, and they are a tough landlord. I have a lease for three years, I don't know whether I am going to get it renewed, and I don't know at what rent I am going to get it." They talk about the Hydro owning some land, and about all these absentee owners. They talk about the concern there is over traffic. There is more concern about moving people than there is about preserving these farm lands. They talk about the money being made available, and the programs of farm assistance.

I am troubled because in the Standing Senate Committee on Agriculture, when we talked about that and asked how much money was available, we found the government did not have any available. They were going to guarantee that the banks would make some money available. When we check with the banks we find that they are going to make money available only to the extent that they are going to allow for a particular commodity which is helping farmers, but if there are more attractive loans to make they will divert the money there.

It seems to me that if it is talking about really helping or encouraging farmers, the government should set aside a fund. There should be some millions of dollars available to legitimate farmers who want to be involved, and at fixed rates of interest. It should not depend on the banks' desire to make loans to more attractive borrowers. If we are going to encourage young people to go into farming, if we are going to help them to make farming more productive, we need to talk about making money available.

Farmers talk about equipment prices, which can be traced partially to labour. The cost of labour is a major factor in the production of equipment. However, it seems to me that by way of taxation or long term loans greater assistance could be given to encourage people to go into farming. When that has been done, we will have a collective responsibility. We cannot keep talking about the "romance of farming," and about all the things we are doing for the farmers, while actually doing nothing for them.

I am not talking about grain farmers in the Prairies. I am not competent to talk about them. I am talking about the small farmers, the beef farmers, in the area I come from in British Columbia.

[Hon. Mr. Lawson.]

● (1510)

It seems to me that a genuine effort should be made to really come to grips with the problem, and make the kind of assistance available that would guarantee a reasonable salary to a farmer. There must be a number of ways to accomplish this. There must be some way to provide the farmer with a pension, especially in British Columbia where he cannot now sell his farm to provide his pension. There must be some provision to allow the farmer to earn a pension, in the same way as anybody else. Perhaps it could be done by exempting the farmer from income tax until he earns \$15,000 or \$20,000 annually. There are all kinds of experts around to make the simple calculations to determine a fair rate of return, to provide for a pension, and to do the things necessary to make farming more attractive, to make a greater supply of food available, and to make the kind of things talked about in the Throne Speech a reality. Each time that I talk to farmers about the kinds of problems they have, however, it seems that not much is being done in terms of coming to grips with them.

I must say that I agree with the federal Minister of Agriculture, the Hon. Eugene Whelan, when he talks about an increase in the price of milk. Here there is an emotional reaction; we have some association and involvement. I state unequivocally that milk today is still the best food buy. In 1944, which was the basis for the calculation that we made, one hour's work at the average wage would buy four quarts of milk. In 1974 one hour's work at the average wage will buy eight quarts of milk. So it is a fair statement to say that the cost of milk, related to wages, is half its cost 30 years ago, and a quart of milk is still only half the cost of a quart of beer. So if there is a price increase on milk, there is little point in reacting emotionally. It is still the best food value, and the minister was correct when he said that the price increase was a valid one.

I see that they are going to do something about making improvements in Canadian grain rail transportation capabilities. That is good news for the people in British Columbia, and certainly for Vancouver harbour. Some people suggested that we finally had our third crossing there, because you can now walk across the harbour of Vancouver on the decks of ships. But that is not a new experience. We have had the harbour filled with ships before. The last time it was caused by a longshoremen's strike, or a grain workers' strike. The longshoremen are not on strike on this occasion, and the grain workers are not on strike. There is lots of wheat available, and the harbour is filled with ships.

If we had a longshoremen's strike we would have an emergency session, and a measure, which I would support, legislating them back to work, because we cannot interfere with the nation's commitments in world trade, the shipment of wheat, and so on. But nobody has raised a voice about the situation in British Columbia. Nobody has inquired as to what the problem is, or what the cause of it is. My information is that the CNR finds that it can make a higher rate of return by making boxcars available for other produce. So there are not enough boxcars available. If that is true, or whatever the reason may be, I would like to be told in the Speech from the Throne that something is going to be done about it.

Let us have some federal representation in Vancouver—we should have had it last week, the week before and the week before that while the ships were tied up—demanding to know the cause of it. We should have found a solution, moved this grain crop, and maintained our commitments in world trade. We should have put additional people to work, thus taking them off the welfare rolls. We do not want a lot of words about this. We need some positive action by somebody who is going to short-cut all the red tape, go in, solve the problem, and get the ships moving. Failing that, we should pave over the ships and have our third crossing over Vancouver harbour.

Those are some of my concerns. I do not want to spend too much time on this, but I do want to say that I thought an excellent presentation was made by the government leader, which was reinforced by Senator Carter, on the question of wage and price controls. I endorse that presentation. I cannot think of anything more futile at this time in the nation's history, in the light of the experience of other countries which have clearly demonstrated that wage and price controls will not work, than to adopt them in this country. We have the American experience with controls. As quickly as they accomplished them, they are removing wage and price controls. They simply have not worked. They are finding all kinds of problems and complicating factors.

I do not propose to deal with the energy crisis, but in the United States, by cutting down the mileage and the speed, they have, in effect, cut the wages of our people, of truck drivers, across the United States by 15 or 20 per cent. They have a perfect formula for getting a wage increase of 5.5 per cent per year, and not more than that, and yet a separate issue, a side issue, has cut the wages by 15 to 20 per cent.

I have always said that the greatest thing that has happened in this country is to have the United States as a neighbour. They are good friends, good neighbours, and yet we can look across the border and see a preview of our future five or ten years from now. Surely the lesson should not be how to make bigger and better mistakes than they have made. I think that Senator Martin's outline on the question of wage and price controls—that they have been totally and hopelessly useless in dealing with the problems we have in this country—is accurate and true. They are not even worthy of consideration.

There are some other simple things that I think the government should do. I notice that every time a minister makes a speech, we get a copy. Instead of the minister's writing to give me a copy of his speech I wish that just once he would write to say, "I made a speech and I have some very strong views, but I want to know your views on how to solve some of these problems."

For example, there are housing problems. I do not know it as a matter of fact, but I understand that federal moneys are available for organizations, trade unions, clubs and so on that can put up certain amounts of seed money. They can build housing for "retirees." They can get financing to the extent of from 80 to 100 per cent. They can do these kinds of things, but not once in the 20 years that I have represented a trade union have I ever received an inquiry from the government asking, "Is your organization prepared to sponsor this kind of housing? If we made financ-

ing available, to the extent of 80, 90, or 100 per cent, would you put up the seed money to start the project?" Not once have I received such an inquiry, and I don't know of any other organization of a similar nature in Canada that has. I think there are many Canadians in and out of organizations who are willing to help, and who wish to participate and be a part of the solution, and not just a part of the problem. Instead of being asked what we can do to participate or help, we are being informed by the various speeches of the ministers of all the solutions they have.

I am sorry I missed Senator Perrault's presentation. I believe he had some things to say about the role of women, and I am pleased to see that the Speech from the Throne makes comments about that. I think that Senator Perrault made an excellent presentation when he talked about including them under the Canada Pension Plan as part of the work force, but I think he did not go far enough, because if under federal legislation workers are entitled to paid statutory holidays, then it should also be provided that housewives are similarly entitled. There should also be a provision giving them paid annual holidays, perhaps with the option of taking them with or without husbands. Perhaps a break from the "old man" might make them better equipped to deal with the problems of the future.

In concluding my brief remarks, I would only say with respect to any program the government wants to present that I am not interested in a review of the problem. We know the problems. I am interested in a review of solutions or a program of solutions, and as one senator I stand ready to support those kinds of constructive programs.

Hon. Mr. Connolly: I wonder if I may ask the honourable senator a question? I was interested in hearing him discuss, in the earlier part of his most interesting remarks, the general situation with which the Western world is really confronted—the constantly rising inflationary process; the spiralling cost of living in the Western world, as well as in the rest of the world; the increasing demands for higher wages to meet the legitimate commitments of people who are in the work force and who are on fixed incomes; rising incomes for people who are not on fixed incomes; and, indeed, to keep the machine going, the rising profits in what we call the successful free enterprise system.

● (1520)

The honourable senator is somewhat of a philosopher, and I compliment him when I say that, because he does take a broad view of the society in which we live. I wonder whether he has any comment to make about the fact that there are many people—and I think I am included among them—who sometimes get very depressed about the possibility that what we are doing, in the Western world and in the developing countries, is pricing our system out of existence.

I say frankly that I am not in favour of state ownership or state control, or of a socialist system that will dampen down enterprise. That is the most disastrous kind of thing that free people could have to contend with. But is the honourable senator concerned about the situation that may be put in this most simple way: We seem to proceed for a while on a great boom and then, all of a sudden, the bottom falls out and we have what is called, in the language of the street, a "bust." Where do we stand on

problems of this kind—particularly in a house that was presumably set up to give serious consideration—second thought consideration—to major problems?

Have we any concrete, positive solution to this problem that is not simply a matter of inflation in Canada, the cost of living, the cost of housing in Ottawa or in Vancouver, or wherever it may be? Have we any solution to the larger problem? Perhaps that is too difficult a question to put to anybody, but what the honourable senator said was so interesting that I thought I would put it to him.

Hon. Mr. Lawson: I will attempt to answer this question as briefly as I can. I share your views on the situation, senator. I am not a socialist, and I do not want to see a socialist system come into effect. However, we have a tendency to think that the free enterprise system is perfect and without fault, and that it will find a way, that it is the most efficient system. I think there is too much of a tendency to legislate. Everybody wants to legislate. We should learn from the British experience. They had a real problem of 2 million man-days lost per year. They legislated with respect to it, and now they have 20 million man-days lost per year, so obviously legislation is not the solution. I therefore reject the suggestion that legislation is the answer to every problem.

I do think that the federal government has an important role to play at the grass roots' level, by going to that level and giving research assistance, and those kinds of things, to make the free enterprise system a better system.

I know, from contact with working people, no matter what is said about everyone wanting to be on welfare and social assistance, that the majority of people want to do an honest day's work for an honest day's pay, but they want to do it with the feeling of security that it will be there tomorrow and the next day, and not with the thought in their minds, "Will the company be in business? Will it succeed? Will I have pension provisions?"

If we attack the problem on the basis of security, and give the working man security so that he can devote more of his working hours to being a better workman, and being more efficient so that the company is more successful, then the company will benefit and it will be able to pay for the kind of security the workman wants, and the country as a whole will benefit through increased productivity. We do not need a whole lot of legislation, but we do need somebody who listens, and somebody who really cares, at that level—the foundation level.

Hon. Mr. Buckwold: May I put a question to the honourable senator? I was interested in his encouragement of a built-in cost of living escalation clause in labour contracts. During my experience as a negotiator at the municipal level, at a time when wage increases were really ahead of cost of living increases, such a suggestion was anathema. Whenever we said, "Well, why don't you link your wage increases with the cost of living?" the unions rejected it. Is it possible to do it when things go against negotiated increases because of the higher cost of living, which escalates too rapidly, and not do it in the reverse situation?

I would be interested in Senator Lawson's comments, not from a critical point of view but just to see whether in

[Hon. Mr. Connolly.]

fact it is fair to expect this now, when it is not acceptable when things are reversed.

Hon. Mr. Lawson: I think you know, Senator Buckwold, from your negotiating experience, that timing is very important, and when it was previously proposed it was not the right time. I am totally convinced, because of the run-away inflation in the country and the fear in the minds of working people, that they will not only accept, but will demand, cost of living escalation clauses. So I think this is the right time to introduce them, and if they work fairly then their acceptability will be established, even should there be a down-turn, and it will be a better way to deal with the future.

Hon. John Morrow Godfrey: Honourable senators, I wish to speak on the subject of social security. So far I have not been able to speak on any subject in this chamber without feeling that I had to declare my special interest or bias, and today is no exception. For over two years I was co-chairman, with Dr. Gerald Fortin of the University of Quebec, of a Task Force on Social Security appointed by the Canadian Council on Social Development. This task force presented its report to the council at its annual meeting in September 1973.

The members of the task force represented a broad spectrum of special expertise on this subject. As co-chairman I was in one respect unique, in that I could not be considered an expert in any way in this field, so that it can be said that my contribution to the representative nature of the task force was by representing the general public. I had, however, one strong plus factor in that my interest in the subject far exceeded my ignorance, and after reading a great deal of literature on the subject—including the reports which had been previously issued by various committees—I eventually felt qualified to express an opinion. I might say that my original "bible" on the subject was the Report of the Special Senate Committee on Poverty, chaired by Senator Croll. Its background material, statistics and recommendations were invaluable. We also found the Castonguay-Nepveu report very helpful.

The task force did not have the resources available to the Senate committee, or to Messrs. Castonguay and Nepveu. I do not think our report suffered to any great extent because we had to rely heavily on the research of those committees and others rather than on our own original research. There was no particular advantage in having that research duplicated. We got along very nicely, in fact, with the assistance of Dr. David Ross, a member of the staff of the Canadian Council on Social Development, who was not always available full time.

Due to the generosity of the Nuffield Foundation, we were able to call upon and benefit from the knowledge and opinions of a group of foreign experts who met with Canadian ones and members of the task force for a three-day conference at Ste. Adèle. These foreign experts came from all over the world—Australia, New Zealand, the United States, Great Britain, France, Switzerland, West Germany, Yugoslavia and Israel.

It would take hours for me to discuss all the problems we considered while preparing our report. All I want to do this afternoon is touch on one particular aspect.

During the two years the task force was engaged in its activities, and since, I have been strongly impressed by the woeful ignorance of the public generally—and, might I say, of my friends and acquaintances in particular—as to the type of people who receive social assistance payments in Canada. I believe that education of the public in this respect is the single most important thing that must be done before we can have a politically acceptable and adequate social security program.

● (1530)

After I had become educated on this subject myself, I used to say that a reactionary can be defined as a person who honestly and sincerely believes that 80 per cent of the people on welfare are no-good bums who could work if they wanted to work and who, when you tell him that all the statistics are to the contrary, honestly and sincerely does not believe you.

When I gave the foregoing definition to the president of one of our largest financial institutions, his answer was, "Well, what about 70 per cent?" I usually get a good laugh when I tell this story to those particularly knowledgeable in the field. When I tell it to many of my personal and business friends, however, the more typical reaction is that which I had from the chief executive officer of another very large financial institution. He said to me, "Surely it must be at least 50 per cent."

Now all this is very disturbing. The Senate committee report set out the situation clearly. It showed that in July 1970, 84 per cent of the adults who depended on welfare:

—require assistance simply because they are not capable of earning a living. They are the ones left behind by our economic system—the elderly, the sick, the disabled, and women in charge of families which require their presence in the home. A few others, about three per cent of welfare recipients, are members of the labour force, but work at jobs which do not pay them enough to live on.

The study done by S.G. Peitchinis in October 1968 on the employability of social welfare recipients in Calgary who were out of work showed that only 5.4 per cent of assistance cases involved employable people. The Honourable Marc Lalonde delivered a major speech pointing out that the very large majority of people on welfare are not rip-off artists and, as the Senate report points out

—the number of poor who "beat the system" is extremely small, almost certainly less than two per cent, a rate which compares favourably with institutional chiselling on expense accounts.

While many reactionaries just do not want to know the truth, there are many other people, not all of whom I would describe as reactionaries, who have been so brain-washed and have so swallowed all the old clichés about people on welfare, that they are not receptive to facts and will not accept the Senate committee's and other statistics. These people would be more sympathetic to helping those on welfare if they could be persuaded as to the true situation. That is why it is so important that the true facts about the type of people on welfare—that over 80 per cent are unemployable for reasons beyond their control—bear repeating on every possible occasion, so that they may get through to the general public.

Unfortunately, an issue has arisen in the last year and a half which accentuates the problem. I am referring to unemployment insurance. I am convinced that the situation has been grossly exaggerated, but the fact is that there have been legitimate complaints and there have been rip-offs. It seems that everyone knows or, what is more likely, hears of some particular case of abuse of the system. Unemployment insurance is certainly being blamed, although often unjustly, for difficulty in obtaining labour, in spite of the high rate of unemployment. It is very easy for people to assume, particularly those who want to, that if there is abuse of the unemployment insurance scheme there is similar abuse by welfare recipients.

It is a real tragedy that unemployable poor may suffer substantial injustice because of abuses of unemployment insurance by groups of people who, by no stretch of the imagination, could be regarded as poor. I am referring to many youths, well compensated seasonal workers and, of course, middle-class housewives, who are very happy to take protracted rests on unemployment insurance from time to time.

The task force, from the very start, was oriented toward a guaranteed annual income, and some of us certainly were initially under the impression that this would replace most other types of social assistance. The greatest impact made by the Nuffield Conference was in convincing us that the guaranteed annual income was not a panacea, and that its introduction would not eliminate the need for the continuance of social service and insurance programs, as well as social assistance programs such as family allowances and old age security pensions.

We were very conscious of the problem I have already referred to—that the public is less than enthusiastic about schemes which help the employable, while professing full sympathy for those who cannot work because of being sick, disabled or old. This was one of the reasons the task force parted company with the Senate committee report, and was much more influenced by the recommendations in the Castonguay-Nepvew report.

The Senate committee would have set the basic allowance rates under the guaranteed annual income initially at 70 per cent of the poverty line for each family, and reduced it at the rate of 70 cents for every dollar of other income. The underlying philosophy of the Senate committee report of establishing a negative income tax at 70 per cent of the poverty line is to provide an incentive for people to work. It seemed to the task force, however, that it was unfair that unemployables, who are not able to supplement their basic allowance through earnings, should be treated in the same way as employables and, furthermore, that they should receive allowances that were below the poverty line.

The Castonguay-Nepvew plan, on the other hand, provides for a negative income tax scheme which is divided into two stages. Stage one is essentially for the employable and provides for a smaller basic allowance with the first \$2,500 of earnings taxed at a rate of only 33 cents on the dollar, compared to the Senate committee's rate of 70 per cent. Stage two is essentially for the unemployable, and sets the basic allowance at a higher level, and any earnings are taxed at a rate of 100 per cent.

A significant feature of the Castonguay-Nepveu plan is that the decision as to whether a worker belongs in stage one with the lower allowances, or stage two with the higher, is left to the individual himself. Here is where the task force parted company with the Castonguay-Nepveu plan. The task force felt that the entire higher support plan for the unemployables could be jeopardized if the general public thought, as they certainly do about unemployment insurance, that there would be rip-offs by those who could work if they wanted to by their electing to draw the higher allowance. Unlike Castonguay and Nepveu, we recommended that stage two, providing for the higher income plan at the poverty line, be available only for those for whom it was intended, namely the unemployable, and that there must be some standard set as to who was entitled to it. Stage one, for the employables, would be two-thirds of the poverty line, thus being slightly less than the Senate committee's 70 per cent of the poverty line for everyone.

After we had reached our conclusions and the report had been written, but before it was made public, the Honourable Marc Lalonde brought out the government's Working Paper on Social Security in Canada. The Lalonde plan and the task force proposals, although arrived at independently, have much in common in that they have similar income support programs. They both recommend a higher level of basic support for those unable to secure employment, and a lower level of support, but with built-in work incentives, for those who can secure employment.

While I have the greatest respect for the sagacity and wisdom of Senator Croll and the members of his committee, might I suggest that, in this one instance, the judgment of the task force and of Mr. Lalonde and the federal government was more in keeping with the political realities in Canada today, and that the two-tier system suggested by them is not only more equitable, particularly for those who are unemployable, but has much greater hope of public acceptance and implementation than the uniform, one-tier system recommended by the Senate committee.

● (1540)

Hon. Mr. Carter: May I ask the honourable senator a question? He referred to the Poverty Committee's report and recommendations. If I recall the honourable senator correctly, he suggested that the Senate committee's report treated unemployables the same as employables. He omitted to state, however, that the Poverty Committee's report included a formula whereby pensioners and unemployables, as well as employables, would have their income increased as Canada's gross national product increased, so that they would share in Canada's improved standard of living and increased wealth. Would that not compensate for the fault that the honourable senator found in the report?

Hon. Mr. Godfrey: I appreciate that there was that suggestion, that the government should eventually be able to afford more than 70 per cent suggested in the report.

[Translation]

Hon. Renaude Lapointe: First of all, I should like to join my colleagues in congratulating our new Governor General and his wife, as well as our dynamic Speaker and the distinguished mover and seconder of the Address in reply to the Speech from the Throne.

[Hon. Mr. Godfrey.]

At the beginning of the first session of the 29th Parliament, on January 4, 1973, only diehard optimists thought that a government with such a dangerous minority could survive. Today, even its most ardent opponents must admit that during this session, which was one of the longest and most fruitful of all our history, the government showed remarkable realism, flexibility and strategic sense, especially when we consider that 1973 brought several developments completely beyond its control which caused serious effects in our country and the rest of the world.

Not only have we succeeded in coming through these crucial periods, but throughout the year we have also developed, perfected and passed an impressive number of bills, including several important measures which will be useful for the country and for the welfare of Canadians.

That same year, another extremely significant event took place, this time in Quebec: it rejected unequivocally the separatist option and proclaimed strongly its confidence in a profitable federalism as proposed by Mr. Bourassa. There is no doubt that the advantages and the protection provided by several existing federal laws, as well as the relatively satisfactory—for Quebec—fashion in which most of the federal-provincial conferences evolved, including that on energy, contributed considerably in persuading the people that it had every reason to stay in Confederation.

Of all those laws, that on the official languages continues to have a powerful psychological impact on Francophones.

Still, as a result of the unpleasant reactions voiced mainly in the Ottawa area, considerable flexibility was introduced last June into the regulations governing the linguistic requirements in the Public Service; a large number of unilinguals can now be promoted to jobs classified as bilingual, provided they express, in writing, their will to become bilingual. Not only do they earn then a higher salary, but they study the other language for 12 months while a bilingual public servant is often doing their work. Furthermore, on their return, can we say that they are truly bilingual, except for some rare cases? We wonder whether the examinations that they must take then are really serious and whether the knowledge and previous use of English and French are really considered in the selection of applicants to bilingual positions as provided for in paragraph 14 of the Treasury Board guidelines. The conclusion is that, through generosity toward unilingual people, they considerably decrease the chances of bilingual applicants interested in these positions while significantly increasing government expenditures.

There is also paragraph 20 which allows the unilingual holder of a position identified as bilingual to keep his job after having refused to study the other language or failed his examination or refused a transfer. Treasury Board must then take what it calls "proper administrative procedures". In clearer terms, this means hiring another person, which is also costly.

Of course, these guidelines have been called provisional by Mr. Drury and perhaps it is too soon to make an objective and global appraisal because, obviously, we hear only about cases of injustice or somewhat illogical situations.

If, in addition, we consider the complaints found in the annual report of the Official Languages Commissioner, we can detect the unwillingness of some departments and Crown corporations as compared with others that are better intentioned. We realize to a larger extent still that the establishment of institutional bilingualism is a task both huge and delicate. However, we feel that it is worthwhile and that it may be unreasonable to expect growing results before a new, better prepared generation has access to the higher positions.

However, according to Keith Spicer, bureaucratic medicines concocted in Ottawa will not by themselves totally and forever allow us to win the linguistic wager taken up by Canada. It is in the minds of today's children and adolescents that must germinate the idea of the coexistence of two societies which mutually respect each other. This is the task of the provincial Ministers of Education who do not all work on it very honestly. What do they do with the millions distributed to them by Ottawa for teaching the second language? Mr. Spicer feels that this teaching remains a catastrophe. Complaints still arise. He insists that many provinces use this money for other purposes than language training. Obviously, if the provinces do not want to co-operate, the federal activity will dangerously slow down.

Can we leave this topic aside without expressing, for our part, the hope that the Government of Quebec, which is about to legislate on the matter of language, will also be able to resist extremist pressure as did the government in Ottawa, and this for the welfare of Quebecers and of the French language. Any drastic action aiming at penalizing Quebec Anglophones can have nothing but harmful consequences on the promotion of French at the federal level and on the treatment of francophone minorities in other provinces.

In this debate which once again impassions public opinion in Quebec, I share the opinion of Mayor Drapeau according to whom French, far from regressing in Montreal as is claimed by the alarmists, on the contrary constantly affirms itself owing to the co-operation of numerous English-speaking organizations.

For example, I did an investigation in 1960 in Montreal for the newspaper *La Presse* on the use of French in commercial institutions. I go back to these institutions today and I marvel at the changes which were willingly operated as far as signs and various services are concerned.

I also think there is a way for Quebec to pass certain security-oriented measures in the linguistic field without for that matter encroaching upon the acquired rights of the English-speaking minority and also without, on the pretence of cultural sovereignty, wanting to take away from the central government any possibility of getting involved in Quebec activities such as theater, cinema, literary works, dance, sports and so on, and subsidizing them in the same way as in other provinces. To act otherwise would be not only playing the game of separatists always ready for a major confrontation which could serve their cause but would go against the very will of the majority of the people.

Quebec has all the necessary powers to meet specific problems in the area of education and that of the working

language. There is absolutely no need for it to claim absolute autonomy in the cultural field.

I think that the most serious threat hanging over French-speaking Quebecers is the sharp drop in their birth rate which is already felt in schools. Cultural sovereignty will not remedy that situation nor will the sole importation of prefabricated citizens who will willingly or reluctantly have to learn French.

We have great faith in Education Minister Cloutier who stated Tuesday in Paris that a language policy should not divide society. He said that would be a mistake peculiar to ultra-nationalists. In a Quebec that went quickly from a rural life style to integration into the American industrial society it is understandable that the teaching of English would meet resistance with nationalists, but it must be recognized, he added, that if yesterday diplomacy was carried out in French, today technology is carried out in English.

I think for my part that the prospect of making French the official language with English getting the priority as the second language, provided it would be better taught than now, should not create too many perturbations within and without Quebec. Apparently, that will be the proposal made in the next session of that provincial legislature.

● (1550)

[English]

Thousands of Canadians who have strongly criticized the Unemployment Insurance Act have heard, with satisfaction, that the government, as part of a comprehensive review, intends to amend it in the light of the experience of the last few years. The government has also stated that it will provide employers with improved access to Canada's manpower.

One of the problems which disturbs the active population of Canada—and here I disagree somewhat with Senator Godfrey, who preceded me in this debate—resides in the fact that more and more of our resource industries are suffering from manpower shortages. The large number of unemployed does not justify that situation. Disturbing, indeed, is the sight of these loafers unwilling to move from their armchairs, from their towns, from their provinces, unwilling to accept a new challenge in a country still half developed, and which has so much to offer to men of courage and imagination.

"Has the spirit of adventure gone from that land?" asks a journalist in analyzing a report from four basic industries—those being mining, agriculture, petroleum, and pulp and paper. According to that report, the mining industry could use between 2,000 and 3,000 men right now. More money is not the answer, they say. People simply do not want to live in the remote parts of the country. One gold mining company has gone as far as paying two cents more per shift every time the international price of gold goes up \$1.

For the last several years the agriculture industry also has had chronic shortages of manpower. It is even suggested that farmers may have to pay workers more than they themselves are being compensated just to keep men down on the farm. In addition, we are all aware of the situation in the tobacco, fruit and vegetable industries.

As it gears up for the boom years ahead, the petroleum industry is feeling the same squeeze. Projects such as the Syncrude development will also be in desperate need of skilled personnel.

There are also shortages of both skilled and unskilled personnel in the pulp and paper industry. That industry is always looking for electricians, steamfitters, boiler attendants, and so forth, to work in isolated areas, and though it is said that there are hundreds of electricians unemployed elsewhere they cannot attract them to those areas.

It appears that the lure of frontier life has gone from Canadians at a time when some of the best hopes of our country are situated precisely in its remotest parts. Other people will have to be found to fill the demand, and the Immigration Act will be adjusted to meet these specific needs.

The fault is not entirely that of the unemployed themselves. Here, as in other industrialized countries—and Senator Rowe had a few words to say about this yesterday—people over the age of 40 are often considered too old for a new job, and their prospects become dimmer as they grow older. Manual labourers are usually hit first and hardest, but office workers and executives are also affected, and many give up after a difficult struggle, according to a survey by the International Labour Organization. There is no justification for such discrimination and prejudice. Countries such as France, Britain, Spain, Sweden, Belgium and the socialist states have taken steps to redress the balance. Canada should do better than it does.

Even though the Minister of National Health and Welfare, Mr. Lalonde, denounces as a myth the idea that Canada is full of lazybones and parasites, there are enough, in my opinion, to impose a burden on the economy and to frustrate the efforts of the active citizens. The Minister of Manpower and Immigration, Mr. Andras, said in Quebec City early this month:

I have to confess to alarm at the tendency for some people to think that cheating the Government is an amusing and profitable game. I don't know how widespread this tendency is, but it is certainly significant enough to have given, and to continue to give, the UIC quite a headache."

We must, however, acknowledge the work done by the UIC president, Mr. Guy Cousineau. Mr. Cousineau succeeded in eliminating 77,000 fraudulent beneficiaries in 1972, and in 1973 as many as 258,000. He has also succeeded in recovering overpaid benefits to the extent of \$9 million in 1972, and \$16 million in 1973. This checking job is continuing, and is to be completed by the end of March.

[Translation]

Well, on to another subject. Usually it is up to us more than to our male colleagues to make a short review of achievements in the area of the rise of women and to measure the road that remains to be covered. But, this year, we have had the pleasant surprise of being preceded by an honourable colleague, Senator Perrault, who presented with conviction the case of women in general and that of wives and mothers in particular. We congratulate him and thank him for it. The word "at last" spoken Tuesday night on the same subject by the Leader of the Opposition has warmed our hearts.

[Hon. Miss Lapointe.]

Very recently, his leader, Mr. Stanfield, began to court Canadian women by promising them, if he is given the power, to take several positive steps on their behalf. We appreciate his good intentions. But the government, with a good many achievements as it is, has announced that it intends to actively carry out its task.

Among its recent initiatives, let us first of all take note of the appointment of Mrs. Pauline McGibbon as Lieutenant Governor of Ontario.

Next let us note the creation, last May, of the Advisory Council on the Status of Women chaired by a sociologist and including 29 other personalities recruited throughout our country. According to a study prepared by this advisory council, approximately 50 out of the 120 recommendations which were made by the royal commission and which fall under federal jurisdiction have been fully applied and 30 others only partly.

Third, let us mention the establishment last year, within the civil service, of an Anti-Discrimination Branch, where 20 per cent of grievances submitted are based on sex. Of course most of these grievances are submitted by women and, apparently, 2 out of 3 are settled to their satisfaction.

Yet these measures are not enough because if female civil servants have at least a recourse, such is not the case for women working in industries, services or even in the home. The most crying cases of discrimination apparently occur in the areas of communication, transport and banking, and it is high time to amend, among others, the statutes concerning the acquisition of citizenship.

● (1600)

The advisory council has advocated the creation of a Canadian Commission on Human Rights. We are pleased to learn that a bill along that line will be tabled for the setting up of a Federal Commission on Human Rights and Interests and for the inclusion of provisions to protect women from discriminatory practices. As for regulations governing government employees, they will be amended to remove all possible inequities based on sex.

Finally, millions of women will welcome the announcement of an agreement between federal and provincial ministers for the removal of the provisions in the Canada and Quebec Pension Plans which accord differential treatment to men and women.

They are, however, concerned with two other matters, namely, day nurseries and family courts. In the case of day nurseries it might become necessary to convene one of these days a federal-provincial conference, as women workers consider this question of prime importance.

As for family courts where problems resulting from divorce or separation could be solved; that is, the custody and maintenance of children, alimony, the assets of the spouses or the guardianship of minors, etc., they would also be instructed to recover amounts due by spouses who did not meet their obligations. As those courts should be established in every province, a federal-provincial agreement would be necessary as would financial support from the federal government to train the necessary staff for their efficient operation.

At the present time, the practices, procedures and structures of the courts are too complicated, too slow and costly

and they often contribute to increasing the pressures due to the breaking up of the marriage and family.

The Law Reform Commission of Canada has studied that serious problem in its first research program; it feels that a single provincial court having full jurisdiction could settle at once the above-mentioned family problems.

Those reforms are not expected for the near future, but they would represent a major step of social progress and deserve to be taken into consideration without delay.

There are several other matters I would have liked to deal with, but in conclusion I shall say this: the Speech from the Throne, termed a "practical document for a responsible Parliament", has gained in substance what it lost in rhetoric, and the government was wise to feel concerned first and foremost about the Canadian producer whose increased production will give consumers some hope for a more heartening future.

In his speech of February 28, the Prime Minister said:

We will not hesitate to go after the so-called big guys in the marketplace if action is necessary to protect the Canadian consumer.

I hope it will not be only the big guys of the oil industry, but also the powerful middlemen between producers and consumers who must be watched very closely. In short, the program of this government is quite realistic. For this reason, it deserves our whole attention as well as our complete co-operation.

[English]

Hon. Arthur Laing: Honourable senators, I should like to join with the other senators who have expressed their gratitude to Madam Speaker for the service she has rendered to us and our country by the splendid way in which she has conducted affairs here.

We hope, Madam Speaker, that you will long have the health to continue to serve Canada in the way you have served thus far.

Hon. Senators: Hear, hear.

Hon. Mr. Laing: Honourable senators, I want to pay special attention today to the problem of energy in Canada, but first let me remark that I have heard a great deal of very generalized criticism from the other side of the house about the activities of the government in these difficult times of worldwide inflation. I contend that there is not a government in the world that has endeavoured to give as much direct individual attention to these problems as the Government of Canada. The protections that have been given various people, hopefully needed only in the short term, by way of indexing pensions, increases in family allowances, and looking after our veterans, are such as not to warrant the generalized criticism and condemnation that we have heard from the other side of the house. It is not justified at all.

Let me get down to the problem about which I am concerned. Over a period of years I have attempted to make an assessment of our resources position in Canada, and I think there might be some merit in putting one or two views I have on record at this time, because the matter is still very much before us.

I am rather astonished that the energy problem in this country has assumed the importance it has, because

energy enters into the cost of products in Canada today to the extent of 12 per cent in only one or two places. It is a fact that in 80 per cent of all production in Canada the energy component is less than 6 per cent.

Our difficulty, of course, arose from the very sudden increase in the price of oil imposed by the OPEC countries, and the fact that petroleum is not only a source of energy but has become one of the key components in so many petrochemical lines. As a result of this disturbance, in certain sections of the petrochemical industry in the United States costs have increased in one year by \$17 billion.

I could give the example of a small key plant in the province of British Columbia, which brings in raw material for the production of glues and chemicals, which are so important in our plywood industry there. They were cut off from a local source. They scrambled and obtained other products from Korea. They got three partial shiploads, but a fourth ship did not leave Korea because it could not get bunkered there to come to Vancouver. This kind of disturbance is occurring in many places, and when it is multiplied thousands upon thousands of times there is a threat to our industry, a threat to production, and a threat to employment in this country and so many other countries around the world.

The Ottawa Valley line was established by the previous government, very wisely at that time, so that Western oil could be marketed as far east as the Ottawa Valley. For the rest of Canada we bought oil in the cheapest offshore markets of the world, which turned out to be not the Arab countries but Venezuela. I think that policy served us well, and probably would not have been interfered with had it not been for the action of the Arab countries.

We also face a constitutional issue, because these resources lie in the Western provinces, principally in Alberta, but to the extent of about 20 per cent in Saskatchewan. While the conduct of interprovincial trade is a responsibility of the national government, I think everyone here will understand the jealousy of the Western provinces in respect to their retaining the benefits of those resources for themselves.

● (1610)

Honourable senators, the Government of Canada, acting for the short term, very wisely and most competently imposed an export tax on that oil. Had it been possible for the Americans to buy our oil at \$4 or \$5 a barrel less than they were able to buy oil offshore, they would have thought that we were rather ridiculous people in Canada. Secondly, as late as 1970, when Mr. Connally was Secretary of Commerce of the United States, he abruptly told us one day that we had 250,000 to 300,000 barrels of oil that they did not want at any price at all. So, when they want oil badly I think they should be content, and I think most of them are content, to pay the same price to Canada as they would pay for offshore oil.

The Government of Canada arranged a freeze on oil prices at the time, which enabled buyers of those products in Western Canada to continue to buy them at substantially the prices at which they were buying before the action of the Arab countries. There was an undertaking given—and this is going to be misunderstood by some people—to compensate the oil companies in Eastern Canada for the

difference that they were required to pay for imported oil as compared with what they had paid before. This involves a considerable sum of money, but that undertaking was given and that undertaking must be fulfilled. I have no doubt at all that the most consummate and careful study will be made by our auditing staffs here to see that the conditions under which that guarantee was made are fulfilled, and that no more money is paid than that required to maintain the prices during that period of February and March.

I said this was an extremely competent act on the part of the government to provide for these things, and I compliment it on it, but because we are a prodigious trading nation we cannot permanently modify the home value of goods in a world market. Approximately 27 per cent of the goods we produce goes into the world market. The Arabs will pretty soon find out that their outrageous modification of oil prices is unjustified—and untenable, too.

As to the constitutional issue that is before us, the jealousies of the provinces over control of their resources are fully understandable. The efforts of the Prime Minister and his government have been directed solely to minimizing what could be very serious distortions in our economy, accompanied by rising unemployment. It is one of our misfortunes that resources are in one place, and manufacturing in another. I find that 67 per cent of the work force of Canada lives in Ontario and Quebec. I suggest that the people who live in Western Canada are as concerned as the people of Central Canada to ensure that unemployment does not rise in Central Canada.

There has been some decline in the economy of Europe, and there could be a very serious further decline. When I read that Volkswagen have to lay off 125,000 employees, that means something to me, and it means something to every other country in the world. We cannot isolate ourselves from that sort of condition in the world. It is all very well for Canadians to say they are unusual, and are going to be exempt, but if the economies of other countries go down, we will not be exempt.

I am concerned about what our American friends are doing with automobiles. At Wayne, Indiana, there is a plant which in December of last year was producing for the Ford Motor Company 560 LTDs per day. The Ford LTD is a large car. They got to work and ripped out the inside of that plant, working around the clock including Christmas Day, and now they are producing 650 Mavericks per day, and in a few months they are going to produce 950 daily. The Ford Motor Company and General Motors have put together \$375 million to recondition plants to build small cars. I do not know when the demand for small cars is going to be filled, but when it is I can see a danger of our producing fewer small cars in Canada.

On the constitutional question there have been abrasive words on both sides. It is to be hoped that they are the product of a desire to establish a negotiating position in both cases, and I think they are. This nation cannot afford a constitutional war over energy. The issue is not that important, in the first place, and the so-called crisis promises to be very shortlived.

Man's illimitable ingenuity assures us a world of plenty; not of want. We were extracting oil where it had most

[Hon. Mr. Laing.]

easily come to hand. Now we have word that Britain by 1980 will export oil to the value of \$1 billion annually. Long before that Norway is going to be exporting \$3 billion worth of oil annually. We also hear that China last year provided Japan with one million metric tons of oil, and their contract this year calls for three million metric tons, and in 1979 nine million metric tons. The Soviet Union has issued a statement of its oil resources, covering almost 20 per cent of the world total, in addition to 3,000 trillion cubic feet of gas. In our most ambitious moments in Canada we never claimed to have more than 720 trillion cubic feet of gas. Indonesian oil is about to come on the market, and also Nigerian oil. It is not to be wondered that the Arab nations are giving thought to removing the export embargo, and talking about lower prices.

There is a suggestion that we should have a national petroleum corporation. I want to make the point that we already have one, to the extent of 45 per cent in Panarctic Oils. I would hope that the corporation that is set up will be restricted to exploration and development, and will not get into the petroleum business. We will never be large enough, in terms of total world oil production or consumption, to justify our getting into the oil business, because we will be able to buy from others at a price lower than our cost of production. I think that before the end of the century oil will not be sought as a source of energy. I would expect that by that time we shall have fusion power. I was assured of that by the Soviets. I was told that by their partnership in London, where the technicians and scientists are working as a group. The American Can Company, which happens to be the American end of it, and which is doing a great deal of work there, says we shall have fusion power in fifteen years.

Other sources of energy are rapidly being found. Our American friends, who are tremendous in their technology, have bored down through the Salton Sea and found that they can get a liquid coming up at a temperature of 700° Fahrenheit. In Montana they have gone down only two kilometres and found molten lava. When you put a little water down a hole like that you are going to get a bit of steam, and when you get steam you are going to have power. Amazing things are going on. There is the gasification of coal, and there are discoveries of alternative sources of energy. We should not worry a great deal about either prices or shortages.

It is important to look after our security. That is why I support the building of a pipeline to Montreal, but only on the basis of security. The cost, which will be about \$180 million, is a high premium to pay, but it is worth paying. I would expect that for many years ahead it may be a dry pipe.

● (1620)

Honourable senators, there are certain things I am concerned about and which bother Western Canadians today. The Minister of Industry and Commerce in Quebec, Mr. Guy Saint-Pierre, has stated that they must have oil delivered to Montreal at the same price as it is laid down in Sarnia—presumably at the expense of the consolidated revenue of Canada. Referring to Mr. Saint-Pierre, Harvey Shepherd of the *Globe and Mail* said on February 13 last:

Given the single-price formula, Mr. Saint-Pierre believes Montreal manufacturers of petroleum-based

chemicals will be in a good position to benefit from the competitive advantages Canada has as an oil-producing country in the current world situation.

Montreal is in a good position to serve markets for chemical products that should open up in Europe and New England as a result of the world oil shortage.

The people who live in Central Canada, although they have not visited Western Canada, will understand me when I say that Western Canadians are concerned that that petrochemical plant will not go to the source of the oil. Instead of the petrochemicals being shipped, the raw material might be transported through a pipeline 3,000 miles long, to the advantage of persons who will manufacture the product and claim the market. This is the position that the leaders of Western Canada are taking today, and I must say that in large part I sympathize with them. Western Canada wants to develop. It is unfortunate that 67 per cent of the work force in Canada resides in the two central provinces. We should have done something about Sir John's great national policy before this.

I was a little concerned, too, over a statement made by Mr. Mitchell Sharp that Canada has no extra oil. The one redeeming feature was that he said "conventional" oil. We have the tar sands. The tar sands are the biggest piece of oil property in the world, exceeding even the total Arabian oil reserves. But people say that we have to get \$8 a barrel for tar sand oil or it will not pay. I do not think that is correct. Those oil people who went in there and did all the hard work should have a medal struck for them in Canada, because they did all the pioneering and lost \$80 million. But I am reliably informed that at \$4.25 a barrel they were getting around the corner, and starting to make a little money.

Another minister, Mr. Macdonald, said that the Japanese wanted to come in with \$6 billion. He said, "They wanted to come in there, and I sure cooled them off". Well, frankly, I don't want, and I don't think any Canadians want, anybody who comes to Canada with money cooled off. As a matter of fact, their technology might have been worth more to us than their money, because the trouble out there is lack of technology. As technology improves the cost of the oil extracted from the tar sands will decrease rather than increase. We have enough oil in the tar sands to supply the entire continent for the next 40 years, and to supply Canada alone for 350 years at our present projections. So we should move on this as rapidly as we possibly can, using all available devices to develop this resource.

I was delighted with the statement of the Prime Minister that he and his government would support the building of the Mackenzie Valley gas line. Here is an opportunity for us to provide a pathway through Canada for American gas, tying in the gas that we have in the Mackenzie delta, which is a considerable amount now but which is going to be just enormous in the future. The required investment of \$5 billion is so great that if we were to think about moving our own gas on that basis we would simply put that whole area into cold storage for another 20 or 30 years. There would be absolutely no hope of doing it by ourselves.

We should be frank in these matters. The resources of Canada, at the rate at which we want to develop them, cannot be developed solely by Canadian capital. Moreover,

in respect of a number of these things, the scale at which we have to develop them for the benefit of Canada is such that we require not only the Canadian market but export markets as well. That is a frank assessment of the position we are in, and we should look at it from that point of view.

There has been much talk about transportation, a subject I am also interested in. The statement was made this afternoon that Vancouver Harbour is full of ships. There is one ship waiting for two and a half million bushels of wheat, and there are about 20 other ships in the harbour.

I have been thinking about this for a long time, and I have concluded that our difficulty, as Canadians, is that too few of us in one place have the opportunity to speak to those in other parts of the country. For years I have been saying that 84 per cent of Canadians live within 200 miles of the United States boundary. I received a correction the other day. Do you know what it is? It is that 84 per cent of Canadians live within 150 miles of the border now, because Canadians are rushing to the urban centres. Our country is 4,000 miles wide, but reckoned by our economic and social interests it is only about 150 miles deep. We have to do something to change that.

What can we do about transportation? Some day, and I hope it comes sooner than later, there will be a railway system operating with unit trains, right from the Head of the Lakes to Calgary. Those trains will move the substantial freight between those two points in ten hours, instead of the two or three weeks it is taking at the present time. If you send a boxcar from the Head of the Lakes out to British Columbia you will find that it takes two or three weeks to come back.

New road beds are needed to handle unit trains. That is a fact that they have discovered in British Columbia. The railway company put a unit train on an old road bed out there, and found that the road bed was not adequate to handle the unit train. It cost them some accidents and an awful lot of money to make the discovery.

I have an idea that we could compress the economic geography of Canada if only we were to put a proper railway between the Head of the Lakes and Calgary. I believe we could compress it by about 40 per cent. Afterwards, we should think about electrifying it and burning that cheap, brown coal of Saskatchewan that is just lying on the surface waiting to be burned.

The Soviets are rapidly electrifying the Trans-Siberian Railway. Of course, their country is ten time zones wide and about 6,500 miles long. I understand that they are saving 35 per cent in operating costs by electrifying the railway. The saving due to electrification there is largely because of winter conditions and adverse weather.

That is one of the things I believe could be considered when the provinces and the federal government come together to discuss the advantages which can be visited upon the Western provinces in return for a more open-minded attitude in respect of oil.

Another point I should like to make with respect to transportation is that we should have a second Trans-Canada Highway. It should go from Winnipeg right through Saskatoon, which is the most beautiful city of the plains, on through Edmonton, and tie in with the Yellowhead route through British Columbia. When I was Minis-

ter of Public Works, the projected cost of such a highway was \$88 million. That would have fixed it up to trans-Canada standards. Such a highway would tend to develop the northern parts of not only Alberta but Saskatchewan and Manitoba as well.

● (1630)

Honourable senators, let me turn now to agriculture. The only cure for shortages and high prices is production, and I doubt very much if we are going to get high production out of areas outside the Prairies. All you need on the Prairies is rain. If you get rain, with the remarkable competence of prairie agriculture today, you can increase output enormously.

I am worried about meat, and the input cost of meat at the present time. Senator Lawson talked about Guert Ker, a man who went out of the feeding business because he lost his shirt. I know another feeder in Vancouver; I have his figures, and they are accurate. Even with the fantastically high price of meat that we have had in recent months, he still lost \$161 per head. If this continues, in a couple of years we will not have any meat at all in Canada. I do not know any man who would love to look after cattle, which is a 24 hours a day job, when he could put in wheat and take it off in 37 days and get \$5 a bushel. This is an enormous distortion in the country.

There is one thing to which I should like to draw the attention of our Prime Minister and the Premier of Alberta—and this goes back to the days when Senator Manning was the premier. We signed an agreement at that time with his government, and with the governments of the other Prairie provinces, in respect of the Nelson River. We contributed, I think, 50 per cent of the cost of a study in that connection, which was more than \$6 million. It was an exceedingly valuable study, and it led to the development of the Nelson River. But the Nelson River is water that flows out of the Rocky Mountains, and Alberta, under Senator Manning at that time, and under his successor, had a study done as to what they could do in respect of putting in a number of small dams for irrigation in the province of Alberta. There is a considerable amount of irrigated land there now—land of tremendous productive capacity, with ideal growing conditions in the way of climate, growing season and so on. Most important of all, there is soil that can take water.

When we were once talking about the Diefenbaker lake and the Gardiner dam, one of the provisions was that we would irrigate a lot of land there. That is gumbo soil, and you cannot put water on gumbo soil because you get bricks. But in Alberta there is a very considerable amount of land—probably between four million and six million acres—with enough sand in it to take irrigation, and with a productive capacity in respect of fresh frozen and canned foods that would make the area close to where our house leader lives just look silly. That area could feed all of Canada, and quite a few other countries as well.

Recently, in the province of British Columbia, one of the universities reviewed the Columbia River treaty, and I am going to continue to press the leader of the house here to wind up that debate, because the review is going to be published later. It is a meaningful review, because that is the kind of treaty that we can expect more and more of in respect of our neighbour to the south. This is a review

[Hon. Mr. Laing.]

of what I consider to be a most competent and successful consummation of the development of that river to the benefit of both our countries.

One of the very important things about the area of the Columbia basin—an area which has only six inches of annual rainfall—is the development of irrigation and the production of food there. In the summer 36,000 people are employed in the various canneries, in the provision of fresh frozen food, and so on, from land that without irrigation would be totally worthless because it has only six inches of precipitation annually.

In the Alberta area that I am speaking of you have the soil, you have the climate, and you have the irrigation. A review of that could be undertaken, so that we might build up there a kind of agriculture that would be of great service to Canada as a whole, and be beneficial from the point of view of our exports as well.

Honourable senators, I am a believer in the North. I have been advocating for a number of years that more attention be given to the area north of 60, as this would be very important to us at this time. I have come across a book called *The Soviet Far East*, by an Englishman named Kirby. It should be required reading for all senators. It deals with Siberia, in which the Soviet Union is doing some courageous and important things with regard to development at the present time—some things which we could copy to our advantage.

Mr. Kirby, speaking of Siberia, says:

This gigantic domain—which spans a quarter of the earth's circumference and is larger than all North America, with natural conditions broadly resembling those of Canada—has correspondingly enormous natural resources with prodigious economic and political potential . . . Not only was the Soviet position in Central Asia consolidated but effort and investment concentrated notably on industrialisation in Siberia.

This eastward shift stood the Soviet Union in good stead in the Great Patriotic War of 1941-5 . . . The movement continues; looking ahead, the possibility must clearly be considered that ultimately this may be one of the great economic areas of the world. Perhaps the balance of world power may in the next epoch come to be centred in this great "heartland of Eurasia", one of the last great "challenge" areas of the world.

What he says there of the Soviet Union can be said with equal force of Canada. The obvious potential north of 60 is just beginning to unfold itself though, of course, we have the same difficulties in our area that the Soviet Union is having. They have provided wages that are three times as high as the wages in Moscow, and yet they lose help. They have a climate that is much worse than that in our Canadian North. They have recorded temperatures of 102 degrees below zero. All the windows have three partitions on them, not two. We have difficulties in our Canadian North, but we are overcoming them by transportation. We now have jet planes right down to the Arctic. A man can be on the Arctic Ocean, and arrive two and a half hours later in Edmonton.

I have noted that those companies which have gone in there of late are aware of the cost to them of losing men, and this is the main trouble with the Canadian North. A man goes in, he is a pretty good workman and he improves his capacity, and then he gets fed up, or his wife does, and they go back south again. One company has assured me that every time they lose such a man, it costs \$2,000 just to bring in another man and start all over again. We must do something about this.

● (1640)

In the Canadian North there is one outfit at a place called Faro—faro was a jackpot game that they played in the early days in the Yukon, and they named the town after the game. That company was very clever. It established such a magnificent townsite and facilities there that people do not wish to leave. In that little place the company invested \$870,000 in a social and recreational centre for approximately 360 employees and their families. Such programs are necessary. Perhaps they can be supported by governments, but I still think the first responsibility lies with the corporation itself to look after its men. If such programs were established as a pattern throughout the North, we would not experience manpower difficulties.

There are concerns in the North in connection with government. Mr. Chrétien, the minister, has assured the people there of changes in the administration, to give them more authority. This is very necessary, because times are changing. Twenty years ago a man went up there to make a quick stake in two or three months and get out back to Southern Canada, but that is not the case now. Families are being raised and educated in the North, and the children return to live there. We are moving in the direction of permanent residence in the North, and any assurance we can give the residents of an increase in their capacity to handle their own affairs, rather than have it all done from Ottawa, is very good. It is a wise move on the minister's part.

I do ask that an increasing amount of attention be paid by members of this house, and by the Canadian people, to our Canadian North, because I attach to the Canadian North the same importance that Kirby attaches to Siberia in the Soviet Union.

Hon. Mr. Benidickson: I wonder if Senator Laing would permit a question? It is always a delight to hear him on these subjects, which he has studied so carefully. They are all big subjects. He spoke of energy, but I do not think he expanded completely on a point which intrigues me. I wonder if he could touch again on what I thought was a warning in connection with the discussion of energy, when he said that huge payments, running to millions of dollars, would be transferred to someone in February or March. He also referred to an audit. Who would be audited and to whom would the payments go, in his contemplation?

Hon. Mr. Laing: I do not know. I believe the item is in the supplementary estimates. I suggested that the most explicit and careful audit should be made by the government to see that the conditions under which the guarantee was made by the government to the companies would not be exceeded, and I am quite certain that that will be done.

In other words, this is an actual change in the proven cost of their oil before February and March. In the case of February, the oil would have been bought in January. A commitment was made by the Government of Canada, and I can tell Senator Benidickson that assurances have been given to me that the most meticulous care will be exercised to see that compensation will cover only prices that were maintained by the companies in the Eastern area.

On motion of Senator Buckwold, for Senator Croll, debate adjourned.

[Translation]

Hon. Mr. Martin: Before moving the adjournment, I wish to extend to Senator Choquette, a day late because I was absent yesterday, our congratulations on his birthday.

[English]

The Senate adjourned until Tuesday, March 12, at 8 p.m.

THE SENATE

Tuesday, March 12, 1974

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

ANIMAL CONTAGIOUS DISEASES ACT

BILL TO AMEND—FIRST READING

Hon. Leopold Langlois, for Senator Martin, presented Bill S-2, to amend the Animal Contagious Diseases Act.

Bill read first time.

Senator Langlois moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

MOTOR VEHICLE TIRE SAFETY BILL

FIRST READING

Hon. Leopold Langlois, for Senator Martin, presented Bill S-3, 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 Langlois moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Copies of Regulations respecting the Acquisition of Canadian Business Enterprises, made pursuant to section 28 of the *Foreign Investment Review Act*, Chapter 46, Statutes of Canada, 1973-74.

Supplementary Estimates (B) for the fiscal year ending March 31, 1974.

Copies of eight 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).

Amending Order No. 3, amending the Federal Court Rules, made by the Judges of the Federal Court of Canada on February 12, 1973, together with copy of Order in Council P.C. 1973-526, dated March 6, 1973, approving same, pursuant to section 46(5) of the *Federal Court Act*, Chapter 10 (2nd Supplement), R.S.C., 1970.

Amending Order No. 4, amending the Federal Court Rules, made by the Judges of the Federal Court of Canada on April 9, 1973, together with copy of Order in Council P.C. 1973-1068, dated May 8, 1973, approving same, pursuant to section 46(5) of the *Federal Court Act*, Chapter 10 (2nd Supplement), R.S.C., 1970.

Amending Order No. 5, amending the Federal Court Rules, made by the Judges of the Federal Court of Canada on February 1, 1974, together with copy of Order in Council P.C. 1974-399, dated February 26, 1974, approving same, pursuant to section 46(5) of the *Federal Court Act*, Chapter 10 (2nd Supplement), R.S.C., 1970.

Copies of nine contracts between the Government of Canada and various municipalities in the Province of Manitoba for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the *Royal Canadian Mounted Police Act*, Chapter R-9, R.S.C., 1970 (English text).

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, March 7, consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Senator Robichaud, seconded by Senator Perrault, for an Address in reply thereto.

Hon. David A. Croll: Honourable senators, I take this opportunity to offer my congratulations and good wishes to His Excellency the Governor General and his lady, and to congratulate the mover and seconder of the Address in reply to the Speech from the Throne. They were exceptionally fine speeches by competent people, who were clear, eloquent and convincing, naturally, on a subject that was close to their hearts, and close to the hearts of all of us.

Hon. Mr. Flynn: You mean the Speech from the Throne?
● (2010)

Hon. Mr. Croll: Madam Speaker, we all admire your good spirits and your dignity and charm, and we appreciate the manner in which you look after the affairs of this chamber.

Honourable senators, in the last session I had an inquiry on the Order Paper calling the attention of the Senate to "the work ethic," and how to make it work. During the latter part of the session the energy crisis was the issue above all others, and it held the total interest of the country. I did not think it was wise at that time to speak about the work ethic, but that is not true today. It appears that some understanding will be reached, that an arrangement will be made, between the dominion and provincial governments. The purpose of my reference to the work

ethic flowed from the Report of the Special Senate Committee on Poverty in Canada, which recommends a basic or guaranteed income for all Canadians.

Honourable senators, the report of the Senate Committee was presented to this house in November 1971. It has now been before the public for two years. It has been considered, examined, criticized and praised, and very widely endorsed. The words "guaranteed income" have become household words. The idea and the concept have captivated the minds and the imaginations of Canadians. The polls have indicated that at least 60 per cent of the people are in agreement—and that is a very excellent return for a new measure which would cost the Canadian public some money.

The endorsement is expressed from all sides. The latest one was from the Department of the Church and Society of the United Church of Canada. Of course, other churches have given their endorsement from time to time. Another endorsement came when the Minister of Agriculture announced that the federal government would propose a form of guaranteed annual income for farmers. The Federation of Employers' Organizations in the Province of Quebec, when asked by the Premier of the Province of Quebec to consider an increase in the minimum wage law, suggested that the guaranteed income was the better approach.

Church groups, welfare groups and voluntary organizations have shown their support. In the minds of all these people, however, there still remains some concern about the work ethic, and some lack of understanding. The guaranteed income will not provide a choice of whether to work or not to work, but whether to work harder and keep most of the earnings.

The Americans have been experimenting with this for some six years. I have been told that they assembled a most expert group to study the problem. The American government had the opportunity of putting their finger on any man they wanted, and they did. They got some from the University of Wisconsin, and some others from other universities, to spend six years in a study of this problem. In their most recent report they said that their experiences indicated that the guaranteed income did not cut back individual work effort. They used the government grants to supplant low earnings and kept on working. They cut the administrative costs by two-thirds.

Well, whatever you hear about the guaranteed income across the country, let me just put you completely in the picture by telling you that the provincial premiers are tripping over themselves to be the first to introduce guaranteed income for the working poor. There is almost total agreement that the present welfare system has failed. It was useful in another day, but it is a policy whose time has passed.

The essential step now is to bring under one umbrella the different kinds of social assistance that fit into a guaranteed annual income plan. There is a compelling argument for segregating income payments under such social insurance systems with an actuarial foundation as unemployment insurance, workmen's compensation and the Canada Pension Plan and the Quebec Pension Plan. But this still leaves ample room for action. We have the Canada Assistance Plan, family and youth allowances, old

age security, guaranteed income supplement, occupational training allowances and about 40 other special allowances.

The guaranteed income is not a panacea, nor was it suggested that it would be. Family allowances and old age security are a symbol of our concern for our fellow men from the cradle to the grave. They are untouchables. In this country they represent the mother's milk of social welfare. But, on the other hand, in the guaranteed income concept a buck is a buck, and if you draw from one you cannot draw from the other. If one prefers to draw from the guaranteed income there is no reason why he should not, but these two services remain. I am not suggesting for a moment that integration is simple, but it should not be used as an excuse for procrastination or lassitude. This will be a step in the right direction in the meaningful redistribution of income.

We are now providing a basic guaranteed income for those not in the labour force: the blind, the crippled, the maimed, the aged, and women who have children. It is not adequate, mind you, not by any standard, but at least it is reaching towards adequacy.

Looking at the other half of the coin, provision for those in the labour force, the guaranteed annual income has finally emerged as a feasible, social and political proposal. But there is a "but," which has now become something of a hang-up. What about the work ethic? Will the recipient work or will he sit? There is a feeling in the country that the work ethic is much misunderstood, little appreciated, hardly ever defended and is being slowly eroded.

● (2020)

The question is: How can we preserve the work ethic in the modern sense and orientation? I am one of those who believe that it is vital. I have no words of praise for idleness, whether by affliction or imposition.

In 1964 the Economic Council defined full employment as when three per cent of the labour force is unemployed. In an earlier day it used to be two per cent. Now they talk of five per cent or six per cent. The new definition could make some officials feel better but the unemployed feel worse.

It was the report of the Economic Council in 1969, inviting the Senate to undertake a study of poverty, which resulted in the Senate report, "Poverty in Canada." The Economic Council, in its tenth report, and that is this year's, advised the government to cut back increases in welfare spending for the next two or three years. I had no idea that we in the Senate had done our task so well. The inference of the tenth report was that transfer payments to the poor were responsible to a great extent for inflationary tendencies. We spend approximately \$7 billion in social programs in this country. Of that, \$2 billion is spent especially for the poor, and \$4 billion is spent on old age security and family allowances—which is not exclusively designed for the poor, nor is unemployment insurance.

At the federal-provincial conference of health ministers held in Edmonton, the minister was asked to comment on the report. He said that the report was "naive" and, he added, to satisfy the Economic Council:

You would have to erase the last four years to reach a suitable rate, which would mean dismantling some

programs and reducing the payments of thousands of recipients.

When I read that and I saw the word "naive," I thought he had put them down in rather soft fashion. Then I went to the dictionary and looked up the meaning of "naive." The dictionary says: "Marked by unaffected simplicity; showing lack of informed judgment." I felt much better after I read that definition.

And I did not forget the advice that the government received on another day from the experts who were asked what steps we ought to take to fight inflation. They said, "Why, some unemployment would do it!" We were suckered into that program. We wound up with unemployment and inflation at the same time, and we very nearly lost the election as a result.

Hon. Mr. Flynn: The government was naive then.

Hon. Mr. Croll: I have always been a bit suspicious of some of these views that come from on high. I think we have to be more careful in considering the views of some of our overeducated economists, highwire intellectuals and elitists who keep discussing supply and demand, balance of payments and balanced budgets. I think they had meaning in another day. But these experts succeeded in one thing—they succeeded in having their salaries raised from \$40,000 to \$60,000, without any unemployment.

Honourable senators, there is no longer a single force of unemployed in this country. They are now fragmented. We have the young, we have housewives, we have those with little training and education, and we have immigrants. As post-secondary students flood the labour market it will no longer be a case of the "haves" and the "have-nots," but rather a matter of the "haves" and "those who can only hope to have."

We live with the paradox of a high unemployment rate together with a high number of unfilled jobs. Manufacturers say they are forced to limit production because they cannot find enough workers to staff their enterprises. Economic growth is being limited by the difficulty of matching the labour supply to the jobs available. And, honourable senators, the young suffer most. Unemployment among the young under 25 years of age runs to almost 10 per cent, and the forecast made by Statistics Canada is that there may be one job for every two secondary school graduates available for work between now and 1980. What a prospect!

We have to ask ourselves: Is it that the young people do not want to work at all, or do not want to work at the type of job available? Is it that they are no longer prepared to take traditional jobs in factories and offices, but are looking for more interesting and rewarding jobs? They say that they are tired of the uninspiring, repetitious, monotonous type of job involved in being, for example, a machine attendant. They seek challenge; they seek interesting and rewarding jobs, with good wages and good working conditions. And they are prepared to give an honest return in work.

It must be appreciated—and I am sure you do, honourable senators—that many young people think differently, act differently and live differently from the way we did a few generations ago. They seek jobs that have not only a

[Hon. Mr. Croll.]

present but also a future with, as I said earlier, good wages and good working conditions.

In February this year Robert Nielsen of the Toronto *Star* travelled across Canada in search of a job. He subsequently related this experience in a series of articles which appeared in the paper from February 5, to 9. Robert Nielsen is an exceptionally talented reporter—socially minded, middle-aged. In the pictures taken of him in rough clothes he appeared to be the sort of man who would be out looking for any kind of work. He is full of integrity, a keen observer, and completely trustworthy. In the course of going across the country he worked as a janitor, a sweeper in a fish plant, a night cleaner, a warehouse labourer, a clothing factory worker, a beverage room bouncer and a logger. He is a good-sized man, and could take care of the job of a beverage room bouncer very well.

● (2030)

In the end his opinion was that work was available for unskilled men. Jobs were available, but they were mean jobs, at mean pay, and they were drudge jobs. A man who took such a job and relied on it for a living would be in poverty, or worse. He could not possibly provide for a family if he were the only breadwinner in that family.

In the *Globe and Mail* of November 6, 1973 there appeared this report:

The Manpower people found, in counselling employers, that nine times out of 10 the employers were offering poor working conditions, low wages, shift-work, or the plant was not on a main public transportation line. They found that employers who were prepared to improve conditions and pay higher wages for dirty jobs could find workers.

It is well to know what others think about this, because we hear so much about young people who will not work.

In so far as the guaranteed income is concerned, I do not think the Canadian people are worried about the cost, or the method of providing it. They are concerned about the work ethic, and they ask time and again: Will they work? When we see that thousands of jobs are available—almost all of them unskilled, low wage jobs, which begin at a dead end and finish at a dead end—and thousands of people are without jobs, we have still to ask ourselves: How can we have these jobs filled? What can we do to make them more attractive to those people who need jobs, because the country needs the production of as many people as possible? When we talk of the work ethic, we must also talk of the pay and work-condition ethics, and the responsibility of the government to provide opportunities for jobs to those willing to work or, in the alternative, a basic minimum income. We need very much to put a present and a future in low wage jobs for a livelihood today and security tomorrow.

In our country the extremes of poverty persist. They are difficult but not impossible to defend in an enlightened country. Equality of opportunity and status are morally unassailable. Inequality persists despite the demands of both morality and equity. How long can we endure a national condition that is 75 per cent affluent and 25 per cent squalor?

What progress is being made in achieving a more equitable distribution of incomes? Statistics Canada throws

light on this. Despite a total expenditure of nearly \$7.5 billion on social security, an increase of 185 per cent in 10 years, five million Canadians live in poverty. They receive a smaller share of the nation's wealth than they did 20 years ago. In 1951, the 20 per cent of Canadians at the bottom of the income ladder received 6.1 per cent of the total income of the country, while the 20 per cent at the top received 41 per cent.

Statistics Canada reports that in 1965 the bottom 20 per cent of the income scale for all family units received 4.4 per cent of the total income, and the top 20 per cent received 41.4 per cent. Six years later, in 1971, the share of the bottom 20 per cent fell to 3.6 per cent, while the share of the top 20 per cent rose to 43.3 per cent.

This is bad news. The gap is widening. The fat cats are getting fatter—particularly so if they are multinationals. I have in my hand a table headed "Nation's Income", which indicates these various figures. I would ask your permission, honourable senators, to have it incorporated in my speech.

Hon. Mr. Flynn: What is this table?

Hon. Mr. Croll: It shows the figures to which I have referred.

Hon. Mr. Flynn: Have you calculated what it would mean if you distributed that wealth equally among all Canadians? I am interested in this.

Hon. Mr. Croll: No, I have not. While incomes of the privileged advance—

Hon. Mr. Flynn: You spoke of fat cats, and I am curious about that.

Hon. Mr. Langlois: Do you want to join them?

Hon. Mr. Flynn: Did the honourable senator ask me whether I wanted to join them? No, I do not want to join Senator Croll, anyway.

The Hon. the Speaker: Honourable senators, is it agreed that Senator Croll's table of figures be included in today's *Hansard*?

Hon. Senators: Agreed.

(The table follows)

NATION'S INCOME

		%
1951	20% top income.....	41.0
1965	20% top income.....	41.4
1971	20% top income.....	43.3
—		
1951	20% bottom income.....	6.1
1965	20% bottom income.....	4.4
1971	20% bottom income.....	3.6

Hon. Mr. Croll: While incomes advance to the privileged, they lag far behind at the bottom levels of the working poor. It calls into serious question the sincerity of

national policies directed to greater equality. There is a call to conscience in this land of ours.

Speaking further to the distribution of income, it seems to me that no matter how we redistribute—whether by taxation, fiscal arrangements, capital gains, transfer payments, or tariffs—in a very short time the same people end up with all the marbles. I do not know whether it is because they are smart, swift, or lucky. I have no answer to that.

Hon. Mr. Flynn: We have had a Liberal government for most of the time. They get all the marbles—at least, the power.

Hon. Mr. Croll: The resources to wage an internal war on poverty and inequity must be found if we accept the priority of the poverty fight. At the federal-provincial energy conference held recently in Ottawa, the Prime Minister in opening the conference described the problem for consideration as: "How do you share a pack of wealth which will be really of stupendous magnitude?" Those are the words of the Prime Minister. Not too many countries in the world are troubled in that fashion. In the course of my speech I take advantage of that "stupendous magnitude" in suggesting some ways in which he can spend a few dollars. I hope you will agree with me.

● (2040)

I speak again of the guaranteed annual income. The social security system in Canada has developed piecemeal over the years. Its patchwork quality was inevitable because of its origin as responses to different pressures at different times from different directions. It became government by reaction. The time has come when concerned action, long deferred, must replace reluctant, grudging responses to pressures.

Our programs in the past have relied on service strategy. We are now changing to job and income strategy. The task is for making things work, not for changing for the sake of change. New and ingenious plans for the relief of poverty are the need; the concept of a guaranteed annual income now has firm roots. It has been accepted as a feasible, social, and political proposal. Its great virtue is by way of distributing money to persons and families. Money that would be less stigmatized than welfare would go to people and to workers. It would, in a challenging way, lift people some part of the way out of poverty without imposing the current damage to families and the work ethic that the welfare system imposes. Instead of providing services, let the people "buy" what they need in the open market.

There is a political plus in doing something inventive about bringing the millions on welfare back into the mainstream of Canadian life. All of us have realized the urgent need for a new national effort to re-make a system that is as destructive of the people it is designed to help as it is irksome to the taxpayer.

It is inconceivable that the present state of affairs can continue much longer. The Canadian people have a right to require the acceptance and application of the work ethic. But have not those who comply with the work ethic the right to ask for a decent job with a living wage? There is a minimum of half a million persons working today who could receive more on welfare for themselves and their families than they earn in wages working a five-day—

40-hour week. That is a startling statement, but it is true. Every Canadian citizen who hears it and who reads it should be troubled. It should be repeated as often as necessary until the condition is remedied.

How can we ask people to respect the work ethic when we see before our eyes half a million Canadians working and abiding by all the rules that we have made for them, yet drawing less money than they could receive by staying at home and drawing welfare? The wonder is that they work at all. That is not my statement, but the statement of Mr. Marc Lalonde, the Minister of National Health and Welfare, who told a meeting of the Canadian Manufacturers' Association in Toronto last fall:

The wonder is that anyone in poverty does work . . . The marvel is that so many do. Certainly there is no better answer than this to those who claim that the work ethic is dead or dying.

Comparing a person on welfare with a person who is working, assuming they are both receiving the same dollar amount—and that isn't always so, as I shall indicate in a few moments—the two incomes are not comparable. Again I quote Mr. Lalonde:

The fact remains that the two incomes are not comparable, even if they have the same dollar amount attached to them. The salary is subject to numerous deductions—for tax, for the Canada Pension Plan, for unemployment insurance—but the welfare cheque is not. Health insurance, free under welfare, must be paid for when a person is working. In addition, there are the costs of working: transportation, tools and uniforms, day care in the case of mothers who head their families. All these expenses throw that gross equality between incomes into gross net imbalance. Again, no incentive is present.

The Special Senate Committee on Poverty, which brought in the report entitled *Poverty in Canada*, first published that statement. That statement, more than any other, shocked the Canadian people. But it did not shock them enough to bring remedial action. Consequently, we have to keep bringing it to the attention of the Canadian people. The statement is supported by the Minister of National Health and Welfare, Mr. Lalonde. Something must be done. Have they not the right, as workers, to be compensated and, moreover, rewarded for their expenses in transportation, clothing, food and wear and tear, beyond that which is available to those not in the labour force in order that they may stay in the labour force?

I have a Toronto-Ottawa example, but it could be repeated in every province. Let us for a moment examine the working poor versus the welfare poor. In Ontario the maximum welfare payment for a family of four is \$375 a month. A person working at the minimum wage of \$2 an hour in Ontario earns \$80 for a 40-hour week or \$344 a month. That person is not eligible for any supplement from the Ontario Ministry of Community and Social Services to raise his income up to the welfare level, no matter how many children he has. In most parts of Ontario, certainly in Toronto and Ottawa, welfare recipients receive free dental care, free eyeglasses, free prescription drugs, and medicare. In addition, the welfare recipient can supplement his income by working and earning up to \$24 a month, plus \$12 for each dependant without deduction.

[Hon. Mr. Croll.]

John Alexander, formerly the Metro Welfare Commissioner, now Deputy Minister of Community and Social Services for the Province of Ontario, said that for every person on welfare in Metropolitan Toronto, two persons work and take home less than they could get from the welfare department. That is a very important statement. It is a truism, and there are statistics to support it. Yet they continue to work, and in a little while I will indicate to you why I think they continue to work.

● (2050)

Who can dispute the need for society to look after the handicapped poor? It does not matter whether the handicaps arise from physical or mental disability, or age or a broken family life. Communities have accepted this responsibility since the beginning of time, even though the welfare system, as it has existed in Canada, has become archaic and discredited. Attitudes have changed dramatically and rapidly, and now the accepted view, as stated in the Speech from the Throne in January 1973, is:

The social security system must assure to people who cannot work, the aged, the blind and the disabled, a compassionate and equitable guaranteed annual income.

It is both simple and better to provide the handicapped poor with enough money so that they can live in dignity. But this is not enough.

I have extended the poverty line table for the year 1971 and for 1972. The poverty line table which appears in "Poverty in Canada" is for the years 1961, 1965, 1966, 1969 and 1970. Thus the new table will be for the selected years of 1969, 1970, 1971 and 1972. Also, in the table will appear the Economic Council poverty line for 1972. I would ask permission to insert that as part of my speech.

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

Hon. Senators: Agreed.

(The table follows)

SENATE REPORT ON POVERTY
UPDATED

Family Size	Poverty	Poverty	Poverty	Poverty	Economic Council
	Line 1969	Line 1970	Line 1971	Line 1972	Poverty Line 1972
	\$	\$	\$	\$	\$
1	2,140	2,310	2,430	2,580	2,110
2	3,570	3,860	4,040	4,270	3,516
3	4,290	4,630	4,860	5,110	4,219
4	5,000	5,400	5,660	5,990	4,922
5	5,710	6,170	6,470	6,850	5,626
6	6,430	6,940	7,270	8,120	
7	7,140	7,710	8,090	8,540	
8					
9					
10	9,290	10,020	10,510	11,120	

Senate Report: Poverty level set at 50 per cent of average Canadian family income adjusted to family size, making provision for inflation and gross national product.

Economic Council: Minimum income needed by a family which has to spend 70 per cent or more of its income on basic necessities: food, shelter and clothing.

Hon. Mr. Argue: This is your own opinion.

Hon. Mr. Croll: No. This is the poverty line that appeared in the book *Poverty in Canada* extended.

Hon. Mr. Flynn: You mean extended by you.

Hon. Mr. Croll: The criteria used is the same as that used in *Poverty in Canada*.

It is one-half the average income level as corrected to family size subject to inflation, as indicated by the consumer price index, and incorporating the quality of life as indicated by the improvement in the gross national product. The Economic Council used a different criteria. Their poverty line also appears in the table.

There are very many others, not nearly so visible, who bear a dreadful burden of poverty. These are the working poor. We ask, "What is the difference between the working poor and the welfare poor?" Is it that the working poor have jobs? So do many of the welfare poor. In neither case is there much chance that work will lead the worker out of poverty. Both are working for about the same rate, but the jobs are low paid and lead to nowhere. They can often meet their minimum needs for shelter, food and clothing, but their lives are threadbare. Their problem is not unemployment but low wages. They work hard and long, and still they are poor and effectively denied an acceptable level of material wellbeing. For the working poor it is always catch-up task victims of social and political muggery. They lack economic power, for one thing. Partly for this reason, their earnings are at or near minimum wage levels, and in some cases, such as domestics and farm workers, they do not even have the protection of the minimum wage law. They are the low people on the economic totem pole. For the most part, the working poor are not organized. That is the crux of their problem.

Organized labour has, in my view, a social and moral responsibility to the working poor which for too long has not been fulfilled. Thirty per cent of the labour force in this country is organized, and has been organized for a number of years. It has been of great benefit to those who belong to organized unions. It is not easy to organize those presently unorganized. But it was not easy to organize the automobile workers, the steel workers, and others who are benefiting from trade unions. The social wages and fringe benefits which organized labour has negotiated for their members are, in the main, denied to the working poor and the unorganized. I thoroughly approve reading that those automobile workers who were laid off would be drawing, after one week, 95 per cent of their wages for a period of 26 weeks, and maybe 52 weeks, if they had enough seniority, and that after 30 years of work in one of the automobile plants could retire at 55 with a pension of \$500 a month. That is a fair reward for years of work.

Hon. Mr. Deschatelets: Was this before any collective agreement?

Hon. Mr. Croll: It was the result of collective agreements.

I now turn to social wages, fringe benefits, minimum wages and study of work ethic. Social benefits came into vogue after World War II, when unions began to assert the right of workers and added the new dimension to wages—social wages. So began a trend in which wages consisted of money plus fringe benefits. This came about as a result of collective bargaining by the unions, picket lines and some lobbying, but some benefits came. Fringe benefits grew in importance, dimension and size, and soon became a very important part of the workers' security. At the present time they are of considerable number and of great benefit to the workers. Presently, fringe benefits are extended to those on welfare, who usually receive medicare, dental care, prescription drugs, sometimes glasses, and sometimes other extraordinary items; fringe benefits that trade unions have bargained for in the private and public sector, which I will enumerate later, and fringe benefits which are granted to keep unions out.

Hon. Mr. Flynn: Out of what?

Hon. Mr. Croll: Out of plants. The labour unions fought long and hard for fringe benefits—social wages. They now are a vital element in many labour contracts. To the working poor, these fringe benefits are something they read about. But they have become an essential aspect of modern industrial society and they cannot continue to be denied to those who work at or about the minimum wage level and have no collective bargaining strength and power. This is to say that some of the fringe benefits should be universally available. There is a package of commonly acceptable fringe benefits which should be available to all workers in the minimum wage area or below the poverty line. Under law there is now available holidays with pay, vacation pay, severance pay and other benefits, but nothing at all like that which is available to union members.

Is there a direct attack that might help? I believe the most useful tack for new social programs at the present time is to consider the problem of low-paid unstable work with poor or no fringe benefits, to see what can be done to make it more stable, to attach fringe benefits, increase its security and, in effect, make low income work, which at present supports and must be the major support of lower income population, more rewarding and more attractive.

● (2100)

Here is one great area in which social inventiveness is needed, and, surprisingly enough, the one in which the least effort has been made. The game plan for the working poor is social wages—fringe benefits.

We have to ask ourselves: Can we devise a job for the worker—a job which offers a minimum wage, a guarantee of that wage so long as he is willing to work, and does work, with medical and health insurance, disability insurance, dental insurance and prescription drugs, all attached to the job—all the benefits his unionized brother has?

It is automatic—work, produce. It is much better than welfare, it has present and future security for the worker and his family, and the country benefits from his production and saves money on welfare. It is not just a job; there is enough in it to make it a career. It can be built into something of substance, of quality—a job of some class he may be proud of.

Much of our ingenuity in recent years has gone into the effort to provide more money to the family without a worker, and the family with a worker who provides less than a poverty income. We have made non-work more and more attractive in most of our provinces because our minimum wages are far too low. We try to maintain a decent standard of welfare, but it is spartan because we keep our welfare at the minimum wage level.

Is it possible to do something now for workers? While there are few incentives for employers to provide the work benefits that go with standard jobs to those less qualified—primarily in the service occupations—it should be possible for the government to set up something like a minimum job standard guarantee program. The government does not have to provide the job, but it could provide the common fringe benefits and the security that makes it a real job.

In any event, the government will be paying it out in supplemental income if they do not earn enough. I am talking of universal and uniform basic benefits fitted to family size, paid out under the Canada Assistance Act. Thus we would provide the means for people to lift themselves out of the mire rather than requiring that they do so.

Fringe benefits came about when employers recognized that production and profit were not enough, that there was a social obligation to the worker, that in addition to his hourly wages there were other things that were beneficial to the employee—and the employer. The worker bargained hard for fringe benefits, and many times gave up wage increases to gain them, and fringe benefits have now come to be accepted where the worker has bargaining capacity. This is not true of those in the minimum wage syndrome.

What the working poor need is a substitute for the market power of the trade unions, for the political and economic muscle which they possess. Big business can look after itself, and big labour can look after itself, but the rest cannot and they need help. This help can only be supplied by the government—not to bargain with employers, but to bear the cost of the commonly acceptable fringe benefits—in return for production that saves on welfare and unemployment insurance payments.

Honourable senators, I have already indicated what benefits are available to the welfare poor. For those in the trade union movement the benefits with the highest rate of prevalence are:

1. Paid vacations, statutory holidays, Canada (or Quebec) Pension Plan, bereavement/jury duty leave, private pension plans, and group life insurance at 100 per cent.
2. Workmen's compensation and educational subsidies at 97.2 per cent.
3. Hospital, surgical, and medical benefits at 95.3 per cent.
4. Non-occupational sickness and accident benefits at 89.6 per cent.
5. Unemployment insurance at 88.7 per cent.
6. Rest periods at 84.9 per cent.
7. Safety clothing and equipment at 73.6 per cent.

[Hon. Mr. Croll.]

8. Medical supplies and service, parking and transportation at 71.7 per cent.

9. Service awards at 70.8 per cent.

10. Uniforms and/or laundry thereof at 68.9 per cent.

Then there is another classification, that of the enlightened employer. In that I include the Government of Canada, the provinces and the municipalities. At one time they were behind the private sector, but now the public service has pulled ahead with 35 possible fringe benefits available in the master government contract. There is some cost sharing. I have here a list of the 35 fringe benefits, as follows:

1. Medical and hospital coverage.
2. Disability benefit, public service management insurance plan.
3. Pension plan.
4. Death benefits.
5. Supplementary death benefit.
6. Salary for month of death legislated benefits—unemployment insurance, workmen's compensation, Canada/Quebec Pension Plan.
7. Absences from work.
8. Vacation leave.
9. Holidays.
10. Sick leave.
11. Special leave.
12. Rest periods.
13. Injury-on-duty leave.
14. Court leave.
15. Maternity leave.
16. Overtime.
17. Shift differentials.
18. Wash-up time.
19. Travel time.
20. Dirty work allowance.
21. Isolated post allowance.
22. Pay guarantees.
23. Call-back pay.
24. Reporting pay.
25. Stand-by pay.
26. Severance pay.
27. Transportation and travel.
28. Commuting expenses.
29. Parking facilities.
30. Subsidized food services.
31. Uniforms.
32. Recreational facilities.
33. Legal aid.
34. Memberships.
35. Credit union or loan association.

Unions achieve for their members, apart from wage increases:

- Supplementary hospital benefits.
- Sickness and disability incomes.

Group life insurance.
 Retirement plan contributions.
 Accidental death and dismemberment insurance.
 Extended vacation pay.
 Dependents' insurance.
 Dental coverage.
 Job security, and other benefits.

These are not common to all union agreements, but most are. The common ones in more than 50 per cent of the union agreements should be applicable to the unorganized in some form.

Can anyone argue seriously that such aids to weathering the minor and the major storms of life are not needed, or should not be extended to all minimum wage employees? Surely, their desirability for the disadvantaged is even more logical and evident. For the welfare state, born from the mass impoverishment and misery of the world depression of the 1930s, has helped the poor least of all to break out, and has failed badly in redistributing income. This is the paradox of our age, that poverty should have grown in Canada when more and more billions of dollars have been spent than ever before on forms of social assistance. We have been successful and reached beyond our means. Yet the poor of today are often the children of the poor who missed the political and social gains of the 1930s.

We ask ourselves: How can fringe benefits be applied with any degree of consistency to the working poor? We are hardly so lacking in information on averages established by unions as not to be able to work out a formula for action. Of course, there are administrative and technical difficulties—so there are in the collection of taxes, and in this case no effort is spared to achieve an efficient system, complete with giant computers and a highly trained bureaucracy. Should anything less be expected of the machinery that is needed to handle an integrated payments scheme to deal with one of the major social ills of our time?

Employee benefits are not handouts; they are regarded as employers' social obligations in our society today. Applying them to the working poor is no more than a recognition that all of us face the same kind of economic hazards in our round of daily living.

The working poor get sick, become disabled, and even die without the benefit of the kind of group insurance systems which the trade unions have. The working poor are often excluded from credit unions and, in fact, find it difficult, and often impossible, to get consumer credit of any kind, and then only at the highest rates of interest. It is a clear responsibility of the government to see that the fringe benefits which make life easier for the affluent workers in private employment, and even more so in public employment, are also provided to the poor in minimum wage employment, so that the work ethic by which they abide has meaning and purpose.

● (2110)

You may well ask: How do the working poor get by, if they receive less from working than others receive from welfare? They get by by having more than one breadwinner, and more than one pay cheque, in the home. The

breadwinner usually moonlights, working for any wage just to earn some extra money, and he is prepared to work overtime at regular rates rather than at double time or time-and-a-half. The wife works part-time or full-time. The children work part-time and sometimes full-time, and their education suffers; they become school drop-outs for family reasons. Sometimes at the end of the month they have to practise dieting, and they hunger a little. The wonder is that they work at all.

Since employee benefits are estimated by the experts to represent a portion of industrial pay-rolls, depending upon the fringe benefits that are available which differ almost from contract to contract, it is ascertained that the gap between the real income of the organized employee and the working poor is actually much wider than comparisons of their dollar incomes would suggest. Moreover, the gap in benefits is in the most crucial areas of distress and family crises. Reasonable minimum fringe benefits which are common to trade union contracts, and to federal, provincial and municipal employees, will make it a real job and not just a temporary interlude. There is a pattern of fringe benefits commonly accepted which is not now available to the unorganized. It is the intention that the minimum common fringe benefits should be attached to the jobs of the working poor who are in the minimum wage bracket. This will have the effect of strengthening the work ethic, and redistributing income and wealth with greater equality.

You ask: Is the work ethic dead? Half a million Canadians can't be wrong. They are working. But people are now demanding more interesting and constructive work. Is the conventional concept still applicable? Some plants are seeking to reorganize production so that workers can vary their labour and learn new skills. There are movements for worker participation in management, and for co-ownership of companies.

It is time now for the Senate to make a study of the work ethic in order to explore changing work attitudes in the light of modern times, modern jobs, modern pay and benefits; in order to take evidence from those with complaints and ideas; and in order to make recommendations on how we can enlarge the framework of liberty and democracy in the work place.

This country could profit from an "in depth" study of the work ethic as it applies in modern times to both work and the worker. It would be a study by a committee that would spend most of its time away from Ottawa seeing for itself and hearing directly from persons most concerned; rubbing shoulders with the world of realism and seeing labour in the raw. It would give explanations and educate the Canadian people with respect to what should be done in addition to what I have already suggested, in order to induce those who are reluctant to assume the role of worker and producer, thus benefiting both themselves and the country.

We are witnessing the paradox of high unemployment going hand in hand with industries crying for help and, in many instances, being forced to curtail operations because of staff shortages. Why? We haven't the answers, unfortunately, but we could try to find some of the answers. There are people who will tell you that welfare payments and unemployment insurance are the chief reasons why people

do not want to work. That is a threadbare myth which has been exploded repeatedly only to pop up again, and it is about as true as the "welfare bum" myth.

It is obvious that work as an integral part of average existence no longer commands the respect of a large part of our society. The mechanization of industry with its consequent monotony has made people into attendants of machinery—turning knobs here, pulling switches there, and doing the same dull chores over and over again. So many things that once called for human skills are now performed infinitely better by the machines we have created.

This is the era of rising expectations in a consumer-oriented world. For many of us the work we do not only bores us but fails to provide us with the means to acquire what the media drums into our minds are the good things of life.

Is the work ethic worth salvaging? Of course, it is. The short work week is here to stay, but where does the responsibility lie to make the hours of labour more meaningful? If the daily grind is to continue just that—a joyless, funless package—then we are headed for serious trouble. Social welfare has not robbed people of their initiative or their desire to improve their lot, but computerized society, and technology in general, makes work as a means to any worthwhile end, other than putting food on the table and paying the bills, most uninviting.

We need very urgently to do something about the minimum wage. It is inadequate and disgraceful in most sectors of this country. At the very least the minimum wage should be sufficient to bring a man and his family above the welfare and poverty line. We need to reconstruct the low wage labour market which is without benefit of unions, and which could do a much better job if the opportunity were there.

While we are at it, the old canard, that if we raise the minimum wage some industries will close down, is not true. The history of raising the minimum wage in Canada is that it seldom affected a job. I checked in the richest province of Canada, the third richest and the seventh richest, all of which had recently raised the minimum wage. It is a myth; it is just not true. No jobs were lost.

The message comes through loud and clear—more needs to be done if the stain of poverty is to be removed. The trend to greater inequality in the distribution of incomes must be reversed. Liberal and innovative methods are vital to cope with the spectre of local unemployment. Nothing must stand in the way of decisive action to implement an integrated guaranteed annual income system now. The discrimination that now exists cannot be tolerated. For the working poor who are denied fringe benefits, the government must step in to provide a minimum job standard to see that the job is one of quality, one that the worker is proud of, and one that he can make a career of. In that way we can preserve the work ethic.

● (2120)

[Translation]

Hon. Maurice Riel: Honourable senators, it is with a deep feeling of apprehension and humility that I rise to speak in this house where so many senior politicians full of experience and wisdom have preceded me in this

[Hon. Mr. Croll.]

debate. But I know I can count on your indulgence. I need it and I thank you in advance for it.

I should like to say first of all, Madam Speaker, how pleased I am to have been called to the Senate under your chairmanship.

The appointment of a lady to the head of one of the two legislative bodies of this Parliament is indeed an outstanding event and a sign of the times. It is a step that now seems normal toward the recognition of the equality of the female and the male mind—I should say recognition of the parity of any human mind because I do not like at all the expression "equality of the sexes". As I was saying, the appointment of a lady to the chairmanship of the Senate is a step which seems normal today but which is still an aberration in the mind of some. However, I am sure, Madam, that those latecomers who have not yet come around to the thought of parity of the female and male mind would do so readily if they had the privilege we have in this house to see you chair the Senate with so much competence, dignity and authority. It is with the utmost respect, Madam, that I extend to you my compliments as a newcomer.

May I be allowed to add that it is also with great pleasure that I have found in this assembly where I have been called, a number of ladies whose contribution to the debates of this place I have listened to carefully to my great intellectual enrichment. I have always felt that the wisdom developed in the home by women throughout the ages of the history of mankind had a unique pragmatic depth, and very foolish were those who neglected to make use of it throughout the centuries. The wisdom of women was once described as intuitive and that of men as logical. I believe that they are only appearances, for what seems to be intuition in women is only, to my mind, the result of a long and silent maturation which expresses itself spontaneously and effortlessly when called upon. It is simply because this reserve of wisdom was built up through the ages and is always ready to spend itself given the opportunity. I add, without hesitation, that it always does so for the greatest benefit of all.

Honourable senators, if you hear me speak with such conviction of my confidence in the wisdom of women and of their fundamental contribution to human destiny, which I readily acknowledge, it is because I speak from experience. Indeed, I had the good fortune to have at my side, throughout my career, the silent—yet how full of the soundest judgment—presence of a wife who gave me children of whom I am happy and proud and who, by her patient understanding and strength of character, contributed as much as I could myself to my presence in your midst.

I would like to make another remark, honourable senators, and it is the following: When I was approached for my appointment to the Senate, I must say that I knew very few of its members. Like everybody, I had read in the papers over the years and heard quite often some rather unkind jokes on this assembly and its members. So, I had a certain idea—since the expression is still in fashion—of the Senate which was not very favourable. Then, when I was appointed, I had for a while an uncertain and vague reaction, neither fish, flesh nor fowl. But after taking my seat and having the opportunity to meet my new col-

leagues, to hear them and see them at work, I can tell you that my feeling toward the Senate and its members is not either uncertain or vague any longer.

I found here an active chamber, busy committees, a government leader with a wide experience, ably seconded by the deputy leader, a devoted whip and assisted by colleagues who are all most worthy.

I will be fair also to our friends on the other side, even though I do not always agree with their claims. I think that no one in this chamber will contradict me when I say that the Opposition is led by a gentleman who has at his side some very distinguished colleagues.

Allow me to refer especially to Senator O'Leary, whom I did not know before, whose ringing and lofty eloquence won my admiration right away.

Finally, I want to thank all my colleagues without exception for the efficient support they have been giving me so simply and so naturally since my arrival here. I know I will make deep friendships here and what is more important in life, especially when we can put them at the disposal of our country!

Honourable senators, the newcomer among you finds in this house skill, experience and work. As an example I want to suggest not only the brilliant contribution of the movers of the Address in reply to the Speech from the Throne, but also the debate on capital punishment and, just before the Christmas recess, the debate on the Senate amendment brought to the wiretapping bill. The people who took part in these debates expressed themselves, especially in the last debate, very strongly and with great ponderability. What was described by newspapers and by other information media as a big confrontation with the House of Commons was considered by the Senate only as a normal and habitual exercise of its duties; that is, to move an amendment which seemed reasonable, a daily practice apparently ignored not only by the public but also by those who must inform the public.

This gave me the opportunity to see how the Senate could be treated in some circles where they want to abolish it for reasons I still do not understand very well. There is a French saying which goes like this:

Give a dog a bad name and hang him.

Experience taught me that when someone wants to play a dirty trick, he begins by saying that he is doing it on principle. I understood that the principle invoked against the Senate was that it is a non-elected house. A newspaperman even wrote that this was against electoral democracy. I had always thought that we had a system of parliamentary democracy.

We have in Canada, thank goodness, the British parliamentary system which maintains a delicate balance between various elements of government, namely the Crown, a non-elective higher chamber, and an elective lower chamber to which the government is answerable. Those who want to find out how favourably the British system compares with others in the world need only look, and they will realize how quickly the British crisis was recently solved by a general election, while the United States government seems to be undergoing for over a year now a national loss of confidence which may very well turn into a major constitutional crisis which is not likely

to reassure anybody, especially when the country involved is one of the two great world powers.

● (2130)

Our political system, copied from the British system, having in my opinion proven its superiority beyond question, I must admit that I was surprised to hear members of Parliament who clamour for everything that is Tradition—with a capital T—Monarchy—with a capital M—and Institutions—with a capital I, even as far as the lettering on postal boxes or the colour of the boots of the RCMP, turn suddenly against the Senate. Do these people not realize that if the Senate were to disappear, the monarchy would not survive long in this country? Do we have to remind them that in France, in 1875, the republic was proclaimed by only one vote and by a single house? Honourable senators, I am not afraid of words nor even of things, but I do think people have to be consistent.

I do hope that those senior and experienced members of Parliament who have made that mistake were only guilty of momentary levity.

I must also say that I was amazed at the attacks directed against the Senate in the mass media.

I wonder if there is one specific grievance against the Senate? Can it be said that the Senate has ever done a single thing against the interests of our nation?

On the contrary, if one recalls the history of the Senate and checks all its actions, it is evident that the Senate has always acted with wisdom and prudence even when its opinion differed from that of the House of Commons. Moreover, even those whose bills have been delayed, amended or put aside by the Senate did not complain, at least publicly, and did not use this as a pretext to ask for its abolition. Since when, I ask the question, can anyone propose the abolition of an institution that, during one century, has rendered many services and against which no reproach can be made?

I remember one day, at the Montreal Bar Association—that is 25 years ago—certain people demanded the abolition of trials by jury for civil matters. A lawyer well known for his picturesque language stood up and told this story: My uncle Moïse who lived on a concession road in the country had a big yellow dog. For many years, the dog had been lying on the porch all day long and was never heard barking. One of his neighbours asked one day: "Moïse, for fifteen years I have been coming to see you almost every day, and your old dog is still lying in the same place and I never heard it barking. Didn't you ever think it would be about time for you to get rid of it?" To this my uncle Moïse replied: "Maybe it never barked, but thieves never came. If thieves should come, it might bark and perhaps no thieves come precisely because they see my big yellow dog lying on the porch." Won over by this quite simple argument, the members of the bar voted to retain trial by jury in civil matters.

This story reminds me of the quatrain from an old Quebec legend, that of the Golden Dog:

Je suis le chien qui ronge l'os
 En le rongéant je prends mon repos
 Un jour viendra qui n'est pas venu
 Où je mordrai qui m'aura mordu

Honourable senators, I then read some newspaper items demanding the abolition of the Senate because senators are not elected. Some of you remarked in December—and rightly so—that a great many positions in our system are not elective and it does not follow that such positions should be abolished, or that the incumbents should be elected.

Some have talked about judges, others about government officials who in some cases have more influence on legislation than many members of Parliament. But to that list I would like to add members of what is called the Fourth Estate. Who would deny that today because of developing means of communications, editorial writers, commentators, news editors, speakers—as they say in France—that is, announcers, even mere reporters or panelists and disc jockeys are more influential in politics than elected members of Parliament?

Everyone knows that a columnist who once or many times a week writes a political column in several newspapers throughout Canada and who condemns or approves measures or bills is more likely to influence the legislation, the minister or the public than ten members duly elected and sitting in the House of Commons.

I had the opportunity a few years ago to invite a government minister in my province to a meeting of people as revolutionary as myself and for quite innocent purposes. He replied: "Should *Le Devoir* learn that I agreed to meet your group, I would be hauled over the coals. Therefore I cannot accept your invitation."

Everybody knows that politicians or their assistants anxiously read the newspapers every morning to find out how they have been treated or how their statements have been criticized. We say that it reflects public opinion. Sometimes this reflection precedes public opinion, sometimes it follows it, sometimes it misses the target and sometimes there are abuses. Who can be 100 per cent right?

However, I think that in our political system as a free country the "Fourth Estate" is useful and even necessary in spite of all its shortcomings. And yet, none of its members from the bottom up is elected.

And if I can go a little beyond that, may I invite you to listen to the radio and look at television at any time of the day, and you will realize that political, social or even religious problems are dealt with as by a court of last resort by an array of non-elected people. You hear them present all kinds of ideas, serious, preposterous, prejudiced or biased, while the duly elected member of Parliament cannot express himself through such mass media precisely because he has been elected and that broadcasting and T.V. time is restricted by law to very short periods for the elected representatives of recognized political parties.

This is part of our political system. Furthermore, some even go as far as to say that it is normal for the mass media to broadcast the views of the opponents to our system, to the party in power, to the legally established authority since the opponent is the "underdog" and that the "underdog" needs help. Is this not evidence that we live in an extremely free country when any government in power considers such things as normal regardless of the misuses?

[Hon. Mr. Riel.]

● (2140)

I say "misuses" because we really are under the impression sometimes that our radio and television are available only to our Soljenitzyns.

Perhaps I dealt a little too long with that subject, honourable senators, and I apologize. I wanted simply to point out, with examples from everyday life, the truthfulness of the Gospel's words that it is easier to behold the mote in one's brother's eye than to see the beam in one's own eye.

Honourable senators, it seems to me there is so much to be done to help this country survive, in order that its people may enjoy the highest standard of living, considering our possibilities, that we should not reject help from anybody. If we determine the priorities as to the most serious problems this country has to cope with, I believe the reexamination of our parliamentary system is not at the top. There are other fish to fry.

The Opposition leader in his speech, along with some unfair things, undoubtedly dictated by a wrong view of the situation, stated the main duties of the Senate: protection of the rights of the provinces, minorities and areas; the right to re-examine legislation from the House of Commons on second thought; investigation work in committees, about long-term policies in science, poverty, economic growth, employment and price stabilization, constitution and taxation.

Such is what we call our jurisdiction. On the other hand, we have before us an extremely heavy legislative program laid out for us by the government in the Speech from the Throne.

Contrary to Senators Flynn and O'Leary, I believe the Speech from the Throne is extremely interesting.

Hon. Mr. Flynn: Surprise!

Hon. Mr. Riel: When the government states that it has taken and will continue to take steps to improve the status of women in Canada, I applaud and I think that this house must welcome the fact that we will finally be granting the same status to all Canadians. We are no longer in the stone age to treat women as inferior beings. The honourable senators who have studied law in Quebec will remember that famous phrase in the Civil Code which we learned at the university and which ended with these words:

—minors, interdicted individuals and married women.

As mentioned in *Les Plaideurs* of Racine, it is better to cut it short.

I would have liked our friends in the Opposition to take the necessary time to dwell not only on that part of the Speech from the Throne where the government intends to do justice to women, but on all the progressive and constructive measures stated in that Speech. However, our two colleagues were only concerned with a common fixed idea; we are, according to them, in the abomination of desolation and going from bad to worse. They see dragons on the walls and the government through dark glasses.

Yet you who have travelled know very well that Canada is one of the countries where it is always pleasant to live, at all times, in every season and in every region. Like all

the other countries, Canada is fighting inflation; this is nothing new and it will be the same tomorrow. Inflation is a world-wide contagious disease and it is useless to deny the influence that countries have on each other in this respect. It is not the only factor, but it is a very important one. It is unfortunate that we cannot go to the corner drugstore to buy medicine for inflation, like we purchase aspirin tablets for headaches. There is no patent medicine to cure economic illness. A democratic government rarely takes strict measures to fight inflation, like our government did in 1969 at the risk of harming its popularity. The government acted with decisiveness and courage. The disease may not have yielded as anticipated to the remedy. However, since then, the government has tried other medicines. It never gave up. It is because of its constant and continuous efforts that our country has one of the lowest inflation rates in the world.

I should like to remind my colleagues that during four years, from 1969 to 1973, I had the privilege of sitting on the Bank of Canada Board. I can testify that we have there the most qualified experts who are a credit to us in international meetings. I had the opportunity, during my visits to Europe, to hear them praised. I am pleased to state it publicly. This also applies to experts of the Department of Finance.

It is true that it is the government who is responsible for an anti-inflationary policy but the government, in such area, acts only after taking advice from its advisors. It is not easy, as you will appreciate, to take decisions in this area. The point is not to make big headlines in the papers when one plays with the economic situation of a country, when this policy may affect millions of people in their everyday life. It is a huge responsibility. I saw Governor Rasminsky looking 15 years older within two years, without ever complaining, without ever failing in his responsibilities, and this man, one of the greatest minds of our country, was worn out when he retired.

It is easy to say afterwards we could have done this or that, we could have applied Friedman's theory instead of Keynes'. The laws of economy have not yet been defined as those of physics or chemistry. Since Archimedes, as you all know, schoolboys throughout the world learn that any body immersed in water loses a weight equal to the weight of the water displaced by the body. In economics, it is not so well-defined and the reaction that takes place is only known afterwards. This is often disappointing. Sometimes it comes close to a disaster. It seems that at present, throughout the Western World, the system no longer answers in the anticipated way to usual orders.

Let me quote a few lines from a leading article in the *New York Times*, business and finance section, of Sunday last, March 10. The title is:

● (2150)
[English]

Inflation! It's bad but not cataclysmic.

Prices seem to have taken leave of their senses and most thoughtful men are filled with fear and trembling that the economy they thought they understood, and in which they earn their bread, is in the process of inflationary disintegration.

Existential fears of inflation do not spring alone from what the price indexes are doing. There is in the

world economy a sociological and political whiff of Germany in the 1920s or Brazil in the 1950s. In the United States, the distribution of the life-fluid of the economy, gasoline, has been in a state of chaos. In Britain and France, economic woes have brought governments to grief, and Japan is threatening to go the same way.

The article goes on to say:

Why are prices, particularly commodity prices, rising so rapidly?

There is a general reason and a number of specific reasons.

And the columnist emphasizes:

Prices are rising faster now, because central bankers have allowed money to grow faster over the last five years, on average, than during the preceding decade.

The specific reasons that commodity prices, rather than other prices, have been severely affected by this new permissiveness on the part of central bankers, who are presumably paid not to be permissive in monetary matters, are basically four:

Here, I quote only the headings:

1. It's partly a matter of catch-up.
2. It's partly a matter of worldwide prosperity.
3. It's partly a matter of bad luck on the supply side.
4. It's partly a matter of speculation.

Then, the article goes on to say:

Will inflation accelerate?

This is partly a question of luck, of how random events will affect prices. But it is mainly a question of how central bankers will behave.

To divine the answer to that question, a survey of eight key countries has been conducted.

I should say that Canada is not among those countries.

Each was asked for data on recent monetary growth rates, as well as for projections to mid-1975, if possible.

Their numbers, assembled in the accompanying table on monetary growth rates, indicate they expect the world monetary authorities to behave about as badly (or as well) as in the years since 1967.

On this assumption the economists prepared the accompanying forecasts of both wholesale and retail prices. These forecasts show that world inflation will, in general, be at its worst in the first half of this year. Prices will continue to rise, but by the second half of 1974, the pace of increase will be back to its trend rate.

What will governments do about inflation?

When a football team is not sure how to proceed, it ordinarily punts. Central bankers can be expected to do the same thing about inflation.

The policy equivalent of punting is to decide in favor of a rate of growth of the money supply that rationalizes the existing trend rate of inflation. An examination of the money supply forecast for the eight countries in the table indicates that most central banks will opt for policies that are consistent with

roughly the same trend rate of price increase as has prevailed in the past.

Central bankers long for direct wage and price controls because these offer a way to avoid responsibility for inflation. But governments around the world have become leery of direct intervention, and rightly so.

Controls make no sense because of the distortions they create when supplies are short, as recent experience with agricultural and energy price controls, suggest.

[Translation]

I must say that I am not at all thinking of the Bank of Canada when I give this quotation. Canada is not one of the countries referred to in this article.

Honourable senators, I quoted this article for two reasons:

First of all, it shows that inflation has struck all the main countries of our Western World. It is not, therefore, a Canadian invention.

Secondly, no magic solution has yet been found anywhere to throttle it.

Might the best way of going about it not be to keep as many options open as possible, to navigate with care and dexterity? Is that not what this government is doing? To my mind, that is the best policy.

Before resuming my seat, if I may abuse your patience a few more minutes, I would like to deal briefly with a subject I hold dear and which, it seems to me, should be of great concern to all Canadians, that of national unity. Like Penelope's web, the work must be started over again every day, and never be left alone; this, I believe, must be one of the most important tasks of the Senate. I say important, but I should say it is one of the most imperious and sacred duties.

You will be hearing nothing new if I say that our country, because of its size, its regional diversities as well as the different characters of its inhabitants, bears in itself some dangers of balkanization. From the beginning of its existence, Canada has constantly been threatened with being torn apart and we are now in the middle of one such crisis.

Recently in Calgary, the president of the Royal Bank, Mr. Earle McLaughlin, made a speech titled "Is Renegade Regionalism Threatening Canadian Unity?" which I urge you to read because what Mr. McLaughlin says is quite true. I do not have much time, so I shall quote only one sentence:

[English]

I therefore believe that a strong and dominant national spirit is not a patriotic luxury in Canada. Rather, it is an economic necessity. Without unity, the country cannot realize its potential.

[Translation]

The fact that one of our financial leaders finds the situation alarming is significant to me. I think he is right in calling public attention to that matter. I am afraid that regionalists might become too strong in our country. We claim to have the most advanced communications system in the world. Yet, it seems to me there is no communication among Canadians from various parts of the country. We are continuously witnessing dialogues of deaf. Though subjects change, the lack of understanding remains. When we meet Canadians from places remote from our own area, we realize that we are almost strangers. Undoubtedly the geographic factor isolates us one from the other, but there is also the educational system which is not the same from coast to coast, the family environment with its own peculiarities and what have you, so many elements which explain why Canadians facing the same problem will react quite differently and sometimes just the opposite way.

Occasionally, such reactions develop into violent antagonisms. You will agree with me that it is a bad situation and that a legislative body like the Senate in which you find serenity due to the fact that our appointment is permanent, and whose members by virtue of the Constitution itself represent all parts of the country, must endeavour not only to fight against whatever might attempt to interfere with national unity, but also must go still further and draft for the present and future generations a Charter of Canadianism.

We must also clearly define what a Canadian is, draw a profile of a typical Canadian with his qualities, character and ideals. We must find the greatest common denominator for all Canadians. Do we not talk too much about what distinguishes us and not enough about what we have in common? We must develop the concept of the *Homo Canadensis*, patiently together, taking our time—as jurisprudence is developed on a given point by successive judgments which finally determine the law definitely on that point. All Canadians must be able to identify themselves with a common idea. If we senators can succeed in bringing about that idea, we will have done our country a great service. And to serve our country, is that not the only reason for the existence of the Senate?

[English]

On motion of Senator Asselin, debate adjourned.

Hon. Mr. Langlois: Honourable senators, before moving the adjournment, I wish to welcome back our colleague, Senator Prowse, after a long absence because of illness. I am sure I speak for all senators when I say that we are pleased to see him looking so well and so eager to resume his work in this chamber.

Hon. Senators: Hear, hear.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, March 13, 1974

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

PRINTING 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. Boisvert has been substituted for that of Mr. Caouette (Charlevoix) on the list of members appointed to serve on the Standing Joint Committee on Printing.

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. Caouette (Charlevoix) has been substituted for that of Mr. Fortin on the list of members appointed to serve on the Standing Joint Committee on Regulations and other Statutory Instruments.

SCIENCE POLICY

REPORTS OF COMMITTEE EXPENSES TABLED

Hon. Maurice Lamontagne, as former Chairman of the Special Committee on Science Policy, pursuant to Standing Order 84, tabled two reports for the First Session of the Twenty-ninth Parliament, related to the report on the science policy of the federal government, and the organization of a special meeting for the purpose of determining the feasibility of establishing a Commission on the Future. (Translation)

QUEBEC PROVINCIAL POLICE

FINANCIAL COMPENSATION FOR MAINTENANCE—QUESTION

Hon. Mr. Flynn: I have a question for the deputy leader of the government.

Can he tell the Senate whether the Solicitor General took a decision with regard to the request addressed to him by the Quebec Minister of Justice concerning financial compensation for the maintenance of the Quebec Provincial Police? If not, can he tell us when a decision will be reached?

Hon. Mr. Langlois: Honourable senators, I have no recent information on the developments in this connec-

tion, but I shall enquire and be happy to pass on the information to the Senate as soon as I have it.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Martial Asselin: I should like, first of all, to congratulate His Excellency Jules Léger on his appointment as Governor General of Canada. I had the privilege of knowing His Excellency when he was in Paris under circumstances which required of him great diplomacy and ability in reducing the tensions that existed between France and Canada. He managed to do well, ably seconded by Mrs. Léger.

He was therefore well prepared to assume his present responsibilities.

[English]

May I say to you, Madam Speaker, that we are always proud to have you as Speaker of this chamber and, as a French Canadian, I am pleased to see the courage you demonstrate every day by learning French. This is clear evidence that you believe in a bilingual country.

[Translation]

Honourable senators, let me offer my congratulations to the movers of the Address in reply to the Speech from the Throne.

Senator Robichaud will undoubtedly make a significant contribution in our debates, especially since he has acquired remarkable parliamentary experience in the New Brunswick Legislature.

I am also pleased to salute Senator Perrault, a friend with whom I had the opportunity of working in the other place. I am sure that because of his eagerness, his public spirit, and his qualities as an experienced parliamentarian, he will be a very active member of our institution.

I do not wish to be in disagreement with the recent appointment of new senators for I am happy to congratulate them on their appointment to the Senate. All had the aptitudes and the qualities to sit in this house. However, if only to repeat what the Leader of the Opposition so rightly said in the masterly speech he made in this debate, it seems to me that the appointment of too many senators on the government side further upsets the existing imbalance. I admit that traditionally the Prime Minister appoints to the Upper House personalities from the political group in power. But since our party has not been in power for such a long time, it would be advisable to

point out to the government leader that in following that practice he is distorting the play of democracy.

● (1410)

You will admit as I do that the official Opposition in the Senate is not strong enough and does not fully represent the main areas of Canada; several provinces have not even one representative of our party in the Senate. You will undoubtedly say that an exception was made in my case. However, such an exception during the past 20 years does not seem to me a convincing indication of a departure from a policy followed so far for the appointment of senators.

It is impossible for us, in spite of an efficient organization, to make up a real Opposition. A change of policy in the appointment of senators would bolster the credibility of this house and ensure, in my opinion, an excellent process of sound democracy. Talking about democracy, last night I listened to the excellent speech that my friend Senator Riel gave in this house. I wish to congratulate him on it. However, I had the impression, while listening to his speech, that he was confused about the concept of democracy. When he referred to the speeches delivered in this house by the Leader of the Opposition and by Senator O'Leary, he seemed surprised about the fact that we in the opposition often criticize government policies.

Honourable senators, this is the basis of a healthy democracy. We must have the opportunity to criticize the policies and the pieces of legislation introduced by the government in order to improve them and give our interpretation to the population.

As I have just said, honourable senators, I have read the Speech from the Throne very carefully. I have noted that it contains good legislation designed to meet the crucial problems of all Canadians. However, I do not think that the solutions advocated in this speech are best suited to meet the critical situation in which we find ourselves, either on the social level or the economic level.

This Speech seems somewhat timid; I would even say that it shows a certain incapacity of the government to introduce short term remedies to fight unemployment, curtail inflation and give to the poor of our society the means to improve their lot.

Over the years, Canada never had such a challenge to meet. With so much wealth available, Canadians have never been in such a precarious position. It is all very well to say that this government created more jobs this year; the fact remains that the real level of unemployment is unacceptable in a society such as ours.

It is all very well to say that inflation is mostly due to external factors that are beyond our control and the government's control, but it is not possible to see such spiralling food prices without considering the implementation of short term measures to stop it.

The government had every right to reject our proposals for wage and price control legislation, but when this same government in its Speech from the Throne fails to come up with short term measures to fight this unrestrained escalation in the cost of living, I say that it shows to all Canadians its helplessness to deal with this situation.

[English]

Honourable senators, the government has done virtually nothing to stop inflation. In February 1973, Finance Minister John Turner presented a budget to the House of Commons which he said was "aimed at increasing the real income and improving the standard of living of all Canadians."

Opposition Leader Robert Stanfield predicted at the time that Mr. Turner's budget proposals would not work and put forward an economic stabilization plan incorporating a short freeze to be followed by a temporary period of more flexible price and income controls.

The government, supported by the NDP, rejected the plan outright and used vague references to the United States experience to support their arguments. The same arguments have been used by the Leader of the Government in this chamber to defend the policies of the government in this field. Meanwhile, honourable senators, we must admit that the real losers are the ordinary Canadians who suffer most the increase in the cost of living. As Mr. Stanfield stated in the House of Commons on September 10, 1973:

The real losers are not the members of my party who may lose motions of confidence from time to time. The real losers are the Canadian people of ordinary means, because the ordinary Canadian cannot ride things out. This is a tragic situation, all the more tragic because there is an alternative.

● (1420)

Senator Martin, in his speech two weeks ago, said that the government cannot accept the proposals put forward by the Conservative Party for a temporary freeze on wages and salaries, because this policy did not work well in the United States—but Senator Martin must admit that the United States had significantly lower inflation in 1972 and 1973 than had Canada.

It is impossible to find in the Speech from the Throne a short-term policy to fight inflation. The present government has not only become indifferent to inflation, it has encouraged it through excessive government spending, which is up 20 per cent in the current year alone, and through the increase of our money supply which has doubled since 1968.

The average wage earner lost \$5 per week in purchasing power during 1973 as his wages failed to keep up with inflation. A home buyer in our cities must now pay 72 per cent more for his home than he did in 1968. Mortgage interest rates have soared. Persons on a fixed income, and persons with savings, have seen their dollar devalued by over 30 per cent since 1968. A food basket of 15 items that cost less than \$10 three years ago now costs over \$15, a 50 per cent jump. Yet the government's Throne Speech deals only with the peripheral aspects of inflation; it does not deal with the root causes of our current inflation which is two-thirds home grown. The government seems to be so preoccupied with the retention of power that it has neither the time nor the will to control our inflation. Prime Minister Trudeau stated, "What is the point of being right and being out of power." But surely the nation must ask, "What is the point of being in power and not being right?"

Honourable senators, it is obvious that the present government has lost its will to deal with inflation. A Progressive Conservative government would accept as its first challenge the containing of inflation in Canada. Through sounder money management, better control of government spending and the use of income and price controls, inflation can be controlled in Canada. We in the Progressive Conservative Party have the will to take such action. Specifically, we would take such steps as reducing or eliminating the federal government's inflationary sales taxes on building materials, energy products and clothing. Our program has been put forward for over a year now, and still the government says that we have no policy to fight inflation.

Speaking about unemployment, Senator Martin said that more jobs have been created in the last two years, but he did not say that a great number of Canadians are still jobless. Unemployment too is alive and well in Canada. Unemployment in this country is running at an annual rate of 5.6 per cent—that is, for December 1972 to December 1973, seasonally adjusted. This means, in human terms, that 528,000 Canadians were out of work in December 1973.

During the first week of December 1973, Statistics Canada revealed a special analysis of a survey taken in 1972 which showed that about a fifth of all unemployed individuals came from families with an annual income of less than \$4,000, and a half from families with incomes between \$4,000 and \$10,999. Heads of families accounted for more than half of the total labour force. The survey taken to examine the economic hardship to families, during a year when the annual average unemployment rate was established at 6.4 per cent of the labour force, showed that about 52 per cent of all heads of families who experienced unemployment were living on incomes of less than \$7,000. Only about 6 per cent were from families with annual incomes over \$15,000.

We, on this side of the chamber, cannot accept this serious situation and, therefore, we ask the government to find means and ways to bring about solutions to the important problem of unemployment.

Senator Langlois said last week that we will find everything in the Throne Speech to solve Canadian problems, but he did not say that the government had found any specific measures to solve the problems in the short term.

There are many deficiencies in the Throne Speech. There is no provision for a public inquiry into unemployment insurance and the administration of the Unemployment Insurance Commission. There is no mention of the reduction or elimination of federal sales taxes on all clothing and building materials; no mention of a reduction in personal income taxes; no mention of an annual inquiry into oil profits; no mention of an inter-city rapid transit policy. There is also no provision for an immediate anti-inflation program. The measures proposed will very likely be inefficient in dealing with inflation over the short term.

[Translation]

Honourable senators, government members may be right in saying that the Speech from the Throne contains an impressive list of pious intentions on the part of the

[Hon. Mr. Asselin.]

government to legislate in several fields. But this speech shows clearly that the government has abandoned the idea to take short term measures to reduce inflationary pressures, especially as regards food.

By putting emphasis on long-term farm production planning, by asserting that the main causes of the current inflation have international connotations, the government leaves very little hope to the consumer.

It is true that the Speech from the Throne mentions the need on the part of the government to protect the consumer against an excessive food price increase. But considering the recent speech of the Minister of Agriculture, it seems that the government will not substantially increase its subsidies to consumers and that the Canadian people will have to absorb higher prices which, according to the minister, have become necessary in the agricultural field.

That Speech from the Throne is surely not one to quell the anger of housewives whose budget is sharply eroded every week by ever rising food prices.

Sugar yesterday showed skyrocketing prices, bread will get its turn tomorrow and milk the day after tomorrow, which drives to despair the small wage earner.

It is not in a year or two from now that action should take place, as provided in measures in the Speech from the Throne; it is right now. Moreover, I challenge the government members to show me in the Speech from the Throne a clear indication that the government is planning to act now. The Prime Minister was certainly right when he said that this speech was flat and dull. It is high time the government stopped listening to the NDP which is trying to blackmail it into passing all sorts of socialist measures to deprive the private sector of all initiative.

There is only one way out for the Canadian people. They must turn to the platform of our party which presents the only alternative to many of these problems. Be it in the areas of energy, regional development, inflation or tax policy, our party has proposed honest solutions which this government would be well advised to apply if it wants to demonstrate its credibility to the Canadian electorate.

● (1430)

Honourable senators, I am sure that Quebecers will remember, come election time, the firm and vigorous position the Conservative leader adopted towards them when he forced the government to accept his plans for solving the energy crisis in the Eastern provinces.

Mr. Stanfield was the first political leader to request fiscal relief for the Eastern provinces to protect these Canadians against discriminatory treatment with regard to the rising cost of oil.

Honourable senators, this is the kind of quick decision that we would like to see the present government take to solve urgent problems which we are facing in other economic areas of this country.

To conclude, I would like to say a few words about the controversy now taking place between the federal government and the government of the Province of Quebec as regards cultural sovereignty.

We heard Senator Robichaud, Senator Martin and Senator Langlois appeal to the Quebec government to clear up this situation that they say is ambiguous.

Of course, we heard these appeals, but we ask ourselves a question. Why now? Why were they not made instead during the election campaign when one of the main topics of the Quebec Liberal government happened to be cultural sovereignty? Of course, this was designed to obtain the votes of Quebec self-righteous nationalists, and they succeeded.

There again, we ask ourselves other questions. Do they raise this matter of cultural sovereignty just before a federal election to win the confidence of English-speaking voters or are they using these old tactics of the Liberal Party, which are obsolete and outmoded in my opinion and which have been used so many times in the past, that is, "divide and rule"?

However, may I be allowed to say to those senators who alluded to that matter that no province in this country did as much to protect the rights of its minorities as the Province of Quebec.

If French-speaking minorities in the English provinces had received the same treatment as the English minority in the Province of Quebec, the right to speak their language and to preserve their heritage would have been recognized long ago. When one considers that in 1974—I repeat, in 1974—in New Brunswick a fight is still going on for the right to plead in French before the courts of that province, I wonder about the remarks made by some senators warning the government of the Province of Quebec about the decisions it will have to take in the linguistic and cultural areas.

I leave it to the experts on constitutional law, Senator Goldenberg and Senator Forsey, to define the rights of the provinces and the federal government in the field of cultural sovereignty.

Personally, I will not take part in that polemic. However, I say that it is time for the government of the Province of Quebec to have the necessary legislative instruments to protect the French language and ensure the cultural survival of the six million French Canadians.

It is needless to remind you in concluding, honourable senators, that the greatness and prestige of this country, Canada, lies in the fact that its people is made up of two majorities with different languages and traditions.

And added to the many ethnic groups, that diversity makes up, I think, the strength and the greatness of this country.

Hon. Mr. Langlois: On a question of privilege. Honourable senators, I did not want to interrupt my good friend, Senator Asselin, during his speech, but I thought I heard him say that during my intervention in this debate I argued that the Speech from the Throne held the remedy to all the problems existing in Canada.

I do not remember having ever expressed such a view and I am even sure that I did not. On the contrary, I said at least twice that I had no faith in global remedies and answers or even in the most imaginative panacea.

Furthermore, as regards cultural sovereignty, I did not take part in any way in the provincial elections last October, but I do not find in the honourable senator's speech anything that could disagree with what I said on this matter last week.

Hon. Mr. Asselin: Honourable senators, to answer the question of privilege raised by my honourable friend, I may have said that when Senator Langlois gave the list of all those pieces of legislation, during 20 minutes I think, he enumerated all the legislation contained in the Speech from the Throne. He was looking at us saying: Are those measures not enough to deal with our problems?

That is the way you did it. Of course, you made an inventory of all that, so I concluded that you were very satisfied. I was impressed by the way in which you recited, the list of the bills included in the Speech from the Throne. Then I said to myself: Well he seems satisfied and believes that the government has done everything to deal with our problems.

Hon. Mr. Langlois: I did not know I had impressed you all that much.

Hon. Mr. Asselin: As to my reference to cultural sovereignty, I think the senator touched on it. I am convinced that he will agree with me that Quebec has a right to legislate on linguistic matters.

Hon. Mr. Langlois: I agree.

[English]

Hon. Mr. McElman: Would the honourable senator permit a question? You mentioned that the people of New Brunswick are trying to get access to the courts in a particular language. Are you aware that it was Senator Robichaud's government, when he was Premier of New Brunswick, that brought in the Official Languages Act for that province, which provides the access of which you spoke?

● (1440)

Is the honourable senator further aware that the statutes of New Brunswick, going back a very long time in the history of Canada, have been, over the last several years, under translation into the second language, so that the courts can be accessible to all New Brunswickers, no matter which of the languages they use? Is the honourable senator aware that these things are in progress?

Hon. Mr. Flynn: This is not a question.

Hon. Mr. Grosart: Is it a question or a speech?

Hon. Mr. McElman: I am asking a question of the honourable senator; I am asking if he is aware of these things.

Hon. Mr. Flynn: You can make a speech by asking whether someone is aware of things.

Hon. Mr. Asselin: I am aware of this legislation, of course. What I said was that in 1974, before the Supreme Court of New Brunswick, some Acadian students were denied the right to present their case before the court in French, and they had to appeal to the Supreme Court of Canada to get an answer to their problems. The honourable senator will recall that a year or two ago a student tried to plead his case in French before the court in New Brunswick, but he did not have permission to do so. What I said was that the situation in New Brunswick, and also in other provinces, must be improved regarding the use of French.

Hon. Mr. Prowse: I am not familiar with what goes on in Eastern Canada, but am I not correct in thinking that there is now a Conservative government in the Province of New Brunswick?

Hon. Mr. Asselin: Right now, yes, and it is doing very well.

Hon. Mr. Prowse: In the second language?

[Translation]

Hon. Eugene A. Forsey: Honourable senators, first I wish to join fully and wholeheartedly in the warm tribute paid so eloquently by the previous speakers to His Excellency the Governor General and his gracious and charming wife, also to the Speaker of the Senate and the staff of this house who help us so ably and always so willingly at the same time, and finally to the honourable senators who moved and seconded the motion now under consideration. My congratulations and my good wishes to all those people. There is no need to repeat what others have already said much more eloquently than I could myself, but I would like to comment on what has been said.

I have no intention of going over the various measures set forth in the Throne Speech. I should rather wait until they reach the Senate. I shall instead address myself to matters of a general nature, some of which have already been raised in the speeches of Senators Flynn and O'Leary.

I should have liked to continue in French, however deficient it may be, but I want to quote several English texts. Since I am not qualified to do instantaneous translation into French of any speech or part of a speech delivered in English, I shall spare honourable senators my clumsy translations. I shall now proceed in English.

[English]

I should like at the very beginning—and I trust this will appeal to my honourable friends of the Conservative Party as a sign of grace on my part—to underline very emphatically nearly all of what the Leader of the Opposition said on the subject of the desirability of increasing the number of Conservative senators in this house. I have said this before and I say it again. I trust that it may make some impression in the proper quarters. I endorse almost everything he said. He will soon see what the exception is, and it is one to which I think he will take no objection.

He referred to the recommendations of the Joint Committee on the Constitution, which on this subject I think were of excellent good sense, well founded, and of a character to add to the efficiency and value of this chamber. I cannot see why something has not been done about those particular recommendations. The general recommendations covered, of course, an immense amount of territory, and it would obviously be very difficult for any government to act quickly on the whole body of recommendations. Indeed, there were some on which I hope no government would act. I took strong objection to certain of the recommendations. But here is a very simple recommendation for the reform of the Senate, which I think would be generally approved by the mass of the people in the country, which has not been acted on, which I venture to think would be passed very quickly by both houses with a minimum objection from anybody at all, except possibly the members of the New Democratic Party

[Hon. Mr. Asselin.]

in the other house, who simply manifest a Pavlovian reaction of resentment and condemnation and malediction at the mere mention of the Senate. However, whatever their powers of obstruction, I do not think they could exercise them for very long or very effectively on this subject.

The only point on which I took exception to what the Leader of the Opposition said on this subject is where he said it was desirable to have representation of all shades of political opinion in this chamber. I do not disagree that it would be desirable, but I am afraid it is quite impossible to have representation of the New Democratic Party in this house because of the entêtement, the obstinacy, the prejudice that that party has on the subject of this house. Indeed, I have some reason to believe that the present government did try to get a member, and a very prominent and very distinguished member, a very learned member of that party into this house, but that he declined, and declined, partly at least, on the ground that his party intimated that he would be cast into outer darkness, excommunicated, if he ruined his reputation by coming into this chamber.

Hon. Mr. Langlois: The same observation would apply to the Parti Québécois also, I imagine.

Hon. Mr. Forsey: Yes, I should imagine so. I am not absolutely sure. I feel rather less confident in making statements about that party than I do about the New Democratic Party, with which I had a brief association after its formation, and with whose predecessor I had a long association.

The other thing I should like to emphasize in what the Leader of the Opposition said on the subject of the Senate and the conduct of affairs in the Senate is what he said about our following our rules, and not hurrying through consideration of legislation. I endorse what he said on that in general. I endorse particularly what he said on the subject of our dealing with the wiretapping bill. I think this is where we made a rather serious mistake. Indeed, I think that in the course of our discussion of the amendment and whether we should insist on it I made that point plain.

I must confess that I was unfortunately absent when the matter came before the Senate, but it was dealt with so quickly, with such extraordinary, such flashing, such blazing celerity that, although I was back here at about a quarter after two, within a quarter of an hour of our proceedings starting, it had whizzed through and was on its way back to the House of Commons with the information that we had struck out this clause. I think that was unfortunate. I think there should have been more discussion here. We should have made some attempt to make plain to the House of Commons why we felt as we did about that particular clause which we decided to strike out.

I might remark in passing that there has recently appeared in the *Canadian Forum* a most ill-informed—and that is putting it mildly—a most biased, most partisan, a most foolish denunciation of this chamber, to which I have just penned a fairly stiff reply correcting some of the misstatements of fact, and arguing certain other points. I regret to say that I was obliged, in correcting one of the statements of fact, to point out that our distinguished

colleague Senator Choquette was not in fact the leader of the Conservative Party in this chamber. That is no disrespect to him, but the fact remains that, as far as I know, the Honourable Senator Flynn has not yet made way for him, however much he may intend to do so at some time in the future.

● (1450)

Hon. Mr. Choquette: That is nothing. The Canadian press always says "Liberal—Ottawa."

Hon. Mr. Forsey: We would expect that the author of this article, a professor of history, would be a trifle better informed. This was the least of his errors, I may say, but that is by the way.

Honourable senators, I want to emphasize, first of all—and I trust I shall not be accused of partisanship in this, at least—I want to emphasize, first of all, how heartily I agree with the remarks of the Leader of the Opposition on this subject, in general and in particular, with the one exception that I have mentioned: that the best efforts of any government to put NDP senators into this house will always be frustrated. If the NDP ever gets a majority in the other house, it will presumably have to appoint somebody here of its own party, unless it can get someone from one of the other parties to be kind enough to introduce and second its legislation, and unless it can persuade enough members of other parties to support that legislation. But that consummation, devoutly to be wished by the New Democratic Party, is, I venture to say, not something to be expected in the immediate future.

Hon. Mr. Flynn: No risk.

Hon. Mr. Forsey: I hope that the day when the New Democratic Party will assume power in this country is somewhat distant. Even if I live to be as old as one of my Newfoundland ancestors, who lived to be a hundred years and five months old, I strongly doubt whether I shall live to see a New Democratic Party government. But I am a very bad guesser about elections, so perhaps I shall be proved wrong in this also. I confess, I hope not.

Now I want to turn to something that I suggested I should be talking about when I was beginning my remarks in my somewhat halting French: certain general considerations which have emerged from the debate so far. There are a great many things which have been said and which need to be repeated, but I am not going to repeat them. There will be ample opportunity for others to do so. What I want to deal with, rather, is certain attitudes which have been made manifest in at least some of the speeches from the Opposition side in this house and also in Conservative speeches elsewhere.

Frankly, they have somewhat surprised me. I had not realized quite what the basic philosophy of some of these members of the Progressive Conservative Party was. I thought I knew it in general but I am surprised that they would go to the lengths that they apparently do. Both Senator Flynn and Senator O'Leary—for whom I hope I need hardly say I have the greatest respect; indeed, sometimes when I listen to their speeches I feel that whatever the deficiencies of the Conservative representation in this house in numbers, its quality makes up for a great deal of that deficiency; and I mention Senator Flynn and Senator O'Leary not out of any disrespect to their colleagues but

simply because I am about to comment on their particular speeches.

They are a host in themselves. Senator O'Leary particularly, the dean of the Conservative senators in this house, at least in age, delights and instructs us on many occasions with his eloquence, his wit and his unparalleled knowledge, his unequalled knowledge of Canadian history. But I agree—again, en passant—that even with such distinguished Conservative senators as we have here, it would be desirable to have a few more to lighten the physical load, the nervous load, which rests on their distinguished colleagues.

There was an apparent theme in the speeches of Senator O'Leary and Senator Flynn to the effect, first of all, the country was really being run at the whim, at the dictates, of the New Democratic Party, a small party which won only 17 per cent of the votes in the last general election. I take the figure, as one of them gave it, but I think it is substantially correct. This has been one part of their theme song. Another part of it has been that the government is utterly without principle, that it is merely being kicked around, pushed around, wheedled around by this minority party in the House of Commons, that the people of Canada are being governed, contrary to their expressed will, by a collection of unprincipled opportunists who just bow to the dictates of this minority party.

Hon. Mr. Flynn: You have said it better than I would have said it.

Hon. Mr. Forsey: I am sorry, I cannot overhear all the interventions. I trust I shall be able to enjoy them when I come to read *Hansard* tomorrow and I must be forgiven at the moment for failing to make the replies which they might seem to call for.

Hon. Mr. Grosart: The Leader of the Opposition was just complimenting you on phrasing the situation so well.

Hon. Mr. Forsey: I suspected something of the sort. But he had better not crow too soon or he will find he has to express a note of dissent or discord before very long. I noticed, for example, certain passages on page 27 of *Hansard* and also certain other passages on pages 39 and 40 of *Hansard* which I shall not take the trouble to quote now but which I think amply substantiate what I have said about the attitude of the Opposition on this matter.

The trouble with this, it seems to me, is that these honourable gentlemen simply do not understand what modern liberalism is like.

Hon. Mr. Flynn: Oh, oh.

Hon. Mr. Forsey: I know what is coming now, I know what is coming now.

Hon. Mr. Flynn: That is the best joke I have heard yet.

Hon. Mr. Forsey: I never before saw people so enthusiastic about applauding a statement of their own misunderstanding and ignorance.

Hon. Mr. Flynn: Coming from you.

Hon. Mr. Forsey: For them, Liberalism apparently means nineteenth-century Manchester Cobdenism, nineteenth-century Manchester laissez-faire. That was Liberalism at one time. All I can say about that is that it has long since, both in Great Britain and in this country,

ceased to be Liberalism. If you look at the history of the Liberal Party in Great Britain, from the days of the Asquith government and Lloyd George's unemployment insurance and health insurance measures, right on until the eclipse of the Liberal Party in Great Britain, and if you look at a whole series of measures which have been passed by the Liberal governments in this country, with the general assent of the population and even of the Conservative Party, I think you will see that this idea of Liberalism as pure Manchester *laissez-faire* theory is completely superannuated and out of date.

In listening to the Conservative speeches, it seems to me that the Conservatives or some of them have put on the Liberals' cast-off, nineteenth-century old clothes and have taken on the "Manchestertum," as the Germans called it, the Manchester *laissez-faire* theory, of the last century. I am reminded, by some of those speeches, of the preface to Dacey's Second Edition of his *Law and Opinion in England*, which is a long series of lamentations about almost everything that has happened since 1885. It is all dreadful, the sins of socialism: unemployment insurance—*aié, aié, aié!*—socialism, pure socialism. Health insurance—*aié, aié, aié!*—pure socialism, *et cetera*, at *cetera*. Everything that had happened since that *laissez-faire* time was abominable beyond description.

I should like to ask the honourable gentlemen of the Opposition which of the measures of the last session were the socialist measures. I do not know. The NDP, which ought presumably to be some kind of authority on this, doesn't seem to feel that we have entered the socialist promised land as a result of the pressure which it exerted upon the government. I should like to ask which of the measures in the last session was not in accordance with modern Liberalism. Which one? Of which of these can you say, "This was socialism, foisted upon us by these NDP doctrinaires, these people who carry Karl Marx in the left hand"—I suppose, not the right. The Honourable Senator O'Leary accused the Prime Minister of carrying Adam Smith in one hand and Karl Marx in the other; I presume he would not accuse Mr. Lewis of carrying Adam Smith in either hand. Which of the measures passed in the last session of Parliament can be described as a socialist measure, let alone a Marxist measure? I can imagine the comments of anyone who calls himself any kind of Marxist, on a proposition of that sort.

The Conservatives seem to think, some of them, that a Liberal should be a conservative with a small "c", and a very small "c" at that. When we don't fit into this narrow pigeon-hole which they have constructed for us, they say we are a lot of unprincipled scoundrels, that we have no principles at all.

● (1500)

I must say I don't see why we should allow ourselves to be forced upon this, if I may change the metaphor, Procrustes' bed, where the Opposition will have the opportunity of chopping off either our heads or our feet in order to make us fit the thing.

Incidentally, I notice that one of the honourable senators—I think it was the Leader of the Opposition—referred to the legislation of the last session as consisting of "minor bills". Well, this surprised me very much. Some of them appeared to me to be of some importance. Some of

[Hon. Mr. Forsey.]

them at least were discussed in this chamber by members on both sides as if they were of some importance. If these are minor bills, I don't know what major bills would be. But if they were minor bills—if the NDP pushed the government, as this honourable senator said, into passing a series of minor bills—if they were minor bills, what becomes of the argument that the NDP has been pushing the government and the country down a steep place into the sea? It seems to me that you cannot have it both ways. Either they were major bills, in which case they may have been good or bad, or they were minor bills, in which case it doesn't really matter very much, and there is no use talking about the NDP hurrying us all headlong into bottomless ruin and combustion. In one breath the legislation is unspeakably awful; in the next it is "minor".

I venture to think that what we have been witnessing since the last election is a salutary restoration of the power of Parliament. In a Parliament where nobody has a clear majority it has been possible for parties on the Opposition side to produce some real effect upon legislation. This has been possible not only for the Progressive Conservative Party, but also for the NDP. They have both contributed to this process. Indeed, certain of the speakers of the Progressive Conservative Party in this house have underlined the fact that certain ideas, like the indexing of the income tax, have in effect been stolen, unblushingly, from the proposals of the Progressive Conservative Party. That does not worry me very much.

If the Progressive Conservative Party has good ideas, or if the NDP has good ideas, and the government adopts them, what is important is that the ideas are good. True, you can make game of the government by saying, "When we first put forward these ideas they pooh-poohed them; they laughed them to scorn. And now they are eating humble pie; they are donning a white sheet, in effect. Now they are accepting our ideas." This is a good debating point and it is good party politics, but it does not really worry me very much that the government has been willing to adopt good ideas from the other parties in the house, whether they are from the NDP or from the Conservatives, or from the *Créditistes*, for that matter. I cannot think of anything that the *Créditistes* have especially contributed to legislation. But they may have, and it doesn't worry me if it came from them.

I think it is a good thing that we are getting, in a sense, something more like consensus politics, something more of getting sensible things done and not worrying too much about who does them. And if our friends, the Progressive Conservative Party say, "That is all very well, but most of the borrowing has not been from us; most of it has been in the direction of this dreadful abyss, this yawning chasm of socialism," all I can say is that I think that on occasion the Progressive Conservative Party has not only contributed a number of positive ideas which have been accepted, but it has also helped to prevent things from happening which the government did not want but which the NDP did want.

I think a signal instance of that is what was done with the corporate tax proposals. Whether one agrees with those or not—and I must confess to some slight skepticism about those measures—nevertheless the fact remains that the NDP did not get its way on this, and it did not get its

way partly because the Progressive Conservative Party declined to go along with it and insisted that these things should be treated in the way that they were treated. Again the Progressive Conservative Party did not get its way wholly either, but I think it exercised what probably most of its supporters, in this house anyway, would agree was a salutary influence on that particular piece of legislation.

Just in passing, I should like to make one minor comment on a statement of the Honourable Senator Flynn about unemployment. I can only assume that his advisers were insufficiently cautious in this instance, but I was astounded to hear him say that the "unemployment has certainly not diminished", and the context appears to mean over the last year.

When I looked at the latest figures on the subject, and I admit that the latest ones have come out only since Senator Flynn spoke—at least to the best of my recollection they have appeared only in the last day or so—but when I went back a little bit in order to be fair to what Senator Flynn had said, I found that the seasonally-adjusted percentage of unemployment in December 1972 was 6.7 per cent, and in December 1973 it was 5.4 per cent. I am not conversant with the new mathematics. That has come since my days as a school boy. But I should have thought that 5.4 was less than 6.7.

Then if you look at January 1973 you see that the seasonally-adjusted percentage was 6.7 per cent, whereas in January 1974 it was 5.5 per cent. Well, again to my unsophisticated mind, this appears to indicate some diminution.

If you look at the February figures, which I think have appeared since Senator Flynn spoke, you will find that in February 1973 it was 5.9 per cent, whereas in February 1974 it was 5.5 per cent.

Now, I admit at once—

Hon. Mr. Flynn: Where did you find that in my speech? I don't know where you got those figures.

Hon. Mr. Forsey: On page 21, column 1, near the bottom—about ten or eleven lines from the bottom—you are reported as saying, "Unemployment has certainly not diminished."

Hon. Mr. Flynn: That is right.

Hon. Mr. Forsey: Well, I have just given you the percentages. Now, I must admit that if Senator Flynn was talking about absolute figures he may possibly have been right. But, after all, you cannot just take absolute figures as an index of unemployment, because the labour force is growing all the time and the economy is growing all the time. It is the proportion of the people who are unemployed which is significant.

Hon. Mr. Flynn: I am taking the figures of Statistics Canada, not those of Martin's bureau of statistics.

Hon. Mr. Forsey: My dear colleague, I am also taking the figures of Statistics Canada, and I have the whole collection of documents here on my desk, and, if necessary—it would take me a moment or two to find them—I can produce the pages.

I am not taking anything from anybody over there on the treasury benches, if I may so express it. I am taking it from Statistics Canada, and those are the figures. I

rechecked them shortly before I came into the chamber to make sure that I had not copied them down wrong.

Now, I agree at once that the existing level of unemployment is far too high and that every effort must be made to get it down. I think efforts are being made. The Opposition, of course, will say that they are inadequate. Perhaps they are, but the fact remains that some progress has been made and I think further progress is possible—probable, unless, of course, we get a major financial and economic catastrophe resulting from the energy crisis and connected matters.

Some things that are happening on the economic scene are rather disquieting and we may well find ourselves in the position where, as some experts say, we shall be worse off than we have been for a very long time, and I mean not only in this country, but internationally. But at present there has been a diminution in the level of unemployment, even if it has not been as great a diminution as it should be.

Now, inflation. Senator Asselin waxed very indignant at allegations that the Conservative Party had no policy on this. I don't blame him. I think such allegations are unfair. It has a policy on this subject, and that policy was set forth, notably, by the Leader of the Opposition in his speech here. Some of it, I think, is official Progressive Conservative policy; some of it may be rather the expression of the particular views of the Leader of the Opposition in this house in supplement of the official policy. I don't know. Perhaps some of what he said was simply an expression of personal opinion.

● (1510)

But what is that policy? There is a policy, yes, but what is it? What kind of policy? What would it do?

Before I examine that in any detail, I want to make it very clear that in my judgment inflation is a very difficult and intractable problem. A very few years ago, any economist worth tuppence would have said, "Oh, it's a perfectly easy thing to deal with. You just raise the rate of interest and cut down the money supply, and you produce some unemployment and do a few simple things like that, and this sets matters to rights. You simply counter inflation by orthodox deflationary measures—monetary and fiscal—and there you are. The problem is solved. True, a certain number of people get it in the neck in the process; true, there is a certain amount of unemployment. But in the splendid, self-regulating system which we possess, that won't last long, and people won't suffer very severely, and if you have a little of that disgusting and abominable socialism in your economy, you'll have unemployment insurance to tide them over the short-term difficulties they face, and don't worry too much about it."

But we've found, and I think it's true to say that other countries have found, that the orthodox remedies against inflation—the simple deflationary remedies—don't work. You can produce extra unemployment, and it doesn't stop the inflation. As various honourable senators have pointed out, you get inflation and unemployment raging at the same time.

I am not, therefore, disposed to be unduly critical of any proposal which anybody has for dealing with this situation. On the other hand, it seems to me quite clear that a

very large part of the rise in prices—and I'm not sure that "inflation", with the shade of meaning that that word carries, of something being blown up, as it were, deliberately, is quite the right word—it seems to me quite clear that a very large part of this rise in prices which is taking place across the world is the result of shortages in relation to demand, and indeed, the honourable Leader of the Opposition said as much in his remarks, as reported at page 23. He was not prepared to say that that was the whole thing, but he did say quite definitely—and let me see if I've got it here:

We have been saying it for years and I repeat it now: one of the best methods of fighting the present inflation, intensified as it is by rising energy costs, is expansion in the ability to produce.

He recognizes that the problem is partly, at least, one of shortages, and I think we all do. I think possibly some people are not willing to recognize the extent of the part that that plays.

Well then, what is the Conservative policy? First of all, and this appears to be official Conservative policy, we find at page 23 of the Leader of the Opposition's speech, this:

The Progressive Conservative Party has enunciated a series of proposals to fight inflation:

(a) It would bring in tax cuts. It would remove the federal tax on building materials and on clothing for everyone. It would also reduce taxes on personal income.

(b) It would make sure that all its policies on economic growth, regional development, foreign investment, international trade, science and technology, were devised with a view to creating a maximum of new jobs. This would be a major consideration.

(c) It would not shrink, if the cost of living continued to increase, from the responsibility to impose temporary price and wage controls rather than impose yet higher levels of unemployment.

Well now, first of all, to deal with (a) tax cuts. I venture to suggest that tax cuts, on any considerable scale, might further fuel the fires of inflation, partly because, unless they were coupled with massive cuts in public spending—which is something the honourable senator comes to later, and which I shall comment on in a moment or two—unless these tax cuts were coupled with massive reductions in public spending, they would probably lead to very large deficits, which it seems to me might have a serious inflationary effect.

It is true that on the next page the honourable senator says this:

—if we are going to control inflation, the government must be ready to curb the money supply—

And I will come to that in a moment, too.

—drastically reduce its own spending—

So he apparently envisages massive cuts in public spending. But that brings me to the question: Massive cuts in what public spending? Senator O'Leary held forth with enormous eloquence on the size of the debt and the debt payments. Well, I'm afraid no government can do very much about that unless it is prepared to go in for some debt repudiation, and I'm quite certain that neither a

Conservative government nor a Liberal government would do that. So that's ruled out.

What else can be cut? What other things can be cut? Well, I suppose the social services could be cut, but I gravely doubt whether any government would dare make drastic cuts in the expenditures for social services and social welfare. If that is the kind of thing the Progressive Conservative Party envisages, then the people of this country are entitled to know about it, in very plain terms. Perhaps it is necessary, and if they can prove it is necessary, very well, though I think they may have a considerable job doing it.

Then the second proposal in these three is that of making sure that its policies were devised with a view to creating a maximum of new jobs. That is like a resounding declaration in favour of motherhood. Everybody believes in that. I don't care what government you have, it would subscribe to that one hundred per cent. They would say, "Of course, that's what we want to do, and we assure you that's what we're going to do," and the moment they brought in anything specific, all the opposition parties, whoever they were, would proceed to point out all the deficiencies in the thing.

The third item is this temporary freeze on wages and prices. I notice that Senator Flynn said that the party "would not shrink, if the cost of living continued to increase," from imposing a temporary freeze. But judging from what I have read of the pronouncements by one of the two eminent financial critics of the Conservative Party elsewhere, it would seem that this is something that is a little more precise, and that in fact the Progressive Conservative Party, if it took office, would impose temporary wage and price controls for three months; and indeed, that seems clear from what Senator O'Leary said.

Well, that sounds very nice, and of course it makes a brave show: "We have the will. We will act. We won't be supine. Let us have action." They have, of course, in their party an eminent member who was the founder and head of something called "Action Canada".

"Action" sounds very good, but one has to ask what sort of action, and what kind of effect it is likely to produce. Senator O'Leary said it would be a breathing spell of three months. Let me quote exactly what he said. I think I have it here. Let me see how it goes. He said:

We should look at the situation to see what we can do about prices in order to get at least a breathing spell and to stop these runaway prices. Then we could sit down, three months having gone by, and having stopped this mad march of inflation—

It might or might not do that, judging by the British and American experience.

—we could see what we could do in the future. That is all. There is nothing very remarkable about that.

Indeed, there is nothing very remarkable about it. Presumably, the Opposition has been so exhausted by its titanic exertions to overthrow the present government that it has got completely out of breath, and has been very short of time to think about more permanent remedies for inflation. So it asks us to accept the view that if it gets into office it will slap this three-month temporary freeze upon wages and prices—a pretty large order, incidentally,

administratively and otherwise—and then it would sit there and think.

Some of us remember Mr. Pearson's famous "Sixty Days of Decision." This would apparently be—I shan't go so far as to say "Ninety Days of Indecision," but "Ninety Days of Meditation"—a sort of Yoga exercise on the part of the Conservative government. Well, I have a high regard for meditation. Meditation has played a very important part in religious and psychological history, and I don't wish to decry it for a moment. But what would emerge from this meditation?

● (1520)

If you look at some of the other things that Senator Flynn said, it becomes fairly clear that what would emerge would be, for one thing, corporate tax cuts. Now, isn't that lovely? Isn't that just lovely? We are told elsewhere that what we need is an opportunity for people to make money, to make profits, because they are not now getting "interesting" enough profits. I like that word "interesting". I have not been an assiduous reader of the financial press, but I have seen a fair number of figures published which struck me as showing profits that would "interest" most people, and if they don't "interest" the people who are getting them, some of these large national and multinational corporations, then all I can say is that they apparently need something extraordinarily powerful to rouse them from their meditations when they are apparently incapable of doing very much because they are not getting "interesting" enough profits.

So there would emerge from this period of meditation corporate tax cuts and higher profits. That is what is needed! Just look at this, and I quote from the speech of the honourable Leader of the Opposition, at page 23, where he says that the key to getting more production is:

Make it possible for the producer to turn an interesting profit—

You see, I was not misquoting him.

—and he will produce all that is required. Production is down today because there is not enough money to be made.

I just wish I had bothered to get some of the figures. I have seen them over and over again—we all have—huge figures, enormous increases over the not insignificant or inconsiderable profits of a year before. "There is not enough money to be made. Producers are being strangled by taxes"—that reminds me of the days when the "quiet revolution" was raging in Quebec, a revolution which I think the Honourable Senator Flynn at the time characterized as being rather noisy—"tapageuse", I think, was the word he used, and very correctly.

I remember in the course of that discussion seeing a statement by one of the more advanced revolutionaries that the province of Quebec and French Canadians were being "stifled," and I thought to myself, "Well, if they can make all this noise when they are stifled, they certainly would make a considerable racket, noise, if they were released from the stifling." Similarly, if the big corporations can make the profits that they are making now while being "strangled" by taxes—how delightful this must sound to Mr. Lewis; it is the counterpoint, shall I say, to his song about the corporate rip-off—if they can make all

this money while being "strangled", what would they do if a Progressive Conservative government came in and loosened the noose which is now, so we are told in effect, around their necks?

Hon. Mr. Flynn: May I, at this point, put a question to the honourable senator?

Hon. Mr. Forsey: Certainly.

Hon. Mr. Flynn: Might I ask if he read the Speech from the Throne, particularly the part where it says that one of the main objectives set out in the working paper and agreed on by federal and provincial administrations was to strengthen the incentive toward and the reward for productive self-reliance on the part of all who participate in economic affairs. What does that mean?

Hon. Mr. Forsey: I venture to say that it does not mean an appreciable cut in corporate taxes. If you cut corporate taxes—

Hon. Mr. Flynn: What does it mean?

Hon. Mr. Forsey: I don't know. I am not a Privy Councillor—even in opposition. I am not privy to the designs which the government has in mind. When we see the legislation, it will be another situation. We may get a budget which will delight the hearts of honourable gentlemen just to my right here because it will cut corporate taxes all over the place. I am a little doubtful about that, but we shall see.

Hon. Mr. Flynn: That is what you said last year.

Hon. Mr. Forsey: Then the next thing that would emerge, apparently, from this period of Yoga meditation is "curbing the money supply." That appears on page 24:

—if we are going to control inflation, the government must be ready to curb the money supply—

That is the classical remedy for inflation; that is sheer deflation and the kind of thing that would produce massive unemployment. There is no surer prescription for massive unemployment than cutting the money supply, especially if it is coupled with drastic cuts in government spending and cuts in corporate taxes to improve the profit figures for corporations.

I am sure that the Progressive Conservative Party will disclaim any intention of cutting social services, but if you read Senator O'Leary's denunciations of the welfare state, you will begin to cherish doubts on this subject. I was a little surprised that Senator O'Leary, of all people, should engage in these denunciations, because it seems to me that some part of the welfare state which we now enjoy is the creation of the Progressive Conservative Party itself. It is true that its first effort to introduce what we might call the welfare state on a massive scale, by the Bennett New Deal, came a cropper in the courts. But if you look at the Bennett New Deal legislation, you will see that it is a very far cry from Manchester laissez-faire, from hymning the glories of free enterprise; and if you look at some of the legislation that Mr. Diefenbaker's government passed, you will see that there is also a good deal of welfare state-ism in that and certainly a considerable number of interferences with free enterprise.

I cast my mind back farther, when I hear about the wickedness of government interference and the necessity

for more free enterprise, and I ask, "Who was it who introduced the protective tariff in this country?" It was done for what I consider to be perfectly good reasons, and I am not criticizing the Conservative Party for this. But it is not free enterprise. Who was responsible for the building of the CPR, which was done by a massive interference with free enterprise in the form of huge government subsidies and, again, for what I consider to be perfectly good reasons. But if it had been said to the capitalists of that day, "Go ahead and build the Canadian Pacific Railway on your own; you are not going to get any help from us; you are not going to get any monopoly clause in your charter"—which they got—"you are not going to get any subsidies; you are not going to get any help with loans, or this or that; you are on your own, boys, this is free enterprise. Look at Cobden; read Bright; read the other apostles of Manchester laissez-faire Liberalism; go ahead, the field is yours," we would not have had the CPR yet. Well, we might have had it by this time, but we would have waited a very, very long time for it. "The National Dream" we should have gone on dreaming for a great many decades before we ever got it. But that is by the way, perhaps.

But when I asked my question of Senator O'Leary as to what would emerge from this period of three months of cogitation and meditation, he said, "That is just another of those damned clichés you have been using over and over again," and the Leader of the Opposition chimed in with, "What he says is always somewhat "forcé"—a flight of imaginative wit which I admire greatly.

Hon. Mr. Flynn: I would repeat it today.

Hon. Mr. Forsey: Very well. I am sure you would, several times, and with gusto, *fortissimo*. It doesn't disturb me in the least, I might add.

I am not accustomed to using the adjective "damned," and I shall refrain from doing so in this case, but it seems to me that one might reasonably go so far as to say that many of the things that have been said in this house by Conservative speakers about free enterprise and welfare state-ism could be described as dangerous clichés. As I listened to some of these speeches, and as I listened to my journalistic friend, Mr. Charles Lynch, the other day on the program *Cross-Country Checkup* where we were colleagues on the air, and listened to some of his conversation at moments when we were not on the air, I couldn't help saying to myself, "Progressive Conservative, Progressive Conservative—where is the progressive part of the thing? The conservatism is plain for all to see; it shouts from the housetops. But where is the progressive part of it?" Puzzle—find the progressive in some of the Progressive Conservatives.

With that I just wish to conclude—and there will be a sigh of relief and muttered *te deums*, no doubt, from more than one honourable senator—by saying that as I listen to some of the speeches, and as I contemplate some of the views expressed by some members of the Progressive Conservative Party, I cannot help wondering whether Mr. Stanfield, who is, I think, a genuinely progressive Conservative—not one who sighs for the age of the dinosaurs—I cannot help wondering whether as he surveys some of his troops he may not feel inclined to echo the words of the Duke of Wellington as he surveyed his troops, "I don't

[Hon. Mr. Forsey.]

know what effect these men will have upon the enemy, but, by God, they terrify me."

● (1530)

Hon. Mr. Flynn: Honourable senators, I rise on a question of order. Rule 28 of our rules provides that:

A senator shall not speak twice to a question before the Senate except in explanation of a material part of his speech in which he may have been misunderstood, and then he shall not introduce new matter.

Well, I have been not only misunderstood, but my speech in its material parts has been distorted. However, it would be too time-consuming to speak in explanation and I shall leave the responsibility to Senator Forsey for having completely distorted what I said.

Hon. Mr. Forsey: Honourable senators, if I have distorted the remarks of the Leader of the Opposition, I am extremely sorry. I read the words and I put upon them the construction which they seemed to bear. If I have been mistaken, I suppose the honourable Leader of the Opposition can simply put it down to a double dose of original sin and invincible ignorance, or total mental incapacity. However, I leave it to honourable senators themselves to read what the Leader of the Opposition said and read the construction that I put upon it, and ask themselves whether in fact I have distorted it. If I have distorted it, I am very sorry and it was without any intention. I am afraid, however, that I am unable to place upon it any construction except that which I did place upon it.

Hon. Mr. Flynn: I do not doubt that.

Hon. Mr. Forsey: I am sorry also that time was lacking for the honourable gentleman to point out the apparently numerous errors which he contends I have made.

Hon. Mr. Carter: Would the honourable senator permit a question? I was interested in my honourable friend's reference to the wiretapping bill. As I listened to him I gained the impression that there was not very much debate on the report of the committee, and it was rushed through with little consideration. He probably did not intend to convey that impression, but my recollection is that there was a reasonable amount of debate on the committee's report at that time. However, I agree with him that we did not handle the report in such a manner as to convey to the other place our reasons for the amendment.

Hon. Mr. Flynn: There was no debate.

Hon. Mr. Carter: In my opinion, the matter was debated, and it was not rushed through without consideration.

Hon. Mr. Flynn: With leave.

Hon. Mr. Forsey: With regard to that point—I do not think it can be called a question exactly—I simply said that the amount of time devoted to it was small. My recollection may be at fault when I say that I was back here by about a quarter past two; it may have been 20 minutes past two. However, I think there is little question that that debate was a brief one.

Hon. Mr. Flynn: There was none.

Hon. Mr. Forsey: And my recollection is that the Leader of the Opposition is perfectly correct in saying that we

proceeded to receive the report of the committee, and give third reading at the same sitting.

Hon. Mr. Flynn: Yes; and without debate.

Hon. Mr. Forsey: If I am mistaken in that, I am again very sorry, but my impression is that the report of the committee was accepted and the third reading given on the same day, after only a very brief debate.

Hon. Mr. Flynn: No debate.

Hon. Mr. Forsey: So in this case I have the support of the Leader of the Opposition.

Hon. Mr. Langlois: You are in bad company.

Hon. Mr. Forsey: He is a reluctant dragon in my defence, but he is a dragon nonetheless.

● (1540)

[Translation]

Hon. Paul Desruisseaux: Honourable senators, how could anyone who has listened to our speeches and verbal exchanges this afternoon say that the Senate is not very much alive? Today's debates have shown that it is, very much so. Moreover, one is always impressed by the fact that everything is done in a friendly way.

I highly appreciated this afternoon the remarks of Senator Asselin, the rejoinders of Senator Flynn and the usual high oratory, in French as well as in English, of Senator Forsey. I admire his eloquence and I wish I could do as well, but I believe you will have the antithesis this afternoon.

Hon. M. Forsey: Oh, no!

Hon. Mr. Desruisseaux: Honourable senators, I would like briefly to join all those who spoke before me and extend sincere thanks, congratulations and best wishes to his Excellency the Right Honourable Roland Michener who ended a brilliant seven-year mandate in the service of Canada, as well as to his successor, the Right Honourable Jules Léger who, after a very successful public and diplomatic career in many countries, is destined for a brilliant future here in Canada; his appointment is a judicious and first rate decision.

It is almost needless now to point out the tireless work of the Speaker of the Senate, the Honourable Muriel Fergusson, during the First Session of the 29th Parliament. I commend you especially, Madam, for your mastery of both official languages which you keep on showing in all functions and which distinguishes you so well in this higher chamber.

The appointment by the Prime Minister of ten new senators during the previous session, with an average age of 53.8, was in my view clever and appropriate. Their participation will be, of course, an important contribution to the Senate's affairs and achievements, thanks to their qualifications, their experience, their understanding of the needs of our people and knowledge of our economic problems.

I was pleased to hear the Leader of the Opposition and the Government Leader refer to the question of representation in the Senate.

I agree with them. Ideally, all political parties which are properly represented in the House of Commons should

also be properly represented in the Senate. Perhaps some Liberal senators will want to suggest that we do not hold in the House of Commons all the seats that we want.

The spirit of fairness and equity shown by the Prime Minister during his mandate and demonstrated by several excellent corrective appointments, five I believe, could lead him to make other important ones in order to balance more properly our representation in the Senate.

During the parliamentary terms of the King, St. Laurent, Diefenbaker, Pearson and Trudeau governments, 164 senators were appointed. The Liberals appointed Liberals except 2 Conservatives, 1 Independent Liberal, 2 Independents and 1 Social Creditor. Except for 1 Conservative, 1 Independent, and 1 Independent Liberal appointed by Mr. St. Laurent, all others were appointed, I believe, by Mr. Trudeau. No other Prime Minister had appointed so many citizens outside his party. From 1957 to 1963, Mr. Diefenbaker appointed 37 Conservatives and one Independent Conservative. The Leader of the Opposition in the Senate has pointed out the situation of our current representation. It is not an adequate and acceptable representation in our modern framework. It does not reflect the judgment rendered by the people.

I should like to criticize something, if I may.

The time-honoured "custom" of keeping ministers and honourable members of the House of Commons on the other side during certain official functions—as was the case on the prorogation of the last session—in a crowded area, standing, with hardly any elbow room in spite of the inevitable overflow into the anteroom of the Senate is, in my opinion, outdated, in spite of the fact that I am aware of its significance. It is an antiquated and useless custom. We must change it to provide House of Commons representatives with the same comfort we enjoy ourselves on those occasions. I think that this could contribute to the elimination of a number of causes for irritation which are sometimes quite visible.

Hon. Mr. Langlois: And audible—not only visible; they could be heard.

Hon. Mr. Desruisseaux: I could certainly not blame them, under these circumstances.

Hon. Mr. Langlois: I do not blame them either.

Hon. Mr. Desruisseaux: The mover and seconder of the Address in reply to the Speech from the Throne, Senators Robichaud and Perrault, as well as the previous distinguished speakers, have made an impressive analysis of the Speech. I appreciated especially the observations made by Senator Martin, our leader, and Senator Flynn, Leader of the Opposition.

● (1550)

[English]

I shall try to avoid repetition, and will limit my remarks to inflation and the energy crisis. In commenting on some of our present problems and the measures proposed to deal with them, I shall endeavour to be as brief as possible. I appreciated what the Leader of the Government, the Honourable Paul Martin, said about inflation. Inflation is not, of course, a Canadian phenomenon; it is worldwide. Industrialized nations are witnessing it to a higher degree than are developing nations, but nevertheless it is worldwide.

I have here a table indicating the gross national products of 26 of the most important nations, their rate of real growth and rate of inflation. It will be seen that Canada is in a most favourable and enviable position. For the sake of expediency I request that the table, prepared by the Department of Economics of McGraw Publications and released last July, be printed in today's *Hansard* at this point in my speech.

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

Hon. Senators: Agreed.

(The table follows)

FORECAST OF 24 KEY GROSS NATIONAL PRODUCTS

Country	1973			1974		
	Billions of Dollars	Real Growth %	Inflation %	Billions of Dollars	Real Growth %	Inflation %
Belgium.....	48.9	5.8	7.0	55.0	5.5	6.5
Denmark.....	31.4	6.0	7.0	34.6	4.0	6.0
France.....	282.4	6.0	6.9	315.8	5.5	6.0
Italy.....	140.1	5.0	10.5	161.8	6.0	9.0
Netherlands...	64.5	4.5	8.1	72.3	4.9	6.8
United Kingdom....	157.8	6.7	8.0	175.9	4.2	7.0
West Germany....	388.5	6.0	6.6	435.3	5.7	6.0
Common Market.....	1,113.6	5.9	7.5	1,250.7	5.4	6.6
Austria.....	29.7	6.0	7.0	33.7	5.8	7.0
Norway.....	23.6	5.0	6.0	26.0	5.0	5.0
Spain.....	54.0	7.3	12.0	63.0	6.0	10.0
Sweden.....	54.2	5.0	5.5	59.8	5.0	5.0
Switzerland....	45.0	5.1	8.0	50.6	5.0	7.0
Other European	206.5	5.8	7.8	233.1	5.4	7.1
Argentina.....	42.0	6.0	50.0	55.6	6.0	25.0
Australia.....	57.5	4.0	8.0	64.6	4.0	8.0
Brazil.....	62.3	9.5	15.0	76.4	9.5	12.0
Canada.....	117.4	7.3	5.5	129.4	5.0	5.0
India.....	75.0	8.0	12.0	85.0	3.5	10.0
Israel.....	8.4	9.0	12.0	10.1	9.0	10.0
Japan.....	437.8	10.0	10.0	508.3	8.0	7.5
Mexico.....	48.7	8.0	9.0	57.3	8.0	9.0
South Africa...	25.4	5.4	6.6	28.9	6.2	7.0
U.S.S.R.....	465.4	5.0	n/a	493.3	6.0	n/a
United States..	1,280.3	6.6	4.3	1,373.2	3.1	4.0
Venezuela.....	15.9	5.0	5.4	17.8	5.5	6.0
Other Nations.	2,636.1	6.8	6.9	2,899.9	4.9	5.9

Hon. Mr. Desruisseaux: The figures for Canada, as compared with those for Common Market and other countries, indicate that the problem of inflation is not as severe in Canada as it is in most of the other 26 nations.

[Hon. Mr. Desruisseaux.]

Some highly-organized and tightly-controlled nations have strongly attempted through legislation to stop, or at least regulate, the spread of this cancer. Bold restrictive measures were passed without apparent positive effects. Inflation has continued its course. Socialistic nations are not exempt from inflation. Why is this so? Why is inflation so general, and why is Canada so affected?

The subject was touched upon briefly by previous speakers, particularly by the Leader of the Government. In a simplified way I believe that inflation is caused basically by shortages of supplies which seem, in turn, to trigger the higher demands of consumers wanting to protect their needs, thereby adding to the shortages. Because of the scarcities thus created, prices have skyrocketed in the search for the highest markets and strongest demand. Despite controlling legislation, no one has been able to replace the operation of the basic law of supply and demand, which influences prices and national economies.

Many of the measures mentioned in the Throne Speech have the intelligent objective of encouraging the rapid increase of our agricultural supplies and commodities. Similar encouragement is essential with regard to our other natural resources, the supply of which will have to be expanded as quickly as possible.

The lessons of today fully justify measures which will provide methodical improvement in a number of peripheral areas of policy and basic reform, where their impact will be felt for many years to come.

In the areas of agriculture and agricultural commodities, neglected as they have been in recent years by most countries, there is now great promise in proposed legislation to expand food production, provide stability of income to farmers through sale volumes, encourage the storage of surpluses for future lean years, and end the flight from the land. These proposals provide, in effect, a total reversal of the policies of the last decade, in Canada and in many other countries, which promoted cutbacks in food production, instability of farm income, the depopulation of rural areas and the destruction of prime farm land by urbanization.

Present marketing facilities for Canadian farmers, except in the case of Western grain, appear to be inadequate, inefficient and disorganized. There does not appear to exist enough computerized information on instant inventories, availability, trends and prices, on either a national or world scale. We should study the ideal marketing set-up, such as that found in California. The wide price-spread between the producer, the intermediary and the consumer seems in many instances to be out of line and unjustified.

● (1600)

I strongly appeal to the Senate to institute immediately, while the facts are still fresh in our minds, an in-depth study of these rumoured unjustified discrepancies, as well as the runaway prices on commodities which we import, such as tea, coffee and sugar, the last of which rose anywhere from 6 cents to 36 cents a pound in no time at all. The increases were not the same in Canada as they were in many other countries. Why? The same applies to fruits and vegetables, and other exotic foods and herbs, and the whole of our present marketing facilities. This periodic "price raiding" in the name of shortages, some of which is

created by news of some important shortage which later, because of factual statistics, has to be denied, should be investigated. Someone is using these figures. We should find some means by which to have those responsible for "fleecing" the consumers criminally charged.

The Standing Senate Committee on Agriculture should be fully empowered to help remove some of the abuses we are witnessing today with respect to food prices, and the price-fixing of certain commodities. In this respect I am not putting the blame on the supermarkets. Something has gone wrong with the whole system. It is immoral, as far as I am concerned.

Let us break the back of inflation of food prices in Canada, not by price controls or restraints, but by making the public aware of the facts and misrepresentations. Public exposure of the greedy ones, and prosecution whenever a crime has been committed, is needed at this time as never before.

The Canadian government has, thus far, acted wisely in respect of the world inflation crisis. In my opinion, the recent policies of moderation in the economic field will do more than artificial controls and restrictive measures have done south of the border, and in most of the other countries where such measures were instituted. Canada will reap more benefits as a result of this wisdom.

I fully agree that the overall problems resulting from shortages of supplies, however created, are the principal causes of spiraling prices. The same holds true in respect of our supplies of other natural resources. Eventually, this will have to be taken into account, since the corrective measures are the same. Basically, more supplies are needed to bring down prices. The policy based on preservation—or should I call it the "hoarding of natural resources,"—for posterity inflates prices. The same is true for manufactured products, since there are also some shortages in that field. The remedy is to create, as quickly as possible, adequate supplies for our needs and, in so far as possible, for the needs of the other nations of the world. But this must be done intelligently, and we must know when to stop.

I should like now to make certain comments on the energy crisis. Again, the situation here is one of worldwide shortages. The worldwide shortage of energy has been brought about, principally by the studied, concentrated action on the part of some important overseas major oil producing countries.

Personally, I have never looked on it as a long-term problem. At the present time, two-thirds of Canada's energy needs are satisfied by two fossil fuels, those being crude oil, which is produced by conventional methods, and natural gas. Canada is blessed with abundant reserves of these two fuels, most of which are as yet quite untapped or untouched. These reserves can, predictably, last until such time as technology and science provide us with economical, usable alternative energy sources.

Uranium is increasingly being used as a source of energy. Ten years from now, 30 per cent of our energy supplies could well be derived from uranium. There are fantastically large untapped reserves of hydro power, especially in the northern parts of Quebec, Labrador, and the Bay of Fundy area of the Maritimes. In addition, there

are immense known surfaces of visible untouched coal reserves that can be used directly to produce power, or indirectly by the extraction of oil.

Technology has made rapid progress in enabling us to extract oil from huge shale and tar sand deposits more economically. In today's newspapers, there is an article about the selling of very large holdings of shale in the United States to oil companies, which means that they are preparing, because of the progress in technology, to extract oil from shale deposits. There is no doubt in my mind that our resources will multiply when we look below the surface.

Science has given us full access to nuclear fusion, which is the process by which the sun produces energy. This is an undepleting energy resource. Breeder reactors are rapidly being built, and they will supply much of our energy. Perhaps the most important technological development in recent years is the mastering of hydrogen. Hydrogen is a safe, undepleting source of energy which creates no problems, and is usable wherever gas and oil can be used. The sun, the winds, volcanoes and the thermal heat found in the bowels of the earth can meet more of our needs when science and technology further masters the economical use of hydrogen in producing energy.

● (1610)

We can even use wood, surpluses of crops—almost any of them—to produce economically wood alcohol, industrial alcohol derivatives, which can be mixed with petrol in certain percentages to provide a much higher quality, and a more efficient fuel, than we now use. More than anything else, fear, created mostly by bad news and exaggerated reports, has caused most of the decreases of our present supplies.

Most of the shortages were man-made. In the years to come, we will look back at present times and wonder as to the "why" of it, for I really believe man always will have sufficient imagination and technological and scientific knowledge to develop, as he surely will, many alternatives that will more than fill our needs in the future.

Let me recount briefly a history, which evidently does not support the predictions some have been making. The first reported energy crisis occurred during Paleolithic times as a result of man's too heavy reliance on a "hunting-and-gathering" economy that exploited them. Faced with a shortage of animal food, man had to move, die, or change the basis of his economy. Those who followed the last course developed agriculture. Anthropologists believe that the scarcity of animals precipitated the neolithic revolution.

Thousands of years later, it was the Romans meeting an energy crisis—a manpower shortage—by developing her waterpower. As the population of the empire plummeted, waterpower was put into general use. Twelve hundred years later, a shortage of wood laid the foundation for the industrial revolution.

During the Renaissance, wood was employed to an astonishing degree. Virtually everything was constructed of wood—buildings, furniture, implements, containers, ornaments, ships, carts, industrial machinery and weapons. Wood fueled every domestic and industrial fire. The demands of a growing population for lumber and fire-

wood, plus the requirements of commerce for trade goods and conveyances, forced up the price of wood more rapidly than the price of any other goods for which statistics are available. From the end of the sixteenth to the middle of the seventeenth century, prices in general multiplied three times; the price of firewood multiplied eight times. High quality wood for industry increased in price even faster. To meet the crisis, conservation measures were imposed. Eventually, as a result, coal was substituted as a power source. Coal was cheap and plentiful, and had qualities that recommended it to everyone bedevilled by the costliness and scarcity of wood. Early in the seventeenth century, coal replaced wood fuel in the home, and began to be increasingly used in industries.

Perhaps we are now on the brink of yet another technological revolution. The energy crisis may even be a blessing in disguise. The immediate shortages that face some of the nations of the world may also bid fair to stimulate new scientific discoveries and new inventions that will project new prosperities. I believe we should have no fear of any heralded depletion of our energy resources of whatever kind, or for that matter of our other natural resources.

The single price policy for petroleum across Canada, the country with the greatest problems caused by distance, makes political sense, and appears to me to be at this time a practical economic necessity.

It is of importance for Canada's future that the country establish urgently the announced countrywide hydro power grid. It is even more essential than the projected oil link pipeline. I believe the hydro power grid will eventually enable the "have" provinces to feed the "have not" provinces with all the hydro power they wish to obtain.

It is my view that the federal government should have assisted rather than, as it appears, indirectly hindered the James Bay development of hydro power sites. We should, at all times and in all places, use the right of expropriation to obtain power sites wherever necessary, regardless of objections and claims, as we did in the case of the federal airport sites or the seaway canals. I believe that federal moneys, indirectly and extravagantly spent to support all kinds of territorial objections in Quebec, were uncalled for, unjustified, and distasteful, and that the Quebec provincial government should have been backed in its plans of development for the common good, not only of Quebecers but of Canada. I say that because the intention was always to proceed equitably and justly by way of expropriation, as the federal government itself did when it took Indian land for the seaway.

I believe the myth of conserving or hoarding natural resources for posterity, at a time when technology facilitates and demands their use in the present, should not be encouraged. It is negative, restrictive to our development, and against our best Canadian interests. The export of oil, gas, hydro power, water and possibly some of the other natural resources, such as uranium, should be licensed, but such export should be allowed as liberally as Canadian conditions permit at all times.

Mr. T. S. Dobson, general manager of the Royal Bank of Canada, recently made the forecast that capital to the extent of \$120 billion was needed for energy and utility development in the next ten years. Only through the co-operation of all levels of government, and comprehen-

[Hon. Mr. Desruisseaux.]

sive consultation and planning in the private sector, can Canada meet this huge capital demand. That is \$12 billion a year for each year of a full decade, and this demand only in the field of gas and oil development.

I believe a policy of nationalization of oil firms, or of any other industrial set-up—be it steel, where many more billions of dollars will have to be invested directly and rapidly, or any other—would be the gravest economic and political error of our times. I have no fear, however, of such happenings presently, for I believe the good sense and good judgment of the majority to our representatives in both houses will continue to prevail, and influence our long and short term policies.

● (1620)

[Translation]

Finally, those who have known the Quebec Premier, Mr. Robert Bourassa, will refuse to believe in his alleged support of a French unilingual policy in Quebec. Mr. Bourassa is not an extremist. He is not likely either to restrict individual rights of anyone who wants to come and live in Quebec. Not at all! We know his election mandate. It is very clear. I have confidence that he will carry it out fully.

It is with some satisfaction that we heard him make further assertions that were more reassuring than those unfounded rumours which prematurely gave rise to discussions in federal circles. Of course, it would not be responsible on the part of Quebecers to disregard the ethnic survival of our own people in other provinces. Their traditional concern for the opposite proves where they really stand.

I agree that we must avoid in Canada the creation of any form of ghetto. Those who have lived this type of experience, those who studied its effects throughout the peoples' history, those who were able to witness its effects, the misery, the poverty, the narrow-mindedness in thought and action that these ghettos created everywhere, understand how important it is to keep this type of prejudice away from education everywhere in Canada, which would undoubtedly lead to this situation.

According to his basic rights, any individual is free to speak and be educated in the language of his choice.

The Canadian Constitution guarantees, in my opinion, this freedom of choice. In addition, I believe that immigrants who settle in the province of Quebec also have the same choice for themselves and their children.

Any Canadian, regardless of the province where he lives or of his ethnic origin, should be, everywhere in Canada, equally and without any reservation or restriction, entirely free to choose one or the other of our official languages. Whatever his choice may be, he should be given the assurance that everywhere in Canada he will be free to receive the linguistic culture and knowledge of the other official language he did not choose but to which he is entitled. It would thus be a much more serious guarantee than it is now within Quebec as well as outside the province.

In short, the individual right is a natural right and, whatever one may say, it transcends the collective and common right that must guarantee and substantiate the individual right. That is part of our Christian philosophy.

It is opposed to that of Karl Marx which holds the contrary.

The role of the federal government is as stated by the Prime Minister, Mr. Trudeau, when he said, in substance—if my interpretation is correct—that should it become the way of thinking and the plan of a Quebec government, he would not have the alternative of overlooking a violation of the individual constitutional rights of Canadians wherever it may occur.

The existence of a sovereign culture in Canada was never acknowledged as a fact. Those are nothing but high-sounding words voiced by a small group of Quebec nationalist and extremist would-be intellectuals, who want to exert pressures on certain cabinet members. They are actual heresies.

In short, a real culture is never complete, or good, if it has not been given the opportunity of knowing the other culture, also official. I am referring here to Canada. From now on a true Canadian must know the two official languages and the two official cultures of his country, in a more serious and better way than before.

I have come to the end of my speech; it has been long, and I apologize for it. We are sometimes inclined to say

more than we intended at the outset.

I had another point I wanted to deal with.

Hon. Mr. Langlois: Rightfully so.

Hon. Mr. Desruisseaux: If you insist, I will add it. I do not know if you will like it.

Hon. Mr. Langlois: Go ahead.

Hon. Mr. Desruisseaux: It's in English.
[English]

I cannot resist adding an observation. I do not think any one here is inclined to rate me as a lover of the NDP, its philosophy or its methods. Everyone has heard the rumour about an NDP member being appointed to the Cabinet. We have seen flirtations, and we have seen a concubinage which is still going on. Now there is finally a question of a marriage of convenience—an NDP in a Liberal Cabinet. At this stage, in spite of the distaste, I would not even object, but that is because I would thereby see the end of the NDP as a party, and its death by slow strangulation, within the Cabinet set-up. It has happened before.

Hon. Mr. Flynn: With Mr. Trudeau.

Hon. Mr. Desruisseaux: It could happen again.
On motion of Senator Quart, debate adjourned.
The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 14, 1974

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

Prayers.

STANDING COMMITTEES

FIRST REPORT OF COMMITTEE OF SELECTION PRESENTED

Hon. Leopold Langlois, Chairman of the Committee of Selection, presented the committee's first report:

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:

Hon. Senators: Dispense.

(For the text of report see appendix, p. 114.)

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

Senator Langois moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, March 19, at 8 o'clock in the evening.

Motion agreed to.

THE ESTIMATES

REFERENCE OF SUPPLEMENTARY ESTIMATES (B) TO FINANCE COMMITTEE—QUESTION

Hon. Mr. Flynn: Honourable senators, I should like to ask the Deputy Leader of the Government if it is the intention to refer the supplementary estimates (B) for the fiscal year ending March 31, 1974, to the Standing Senate Committee on National Finance before the appropriation bill reaches us.

Hon. Mr. Langlois: Honourable senators, as soon as the report which I have presented has received consideration, it is our intention to move that the estimates be referred to the committee.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Josie D. Quart: Honourable senators, at the beginning of each session there is always a delightful opportunity to express friendly greetings and good wishes to all our colleagues on both sides of this chamber. I assure you these are more than just words from my lips: they come from my heart.

I realize my good wishes are repetitious; nevertheless, I cannot deprive myself of the great pleasure of adding my voice to the chorus of deserving praise extended to Madam Speaker in wishing her continued success in presiding over our debates and keeping law and order in this so-called, but not always, chamber of sober second thought.

To His Excellency the Governor General and Madam Léger I extend, with my colleagues, every wish for success in carrying out the important functions of their new role.

It is also very delightful indeed for the feminine element in the Senate to have the Leader of the Government, Senator Martin, and the Leader of the Opposition, Senator Flynn, seconded so graciously by two charming ladies—their wives, of course—in the performance of their social duties. To the Honourable Senator Martin and to his deputy, the Honourable Senator Langlois, I am very sincere in offering my best wishes for health and the endurance to withstand the onslaught of criticism from the Opposition—until they have their innings when they sit on this side of this honourable house.

It is encouraging to see my own leader, the Honourable Senator Flynn, and his deputy, the Honourable Senator Choquette, in tiptop form, health, vim and vigour to continue to enter the fray as defenders of Her Majesty's loyal Opposition. All honourable senators must admit that it is a frustrating and tiresome task, due to the limited number of Progressive Conservative senators to participate in the debates.

Congratulations are also in order to the mover, the Honourable Senator Robichaud, and to the seconder, the Honourable Senator Perrault, who made eloquent speeches on the motion for an Address in reply to the Speech from the Throne. These gentlemen were well known long before they were appointed to the most exclusive club in Canada. Of course, this august chamber has been called many other less complimentary names.

Honourable senators, there is a definite advantage in speaking on this debate, for one is not restricted to the

Speech from the Throne and one can wander hither and yon, which I propose to do.

I was very happy to hear Senator Perrault's references to the advantages proposed in the Throne Speech for the women of Canada. I agree with him that this is a step in the right direction. But many women's groups reacted cautiously to the government's promise of legislation to end discrimination between the sexes. They want action, not promises. However, it was regrettable that the reference to women came at the end of the Throne Speech; it was almost like an afterthought. Even Dr. Katie Cooke, chairman of the government's own Advisory Council on the Status of Women, said, "The Throne Speech is not strong enough. The government has to say not only 'It is not nice to discriminate against women,' but, 'We'll take you to court if you do.'" The government also should improve the lot of middle and lower level female public servants, not just push more women into the higher level. The federal and provincial governments have agreed that there should be amendments to the Canada and Quebec Pension Plans, the Speech said, including the addition of housewives. I hope to speak on the Canada Pension Plan at a later date.

Honourable senators, in the story of Adam and Eve it is a fact of creation that Eve was tempted first, but Adam was a willing victim and lustily ate of the forbidden fruit. In any case, the ultimate blame is put neither on Eve nor Adam, but on that devil of a serpent who started all this male and female sex discrimination controversy.

Now, as time marches on, changes are taking place in our way of life. The older a person is, the greater these changes appear because they have occurred since the turn of the century and are drastic and astounding. Disaster, shock, violence—everything seems to be topsy-turvy and going wrong with our world, and it is beyond contradiction that women, as well as men, have to put their shoulders to the wheel and play a dual role.

Personally, I have never recognized any difference between men and women in public life; and men and women working together for the general good can help one another in a complementary way. But woman has a personality of her own. For this reason she has a truly specific and important role to play in modern society and in the business world. Many women would be quite happy to leave things as they were years ago, but no woman should be made to feel guilty for wanting to adhere to the more conventional wife-and-mother role, and a woman should never feel inferior by being labelled "merely a housewife or mother," for motherhood is one of the noblest and most rewarding professions for a woman. Also a woman can be a wonderful wife and mother and still be a career woman.

Have we ever given a thought to what might happen if mothers decided to call a strike? Remember, science has created electronic brains to replace manpower and has invented artificial hearts in order to prolong life, but science will never succeed in inventing a machine to replace motherhood.

● (1410)

However, all women are not called to the married state. It requires the co-operation of a man to sign a marriage contract, for a woman may say, "I do," but if the man says,

"I won't," there is just no marriage, and single women are as free as the air to follow a career, as are widows without any family responsibilities. It is ridiculous in our business world and in the professions that society attaches a stigma to the woman who fails, by the age of 30 or 35, to marry or to form some kind of durable attachment to a man, or at least a visible love affair. Even very clever women panic and marry in haste to avoid ridicule as unclaimed treasures.

In my opinion, there are a great many women who do not realize that the obstacle to advancement is in their own attitude. They do not aim high enough. What men in their egoism constantly mistake for intellectual deficiency in women is, in reality, but a lack of interest on the part of women.

Many employers pay lip service to the principle of equal pay for equal work, equal consideration for promotion—in short, opportunity for women on an equal basis with men. These employers know that they can get away with discrimination by ignoring the issue. This works a hardship on women, single or married, heads of families, and results as well in incompetence in industry. And it is frequently the woman worker with family responsibilities, who depends upon her salary for survival, who is generally the most exploited and is treated with the least courtesy because she is no longer young or attractive. These women lose confidence in themselves when they realize how impossible is the impasse.

However, I do not subscribe to the policy in industry or government of setting quotas for employment or promotion of either men or women. This should be decided solely on the merit and qualifications of the individual.

The principle of equal pay is one which is extremely difficult to achieve, as long as officially appointed boards and trade unions look upon the equal pay legislation with a blind eye; and it is expecting too much from human nature to hope that employers will abide by it if not forced to do so.

Now, in advocating women's greater participation in public life, I do so, not as a militant suffragette or a member of Women's Liberation—Heaven forbid—although I am 100 per cent in favour of equal rights, equal pay for equal work and full equality for women. But my pet theory is: You can catch more men, and women, with honey than with vinegar. And I would add that a warm smile, a ripple of laughter and a spontaneous wit will get a woman further in this man-dominated world than all the women libbers or the sizzling "battle of the sexes." Men and women should not be waging war against each other. That is a war that neither side can win, because there is so much delightful fraternizing with the enemy. Men and women are component parts of our modern world and must learn to co-operate. Men and women should be like a lock and a key; they are of equal worth, but fulfill a different purpose.

For the sake of argument, I agree that there have been many harsh voices raised to defend the pros and cons of the Women's Lib movement, and I admit there are extremists on both sides. However, I cannot agree that women libbers should classify men as "male chauvinist pigs," and that all the ills of women should be blamed on men. Neither can I agree that men should discriminate against

women because of their sex and the delusion of masculine superiority. Most women are fed up with being looked upon as sex symbols; they want to be appreciated for something else than their physical equipment.

Hon. Mr. Buckwold: Don't downgrade the equipment.

Hon. Mrs. Quart: In fact, most women have a sharp and accurate perception of reality in discovering the kernel of truth in the husk of delusion. Men call this woman's intuition. In years gone by men's motives may have been sincere when they endeavoured to protect their women-folk from the harsh realities of public life, but I do not believe women ever wanted that paternalistic mollycoddling. In this day and age, women want to participate fully, without any preferential treatment but also without any underhanded discrimination.

My main objections to the Women's Liberation group are the undertones of sex war and male hatred. In fact, since Women's Liberation has come into being, I find men are becoming increasingly defensive. So, it is not surprising that a group of men called "Men's Lib" has recently been organized in the United States and in England. Unquestionably, this is a counter-reaction to Women's Lib, and men are now invading what was formerly traditional female domain in occupations such as those of nurses, airline hostesses, telephone operators and receptionists, just to mention a few.

So now with the Men's Lib a new element of competition has developed, and one wonders how this change of roles between men and women will fit into our future way of life. Maybe we will end up with a sort of neuter gender. Anyway, I hope I shall never live to see the day when the saying "vive la différence" becomes obsolete.

Hon. Mr. Flynn: I doubt that.

Hon. Mrs. Quart: At my vintage I do not resent being labelled old-fashioned, so I am expressing a hope that women of today will become a little more feminine so that men can be a little more masculine. Being feminine does not take away a woman's personality, but rather enhances it. In my opinion, being treated with chivalry by a man can make a woman's day, and surely the normal man should feel flattered when he can make a woman happy. Anyway, looking back over the years, believe me, I have always found that being a woman has been very nice. It was Lilly Daché, the famous French fashion designer, who said, in answer to Women's Lib, that the most precious accessory of a woman is a charming man.

To avoid any further controversy or battle of the sexes, I shall resort to a quote from Oscar Bean, who said: "Hens can lay eggs, which is all-important to the chicken world—but all the poor rooster can do is to strut and crow." Madam Speaker, I leave it up to you: should a good hen deny her rooster that pleasure?

This is a relaxing speech.

Hon. Senators: Hear, hear.

Hon. Mrs. Quart: Honourable senators, as we shall not be sitting on St. Patrick's Day, I wish to pass on to you this St. Patrick's Day greeting, which I received this morning from a very nice young man:

Wishing you always walls for the wind
And a roof for the rain

[Hon. Mrs. Quart.]

And tea beside the fire

Laughter to cheer you

And those you love near you

And all that your heart may desire.

● (1420)

Hon. Margaret Norrie: Honourable senators, Senator Quart's speech will be for me a hard one to follow. I am afraid that during the course of my speech honourable senators might wish to go to sleep. However, I should like to take this opportunity of joining with others in this chamber in expressing my sincere congratulations to His Excellency Jules Léger upon his appointment as Governor General of Canada. To His Excellency and Madam Léger I wish a happy and fulfilling tenure of office.

I wish also to welcome Senator Louis Robichaud and Senator Daniel Riley to the Senate. Both honourable senators are from my native province, New Brunswick. Senator Robichaud, while Premier of New Brunswick, introduced, along with other strong legislation, an equalization program in the fields of education, social and medical assistance that was revolutionary. He will long be remembered for his courage, vision and success in connection with this splendid and daring legislation. I am sure he will display sound thinking in the deliberations of this chamber.

Senator Riley, who has been a prominent businessman and politician for many years, has a diversity of talents to bring to the deliberations of the Senate. He has always taken an important part in the work of his province and I welcome him most cordially to the Senate.

It has been a great joy throughout the past year to watch our Speaker, Senator Muriel Fergusson, perform her duties so ably. She has won the admiration of the members of this chamber and of countless people elsewhere. I should like to add that I knew this would happen. I congratulate you, Madam Speaker, and I am very happy for you in your success.

Honourable senators, I should like to speak mainly about agriculture and land use. Women play a part in that but not as vital a part as one might wish. The previous speaker referred to their role in other fields.

Most agriculturalists have for several years been aware of the fact that Canada's agricultural production must be increased. A state of emergency exists in many parts of the world, millions are starving, and we in Canada are seemingly helpless in averting such tragedies as famine due to crop failure or the ravages of civil war.

We in Canada are well fed, but international market pressures have forced our food prices upwards, causing hardship among those with modest fixed incomes.

The federal government is aware of these pressures which cause hardship to groups of vulnerable people, and it has made adjustments in the field of social security to help ease their predicament.

In the *Debates of the Senate*, and in the *Halifax Chronicle-Herald*, the daily newspaper of Nova Scotia, Senator Blois of Truro is reported to have said that 60 per cent of domestic inflation has been self-induced by government policies.

In reply, I quote from the speech of the Minister of Finance, the Honourable John Turner, on March 5, 1974. Part of that speech has already been quoted by various members of the Senate. He said:

Over the course of last year the real, personal disposable income of Canadians per man, woman and child in this country, that is to say, the income available after taxes, after discounting the erosion of inflation and adding back transfer payments such as pensions and family allowances and after taking into account the reduction in personal income taxes equivalent to between 12 and 13 per cent as provided in the last budget, rose, in 1973 over 1972, by 6.8 per cent. That is the size of the average, real increase in disposable incomes of Canadians. This follows already exceptional increases of 5.9 per cent in 1971 and 6.7 per cent in 1972.

The strong growth in personal income last year was the result of a combination of factors: record expansion in the number of Canadians productively employed; sharply increased farm income; reduction in personal income tax provided in the budget equivalent to 12 to 13 per cent and increases in social assistance benefits, such as old age pensions, family allowances and social security payments.

Again, I quote the Honourable Mr. Turner:

This increase in real, personal disposable income per capita last year in Canada of 6.8 per cent was half again as much as that in the United States. Since 1970, the average, real disposable income of Canadians has risen by 21 per cent, which is nearly twice the increase in the United States.

To sum up, Mr. Speaker, the Conservatives in February, 1973, were totally wrong in their conclusions about where the economy stood and they remained totally wrong throughout the year about where it was going. But, as I will indicate to the House later, that error of judgment was probably the very least of their follies.

Mr. Turner continued:

I said at the beginning of my remarks that one of the main objectives of the estimates was to do anything reasonably possible to limit the spread of world inflation. Canada did not escape—it could not at any rate in view of the important position it holds in world trade—the effects of this international evil which has taken over the past 12 months such proportions that even the most pessimistic observers had not envisaged them. In spite of our vulnerability to these world inflationary pressures, our price structure has reacted rather better than that of most other countries. Compared with the same period in 1972, our consumer price index showed in December 1973 a rise of 9.1 per cent compared with an average increase of 10.3 per cent for most OECD countries and 9.5 per cent for members of the European Economic Community.

He goes on to say:

As Minister of Finance, nothing bothers me quite so much as the negative effects of inflation on the budgets and savings of Canadians. This affects all Canadians. Inflation is the No. 1 economic problem of this country, a problem which has been and continues to

be a matter of great and serious concern to this government. The leader of the Progressive Conservative Party and his colleagues have tried to convince the Canadian public that our only policy has been one of passive complacency. The truth is something quite different: Canada has taken more concerted and vigorous steps than any other country to limit the effects of inflation, to try and protect the real purchasing power of the people who are the last in a position to protect themselves against the cost of living increases, and do whatever is in our power here in Canada to strike at the root of the evil with legislative measures likely to increase the amount of goods available to satisfy the needs of an expanding economy.

Throughout all this pressure, the Honourable Mr. Turner maintained his stand against controls.

At this point I should like to make a few comments on the remarks made by Senator Perrault, in his speech seconding the Address in reply, in relation to the price increases over the last few years of products of the Stanfield Company. I take strong exception to his statements in that connection. We,—and I am speaking as a private citizen of the Truro area—regardless of partisan politics, are proud of that industry and the manner in which it is run. The Stanfield Company is an honoured, privately owned company of long standing. I think Senator Blois said it was over one hundred years old. The country has benefited greatly from the company's stability, and I will not stand by and have adverse remarks made concerning the fact that its products have increased in price in recent years. I challenge Senator Perrault to name any successful manufacturing company that has not had to resort to a rise in the price of its products in recent years.

Senator Blois said he was not trying to advertise for that company, nor does the company need to advertise. Nevertheless, I would like to add that it is a well-known fact that the National Hockey League Teams and baseball teams equip their players with Stanfield Company shirts, et cetera. Athletes buy them, not because they are made by the Stanfield Company but because they are the best money can buy. Perhaps some senators know, from experience, the worth of these products.

● (1430)

Hon. Mr. Connolly (Ottawa West): At least senators from the cold regions.

Hon. Mrs. Norrie: Honourable senators, the Speech from the Throne, opening the Second Session of the 29th Parliament, on February 27, 1974, gives leadership in the field of food policies. It says:

The Government is developing a policy on food based on the following objectives:

—an adequate and dependable supply of quality food for a growing population in Canada enjoying a rising standard of living;

—reasonable food prices:

—for the consumer, in not requiring an undue proportion of income for Canadians to secure a sufficient and balanced diet,

—for the producer, in providing a return adequate to encourage production of food items which can be economically and efficiently produced in Canada;

—a continuing supply and increasing production of those food products in which Canada has a competitive advantage for export to commercial markets and also for a contribution to international food aid programs.

The Speech goes on:

The Government's objectives will guide a re-assessment of existing programs in the areas of agriculture and fisheries. The Government will wish to consult with provincial governments, consumer groups and producers.

The producer must be ensured a fair income for his work. His confidence in long-term market opportunities is an essential element in the Government's policy. . . .

In the long term the continuity of domestic supply must take into account optimum overall land use in Canada and especially the trend to diversion of productive land for non-agricultural purposes. The Government intends to enter into discussion with the provinces since they are vitally involved in this question.

That is a part that I find very important. The Throne Speech gives us great scope in which to work for the upgrading of agriculture.

In *Agrologist* magazine, published by the Agricultural Institute of Canada, July-August 1973, Norman Pearson states:

The preservation of our best farmland is now a national imperative. . . . The stage is set for danger in Canada.

So very few people, and people of influence, know this, or rather, will believe this. The big task for us who do realize it is to try to bring about quick, vital, stimulating, revolutionary legislation to come to grips with the immediate problems of farming and to the aid of those interested in farming. We must save the farmland for the future.

He continues:

The lands that agriculture needs for concentration, specialization, and for adjustment are very limited, and directly in the path of urban growth. . . .

Since it takes about 20 years to effect any permanent change in social institutions, we could lose 50 per cent of our best soils while just thinking and talking about it.

I repeat what I have said elsewhere: Unless the agriculture industry receives better treatment, the country will face a food crisis that will make the current energy crisis look mild.

The time has long since come when the opinions of the farmers should be treated with the consideration and respect they deserve. They, the farming community, have been the backbone of our society all through the years and always should be. Until the rest of society places the farmer and his real problems at the top of the priority list

[Hon. Mrs. Norrie.]

for immediate help and action, we will have real hunger trouble.

In the Annapolis Valley recently, the premier and his cabinet had an open hearing of briefs and questions concerning a big highway, which can go through good farmland and small towns and villages or another route skirting this rich area about a mile or so further away—through stony hillside and poor soil, but a scenic route.

The motel and restaurant owners cried doom and gloom and disaster. The more dignified farmer presented a splendid picture. The former could not see that without the farmer and related businesses the valley would die as an agricultural and, possibly, as a prosperous area for years to come. We must develop our natural resources. Food is a natural for there, and nothing should interfere with its continued and increased production.

The land base for agriculture in Nova Scotia, for instance, is very low.

The total size of Nova Scotia is 13,057,000 acres. Less than 25 per cent of Nova Scotia has agricultural potential under present or foreseeable economic conditions.

Canada has in farmland 160 million acres, which is one-twentieth of Canada's total acreage. From Canada's physically very restricted land resource base must come the farm production, not only to meet domestic needs for Canadian-grown products but also to provide for our very important export trade.

In 1968, Canada exported \$1.4 billion worth of agricultural products. In the same year, Canada imported \$1.1 billion. This is a good sized industry.

G. D. V. Williams, of the Plant Research Institute, Ottawa, states:

Where former agricultural land is left idle, re-forested or utilized for low intensity outdoor recreation, it could readily be returned to farming when needed. Land that is taken over for urban use and built on, however, would probably never be returned to agriculture and it is this type of irrevocable farmland loss that is of particular concern here.

Our only top, No. 1 grade farmland is found in the Niagara Peninsula. When the Queen Elizabeth Way was built from Toronto this sounded the death knell of this number one agricultural producing area. All along the Queen Elizabeth Way, towns and villages grew up like mushrooms and ate up top agricultural soil. It seems impossible to check the urban encroachment in that area unless some very drastic measures are taken.

The Ontario Federation said the situation is so critical that if present losses of farmland continue at current rates, within 50 years all of that province's top food-producing land will be under concrete.

This author, G. D. V. Williams, is of the opinion that far too little attention is being paid in Canada to the loss of agricultural land to urban encroachment. The cause of this lack of attention may be similar to the situation in Sweden, where regional planning is done by staff trained in urban problems, and agricultural aspects consequently tend to be neglected.

All of this research will take time and, in the meantime, our farmland is being gobbled up by ruthless land speculators, industry, highways, airports and the like.

The Speech from the Throne at the opening of the Prince Edward Island legislature shows that the premier is taking a positive step to check this disastrous movement. He has or is going to set up a seven-man commission to check on such actions. Let us hope more provinces will follow his positive example and take some action immediately. I congratulate Premier Campbell.

I believe that in British Columbia there is a freeze on the sale of their choice Okanagan Valley farmland. Also Saskatchewan has embarked on a land bank program.

The advice given in Britain by Stapledon in 1935 is that people should consider themselves "tenants for life" in planning land use and should try to anticipate needs over the next 100 to 500 years. As he remarked:

No matter if it costs 10, 20 or 30 times as much to build an aerodrome, a reservoir, a suburb or a city on land of little or no agricultural value as on good land, it is the duty of "life tenants" to choose wherever possible, the poor, even if relatively unsuitable, land . . .

● (1440)

J. D. Hilchey, Supervisor of Land Use Planning for the Nova Scotia Department of Agriculture and Marketing, states:

In many parts of Canada, rural economics are largely dependent upon an agricultural area for their existence. Factors that tend to weaken the agricultural sector have a multiplied destructive effect on the rural economy. This carries through to the supporting urban centres as well.

At another time I wish to speak more fully on the problems and hopes for the future of the small family farm, and what it means to the economy of our country, especially the Maritimes.

Mr. Hilchey adds:

This will include a study of the production of small grains as a major enterprise in the Maritimes. This enterprise does not require a complete restructuring of the agricultural industry, but can be introduced and expanded with existing farm units. Further, the availability of crop insurance for grain production now makes possible the development of grain farms of substantial acreage without the risk to the operator of catastrophic losses.

I also believe that grants should be made available to part-time farmers. There is a ready market for small vegetables and fruit, and growers of these should be encouraged to supply large quantities for our freezing, canning and processing plants. Small woodlots should be attached to every small farm unit to supply winter work.

As you know, the Prime Minister has encouraged a plan to offer to our youth, both male and female, summer work on farms as apprentices in order to find out if they really would enjoy becoming either farmers or farmers' wives. He is also advocating that courses in agriculture be offered in high schools. Agriculture must no longer be a low-paying, menial job for the ignorant, untrained person. Such a

stigma must be removed if we are to feed the world at reasonable costs.

Honourable senators, there is a serious situation with respect to non-resident land ownership in Nova Scotia, and probably elsewhere in Canada. In this respect I have been very much impressed by the position of the Citizens' Alliance for the Preservation of Nova Scotian Land. This Alliance is comprised of a group of four young men and their wives, most of whom are teachers and college graduates who have devoted their time for many months to gathering data to which I will refer in a moment. These young people, who are unpaid, have been doing this research for the love of their province.

Dealing with non-resident land ownership in Nova Scotia, then, the following is the position of the Citizens Alliance for the Preservation of Nova Scotian Land:

The Citizens' Alliance was formed by a group of citizens in Annapolis County in September, 1973, for the purpose of presenting a brief to the Select Committee of the House on the Non-Resident Ownership of Land. A brief was prepared and presented to the Yarmouth hearings of that Committee on October 12, 1973. Since that time, the Citizens' Alliance has been continuing its investigation of the problem, focusing particularly on the Counties of Annapolis and Digby.

Let there be no question of our stand on this issue. We believe that the unrestricted buying of land by non-residents is a serious problem which is a threat to the heritage and to the future of this province.

Our Premier, Mr. Regan, has stated that our views are rather strong. We are happy to agree. We believe that strong views are just what are needed to combat this problem. Moreover, we are convinced that our position, as well as being strong, is entirely responsible and that it is based on fact.

However, we are content to state our position and to let you be the judge.

As stated in their brief, the position of the Alliance is:

Why do we Nova Scotians ever remain in this Province?

It seems a wonder, particularly when one considers that while we exist on some of the lowest income levels in North America, we also face one of the highest costs of living.

As you may have heard broadcast last night, our food costs are the highest in Canada.

Of course, we believe Nova Scotia offers us and our families a number of things that dollars cannot purchase: firm roots in a distinctive past and heritage, a strong sense of community, a unique quality of life. All this is possible on the small mass of land called Nova Scotia.

The land is fundamental to everything that is unique in the Nova Scotian way of life. But our heritage is fast disappearing because the land itself is being sold to the highest bidding non-resident, at prices with which the average Nova Scotian cannot compete.

Why is there this sudden interest in our land?

The essential reason is that areas like Nova Scotia are very scarce on the rest of the continent. People are suddenly discovering the value of our way of life and our unspoiled land. But Nova Scotia itself is small and has only a given amount of land.

And so, what it has taken Nova Scotians hundreds of years to preserve and build is being ripped away from us.

"Is this actually occurring?" they ask.

For the purpose of our study we have defined a non-resident as anyone whose principal place of residence is not Nova Scotia.

In Annapolis County in the period 1966 to 1974, the number of non-resident landowners increased from 299 to 1027, an increase of 343 per cent. The number increased from 885 to 1027 in the past year, a change which represents an annual increase of 16 per cent.

In Digby County in the period 1966 to 1974, the number of non-resident landowners increased from 864 to 1807, an increase of 208 per cent. In the past year, the number increased from 1589 to 1807, a change which represents an annual increase of 13.7 per cent.

What are the effects of this non-resident buying? First, there is unfair competition.

The most noticeable effect is that non-resident buying has driven property values beyond the reach of the average Nova Scotian. In rural Nova Scotia, these exorbitant prices do not in any way reflect Nova Scotian income levels. Out-of-province buyers are purchasing properties for recreation and speculation, at prices which most Nova Scotians cannot even consider.

Let us look at three of the many examples in Annapolis County which have been brought to our attention. The assessment rolls reveal many cases like the following one: A farm property was in the most recent assessment year assessed at \$7,400, yet the market price for the farm was \$35,000!

Then they mention the case of an Annapolis County farmer who repeatedly attempted to buy a farm, but each time a non-resident outbid him to purchase the farm as a summer home. The third case they mention is that of a three-acre parcel of land on the Annapolis River for which the asking price is \$30,000.

"What does this demonstrate?" they ask. They proceed to answer the question by saying:

It shows that Nova Scotians cannot compete with buyers from outside the province, where incomes are higher. It demonstrates that there is increasing demand from these outside buyers.

The effect is that Nova Scotians are being denied a fair opportunity to participate in the growth and development of their own Province.

Is this just? Are Nova Scotians who are spending their lives building up this province going to be forced to stand by while outside buyers strip it of the best it has to offer? These non-residents are deriving the benefits of the pride, heritage and labour of generations of Nova Scotians. And our own residents, the

people who are contributing the most to this province, are benefiting the least.

The second aspect of this non-resident buying is that it is selective.

As we suspected before conducting the study, the pattern of non-resident buying has been very selective, focusing mainly on the choicest areas. High concentrations of non-resident owners occur along the Fundy Shore, along the lakes in the south and west of Annapolis County, and the farmland flanking the Annapolis River. In one 18-mile stretch of land there are 208 non-resident properties.

● (1450)

Inequitable taxation: It is clear that the market price of land is being grossly inflated by buyers from outside the province. The tax assessors are forced by law to evaluate properties at market value. Consequently, assessments have skyrocketed, and thus taxes have risen. As these values and taxes have increased, what has happened to the pensioner or the low income family who possesses such a property and wishes to retain it? They are being squeezed off their properties.

Do these higher taxes reflect higher productivity and higher income levels? They most certainly do not! When someone on a fixed income cannot pay his taxes and is forced to sell to a non-resident, no one is coming to his aid.

Short-term benefit: The money being obtained by the sale of properties is only a one-time, short-term benefit to Nova Scotians. No one is warning Nova Scotians that the apparently "big money" being lined up by the realtor will never be able to replace what they are giving up. Once the land is gone, almost all of the benefits which arise from it thereafter move out of the province.

The long-term effect—bankrupt future: What is happening to this land which is being sold?

In the majority of cases it is remaining idle. It is either tied up by speculators for resale, or is being kept by non-resident vacationers who use it for recreation only a few weeks each year.

Productive farm and woodlot land lies unused.

And what about our tourist industry? It is almost our "number one" industry—an industry with a future of great potential. But what growth can this industry experience? Instead of maintaining control of our land so that year after year it will attract visitors from outside the province, we are selling our best recreational land—a short-term benefit.

And what about the life of our rural communities? It is very difficult to develop a community without people. Yet in many areas, we already have entrenched seasonal communities—active in the summer, vacant in winter. Under such circumstances, how can rural areas be expected to develop into thriving, growing and productive communities.

It is a serious problem now. If this buying is not restricted, what kind of a future will be left for our children? Will they be strangers to most of their own

land, working for and paying rent to absentee landlords?

Speculation is a serious problem.

The totally unrestricted sale of land to non-residents has caused a wave of speculation in Annapolis and Digby counties. Literally thousands of acres are being bought up and held for resale. It is clear that much of this speculation is entirely irresponsible—the individuals and companies involved obviously care nothing about the development or the future of this province. Their sole objective is to manipulate prices so as to maximize their profits, regardless of the consequences to our counties.

In our study, we quickly noticed that many non-resident owners in Annapolis and Digby counties own more than one property—one individual owns 31. A second interesting fact was the rate of increase in the number of non-residents who owned more than one property.

In 1973, 88 non-residents owned more than one property. By 1974, 114 owned more than one property—an increase of 29.5 per cent in one year. Either an increasing number of non-residents have a hobby of collecting land parcels, or they are speculators!

Of course, we have our own home-grown speculators as well. Certain real estate companies operating in these counties are setting up numbers of associated companies which they are using to manipulate prices and to cut income taxes.

All of this effort, of course, is not provided to serve Nova Scotian buyers, but to cater to the demand from outside the province. Many realtors are advertising Nova Scotian properties only outside the province.

The notorious Land Auction Bureau in Boston owns 3,383 acres in Annapolis and Digby counties. The resale of this land occurs at auctions in locations where no Nova Scotian is present, or is intended to be present.

According to the press, Medlee Ltd., a Toronto-based real estate firm, is also involved in similar transactions. It is interesting to note that a number of letters which have appeared in Nova Scotian newspapers supporting non-resident ownership have been written by a partner in this very firm. Here is a case of a non-resident firm which is exploiting a Nova Scotian market but contributing nothing. Yet this same firm has the gall to try to make us think that such exploitation is good for us.

The land boom has definitely begun in Annapolis and Digby counties. The land sharks have gathered and they are rejoicing because the only ones in Nova Scotia who can control their activities are the members of government.

Therefore we urge that an immediate and complete moratorium be placed on sales of land to non-residents of Nova Scotia until a comprehensive analysis and investigation has been done.

There was a rural development seminar at the Collège Ste. Anne, Church Point, Nova Scotia, which I attended, on February 22 to 24, 1974. There were two big topics that

were brought up. The same group of people was attending this seminar, plus 68 others.

One topic was the non-resident ownership of land; the second was land use planning. These are all vital topics.

The following points were those which were agreed to by all the delegates who attended the seminar:

We do not want to be told that non-resident land ownership is not a problem. It is a serious problem now to every segment of rural Nova Scotia—to our farming communities, to our fishing communities, and to our forest communities.

We have affirmed and we believe that every Nova Scotian must affirm that land is not just a commodity to be bought and sold; it is a resource which is the very essence of Nova Scotia, and it must be protected for the future of this province and its citizens.

We are not against any individual who wishes to move into our rural communities to become a full-time, contributing citizen.

We strongly agree that individual speculation and speculative companies must be restricted immediately.

We commend the government for its present program of acquiring land for recreational use but we believe that this program must be accelerated and expanded to protect sufficient recreational land for future generations of Nova Scotians.

We have recognized that the one serious problem in restricting sales is that we must protect those individuals who have invested their lives in their property, and who wish to sell. They must be assured of getting a fair price for their land. For this reason, such solutions as land banks must be most seriously considered, to ensure that there is a fair price, and also that the land remains circulating among Nova Scotian residents, and does not fall under the control of non-resident interests.

We have agreed that non-resident land ownership is just one of a series of fundamental problems which are facing our rural communities. Other things must be considered, such as: Responsible land use planning; conservation of our natural resources; preservation of our unique culture; and development of industry compatible with rural communities.

However, we do not want the question of non-resident land ownership to be lost among other issues. We do not want to see attempts to mislead public discussion of the issue. We do want to see some concrete evidence of action now, while there is still land left to save.

Land use planning is poorly understood by citizens, and even by many members of the government. If it is carried out responsibly, we see that it can greatly benefit the general good. However, we recognize that if it is done poorly it can be used for manipulation and for exploitation.

I have a list of acreages in Annapolis and Digby counties here. I will not read it, because the figures are better to look at than to listen to. For the sake of expediency, I

request that this table be printed in today's *Hansard* at this point in my speech.

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

Hon. Senators: Agreed.

(The table follows)

ACREAGE OWNED BY NON-RESIDENT COMPANIES
IN ANNAPOLIS COUNTY NOVA SCOTIA (1974)

	Acres
1. Henderson Lumber Co. (P.E.I.)	1,612
2. M. Walter & Co. (Chicago, Ill.)	1,367
3. Land Auction Bureau (Boston)	389
4. Medlee Realtee Ltd. (Toronto)	212
5. International Cooperage Ltd. (Niagara Falls)	3,793
6. J. Hofert Maritimes Ltd. (Moncton)	475
7. Scott Paper	26,052
8. Bowater Mersey	222,942
Total	256,842

This total represents 31.4% of Annapolis County.

ACREAGE OWNED BY NON-RESIDENT COMPANIES
IN DIGBY COUNTY, NOVA SCOTIA (1974)

1. Henderson Lumber Co. (P.E.I.)	280
2. Land Auction Bureau (Boston)	2,994
3. Medlee Realtee Ltd. (Toronto)	46
4. Vanderwalde Ltd. (Montreal)	132
5. Kanad Ltd. (Toronto)	107
6. Bowater Mersey	99,221
7. Feryk Realty Corp. (New York)	90
8. International Cooperage Ltd. (Niagara Falls)	2,316
	105,186

This total represents 16.9% of Digby County.

● (1500)

Hon. Mrs. Norrie: In dealing with these questions on the vital segments of our rural economy, I feel that the Speech from the Throne shows that the federal government will wish to consult with provincial governments, consumer groups and producers to ensure proper use of our agricultural land, and to encourage greater productivity for a hungry world. Dr. Gordon MacEachern, President of the Agricultural Economic Research Council of Canada in 1968 said:

Above all, what we need and what all of us have been neglecting is a sense of rural community. Farming, no matter how efficient, won't succeed long without a community structure around it. To rebuild this, we must demand of our elected representatives a policy for rural Canada that will rebuild not just places or things, but a quality of life that will enhance the spirit of all Canadians. To pursue this goal vigor-

[Hon. Mrs. Norrie.]

ously and with conviction we must believe, as I do, that such a rural life-style is vital to Canada's survival.

Hon. Mr. Connolly (Ottawa West): Will the honourable senator allow me to ask a question at this point?

Hon. Mrs. Norrie: Certainly.

Hon. Mr. Connolly (Ottawa West): Perhaps I should preface my question by saying that the problem of non-Canadian ownership of land in Nova Scotia is primarily a problem for the province itself. It is not a matter which falls within federal jurisdiction, and will not do so until such time as it becomes—and it may very well become—a national problem.

In this connection, Senator Norrie has indicated that a great many sales have gone through, and I presume she means private sales. I should like to ask if she has any information as to whether there have been any forced sales or sheriff's sales where the successful bidding was done by foreigners, or non-residents of Canada.

My second question is this: Could Senator Norrie say how many acres of land have been taken out of agricultural production as a result of the continued purchase by non-residents of such agricultural land in Nova Scotia?

Hon. Mrs. Norrie: May I take notice of those questions, and answer them on another occasion?

Hon. Mr. Connolly (Ottawa West): Certainly.

Hon. Richard J. Stanbury: Honourable senators, I hesitate to intrude a male chauvinist into this ladies' day.

I should like to begin by thanking all my honourable colleagues who were so kind as to convey good wishes, in one form or another, during my recent and, happily, very brief stay in hospital. I can assure you that your kindness worked to good effect, and I am happy to say that now I feel fine—except for a slight head cold which I suffer from today.

I regret that I was not able to be present at the opening of this session to see and hear our new distinguished Governor General in his first appearance before both Houses of Parliament. Naturally, I join with all my colleagues in congratulating him and assuring him of our support.

I regret also that I was not able to hear the excellent speeches of Senator Robichaud and Senator Perrault, when they moved and seconded the motion that is presently before us; and that I was not present to welcome Senator Robichaud and Senator Riley when they took their seats in this chamber.

Fortunately, I can personally express to Madam Speaker my profound thanks for the excellence and the charm with which she conducts the business of this house; for the kindness and friendliness with which she deals with each one of us.

I appreciated the remarks of Senator Norrie in connection with agriculture because I felt, as I read the Speech from the Throne, that there could be no doubt about the wisdom of the policy of plenty, and the expansion of agricultural production, that was articulated in that Speech. There may be, in the future, temporary gluts of individual products on the market, but the general trend of world experience for the next decade, at least, must

surely be one of shortages. The people of the world are crying out for Canadian skills, Canadian produce, Canadian materials, in a raw or processed state, and Canadian manufactured goods. To answer this cry, it is our duty to mankind, and our opportunity, to employ and challenge every able-bodied Canadian for many years to come, and to direct our production so as to meet this need.

Before we can answer this cry adequately, honourable senators, we have to reach a much better understanding of the role which Canada plays, and the position which Canada holds, in the world today. The work of a succession of Canadian statesmen has given us a heritage of goodwill scarcely equalled by the citizens of any other nation. Mr. St. Laurent's contribution to the founding of the United Nations, Mr. Pearson's devotion to the unending process of securing peace, Mr. Diefenbaker's goodwill travels, Senator Martin's human warmth towards the disadvantaged people in the world, Mr. Trudeau's commitment to the diversification of Canada's friendships, and Mr. Sharp's constant and tireless display of Canadian patience and integrity in a world where those two qualities are in short supply—all these have given us an image and an opportunity which is unsurpassed.

But it is not only our statesmen who have kept the reservoir of goodwill brimming with friendship. We are a nation of travellers, and Canadians abroad have the reputation of being well-behaved and sympathetic. Although there have been some bad experiences with promoters who based their operations in Canada, Canadian businessmen abroad have a reputation for reliability, speed and performance. The only problem is that there are not enough of them. I have heard the same complaint in every country I have visited. People want to do business with Canadians, but Canadian businessmen are just not there, except in very limited numbers and in very limited specialities.

Part of the reason for that, I believe, is that the business community in Canada is comfortable. It has done quite well in trading across the border and, to a lesser degree, in trading with Europe and Japan, and its members see little need to venture into the lesser-known areas where business methods need adaptation to local conditions.

An even more important reason for our failure to respond to the open arms of the world is that we have not developed, in general, the trading instruments which are available to the other great trading nations such as the United States, Britain and Japan. We are so inordinately wealthy that we have never felt the need to develop merchant banks, collective marketing institutions, trade centres and such other aids to trade as are commonplace among the great trading nations of the world. As the Honourable Jean-Luc Pépin has said: Canadians don't export. We permit others to import from us.

Now, it may be that we can go on this way forever. Perhaps we do have sufficient natural wealth that we will continue to prosper on its strength, with limited effort and imagination being expended by us. But as I see the formation of trading blocs by others, the resumption of GATT negotiations, the monetary crisis, the energy crisis, the uncertainty about American trade policies, I have serious doubts that Canadian businessmen can continue to be coy and blushing brides waiting to be wooed. It is important that we realize the extent to which our well-being depends

upon our raw material natural resources and our huge American market. Our total exports last year amounted to \$25.2076 billion. Of that, \$16.1938 billion was in primary and semi-processed products, and \$7.1576 billion for manufactured exports to the United States, including auto pact exports. Only a little over \$1 billion of manufactured products, out of \$25 billion, went from Canada to all other countries, and that included \$144 million financed by the Export Development Corporation and \$262.5 million by CIDA, our aid agency.

● (1510)

I am pleased to see that the Speech from the Throne promises measures to aid international trade. I hope that among them will be measures to stimulate the formation of trading instruments to put Canadians in a position to take advantage of the fabulous opportunities open to them in the world.

A classic example of an opportunity which lies open before us is the Republic of Iraq, to which I have just led a trade delegation of Canadian businessmen and government trade officials. Iraq is a Moslem nation of about 10.5 million people, of whom about 20 per cent are Kurds. It lies between Saudi Arabia and Kuwait, and has a short but controversial boundary with Iran at the head of the Arabian or Persian Gulf. Through it run the Tigris and Euphrates Rivers, bounding the area which was known as Mesopotamia and providing huge areas of arable land. Under it lie rivers and lakes of oil, providing the financial base for a developing industrial society.

It has a state-controlled economy run by men who, in my observation, are able and dedicated. They have a development plan which United Nations observers have said is the best among developing countries. They have highly-trained engineers, economists and lawyers—many of whom have had their university education in the United States, Britain or Canada. They know they have sufficient expertise to specify their needs, and sufficient technical proficiency to see that they get their money's worth, but they are quick to admit that they have neither the technology nor the trained personnel to do everything themselves. Hence they have invited some of the nations who have those assets to participate in the development of Iraq, and be paid cash for their services. They are most anxious that Canadians be among the participants.

The needs of Iraq are so extensive, so all-embracing, that the mind boggles at the figures involved. They have increased their commodities import budget for 1974 to \$3.96 billion over \$1.3 billion for 1973. The capital plant expansion budget for 1974 is another \$2.5 billion. Those figures may mean little to you unless you look at the actual programs for which they are budgeted. Let me list just a few of them:

A two million ton urea fertilizer plant;

A liquefaction plant for liquefied petroleum gas (LPG) for export;

A liquefaction plant for liquefied natural gas (LNG) for domestic consumption;

An ethylene and PVC plant;

A plastics complex to produce synthetic fibre, synthetic rubber and organic chemicals;

A 100,000 to 200,000-ton aluminum smelter;

An expansion to 10 million ton capacity of an existing 1.5 million ton refinery at Basra, Iraq's port city;

Four sugar mills;

Three woollen mills;

Plants to assemble tractors, and light and heavy trucks;

Several large power projects, including a whole new 400 kilovolt power grid;

Two large cement factories;

Large dams for agricultural irrigation and power generation;

Three large integrated farms specializing in beef and poultry, the objective being a basic herd of 50,000 cattle. Their present egg requirement is 45 million;

Six aircraft—our STOL DH-7 appears ideal;

Fishing trawlers in substantial numbers;

Hospitals, schools, roads, bridges, communications and airport equipment, railway equipment, and so on *ad nauseam*.

A measure of the interest of the Government of Iraq in Canada is the excellence of the ambassador they have sent to Ottawa. Even though we have not yet reciprocated by opening offices in Baghdad, we have here Dr. Zalzal, a lawyer and Ph.D. in Economics, former Minister of Planning, former Governor of the Bank of Iraq and former ambassador to such sensitive posts as Cairo and Teheran.

To that must be added the warmth of the reception we received in Baghdad. Dr. Fadhil Al-Chalabi, the Deputy Minister of Oil and Minerals, and a large group of deputy ministers and directors-general met us at the airport late Monday night. The next day they met with us and planned our itinerary. We were guided with great kindness and efficiency through visits with some 45 government specialists in areas of interest to our group, and I met privately with Dr. Sadoon Al-Hammadi, Minister of Oil and Minerals, Dr. Jawad Al-Hashem, Minister of Planning, and Dr. Hikmat Al-Azawi, Minister of the Economy. Dr. Al-Chalabi hosted a formal dinner for us on the Friday night, then chaired a general wind-up meeting on Saturday morning before accompanying us to the airport. A minute of our discussions was prepared and signed. A follow-up committee of three, headed by Dr. Al-Chalabi, was formed for the purpose of assuring that substantial results flow from our visit.

Tangible proof that they mean business is to be seen in the fact that although total Canadian exports to Iraq last year totalled only \$2 million, there have been signed within the last 10 days contracts worth over \$100 million for this year, and many hundreds of thousands of dollars over the next five years. The products sold include locomotives, wheat and lumber. Small missions with purchases of specific types of products in mind are arriving in Canada with great regularity, and they come with power to act.

The Honourable Alastair Gillespie, Minister of Industry, Trade and Commerce, has been so impressed by the observations of our group, and those of the Honourable Donald Macdonald, who visited other Middle East nations almost simultaneously, that he has decided he must go to the area himself almost immediately. I am greatly pleased to see

[Hon. Mr. Stanbury.]

such prompt action. I know it will be helpful to Canada, and that it will be warmly welcomed by the Government of Iraq.

I close by repeating my concern that Canada and Canadian businessmen develop immediately the trading instruments which are absolutely necessary for effective marketing of manufactured products and services in an intensely competitive trade world. Our bankers are among the best moneylenders in the world, but neither they nor other segments of our financial community have ever launched into the world of merchant banking—the tying of loans and products together—which has been an essential instrument of every other great trading nation. We have resorted to co-operative marketing agencies in times of distress for things like wheat, salt fish, fresh-water fish and so on, but we have never consciously and concertedly created such agencies for the purpose of selling our manufactured goods and services. Every other trading nation has found such institutions or arrangements essential.

We participate in trade fairs in some countries, and various industries hold specialized trade fairs here, but we have never set up a thoroughly integrated, permanent trade centre in which a visiting buyer can survey the extent of our wares and learn of the services we can provide.

We may be the fifth largest trading nation in the world, but we can only thank the good Lord for the riches he has bestowed on us. In the uncertain but fantastically promising future, we had better begin to do much more for ourselves. The opportunities facing us right now in the Middle East will be a good testing ground for both our businessmen and our government.

● (1520)

Hon. Joan Neiman: Honourable senators, I should first like to offer my congratulations and pay my respects to our new Governor General, His Excellency Jules Léger, who, I am sure, will fulfill the duties of his office with dignity and honour, as he has demonstrated so far in both his public and private life.

I should like also to join in the fond tributes which have been paid to our gracious Speaker. I do not think I shall sound too partisan if I support the wish of Senator O'Leary, that she may continue to preside in this chamber for a long, long time.

Hon. Senators: Hear, hear.

Hon. Mrs. Neiman: May I also extend a warm welcome to Senators Robichaud and Riley.

Honourable senators, the paramount problems which greatly trouble many Canadians today, and those in government who serve them—first and foremost, the inflationary spiral in which we are caught, along with many other nations, and then the so-called energy crisis, which again is not confined to this country—have received a good deal of analytical and critical attention in speeches during the past two weeks. The variety of comments expressed by knowledgeable and experienced senators on their causes and solutions serve to demonstrate the complexity of the economic problems with which we are faced.

I cannot claim, or even pretend, to offer any expertise in those fields. I intend to confine my comments to a few other aspects affecting our government and our Canadian

way of life which are of more concern to me. As I proceed I may even provide a partial answer to the problem of our rising cost of living.

One session in the Senate hardly gives me the right to consider myself an expert on parliamentary affairs, but most of us would not be here today had we not been interested in the processes of government.

I do not need to remind anyone in this chamber of the reason why our country was fashioned in the way it was. The Fathers of Confederation took it for granted that the British parliamentary system, with which they were most familiar, was the best model to follow, but they had to work out a compromise to which individual provinces could get and would give agreement. We know what our federal system was intended to be and what it has become—laudable and effective in many respects in serving the nation as a whole, but too often frustrating and inefficient in serving its citizens. If the original concept was less than perfect, what we have done since, or have failed to do, has not only enhanced its strength but has made its deficiencies more apparent.

Again, in following the British precedent, and also to meet uniquely Canadian requirements and pressures, our founding fathers chose a bicameral system for the federal Parliament. The traditional reasons for creating an upper chamber—that it was necessary to protect the interest of the propertied classes, or to provide a bulwark against the onrushing forces of democracy—were quite candidly acknowledged and discussed in pre-Confederation assemblies. The other more persuasive and vital reason for our existence was to provide a forum where provincial and regional interests would be protected and presented on a more or less equal basis.

In all the derogatory comment and criticism which has been directed toward the Senate during the past 100 years—and demand for its reform or abolition began that long ago—only a handful of scholars who studied the records have recognized that we have been neither as reactionary, with a few notable exceptions, nor as provincially or sectionally oriented as was originally intended or thought necessary.

Of course, honourable senators have always spoken on behalf of the regions they represent, but the records will show that their interests have ranged far beyond that limited function. They have been more concerned, and rightly so, with the unification and development of the entire country.

On the other hand, as provincial governments grew and began flexing their muscles—and particularly since the dominion-provincial conferences assumed such an important role in negotiations between them and the central government—they would probably have taken great umbrage at any interference or intervention in their special preserves by the Senate on their behalf.

When Confederation began, 181 people were elected to serve three and a half million people. Today our population is estimated at about 22.5 million, but the number of elected representatives in the other place has increased over the years to only 264. Honourable senators are aware of the great disparity existing in the physical size of the

ridings which those elected members represent, as well as in the number of people they serve in those ridings.

The government recently announced plans to consider ways and means of increasing the number of elected representatives in order to correct some of the present imbalances. However, we can be assured of loud and vigorous protests from those areas where representation may be diminished as a result. The old slogan of representation by population is not the answer in Canada today.

The composition of the Senate, as it was originally conceived, has remained essentially the same, although it appears that we may be increasing our membership by two in order to recognize the significance and emerging separate status of the Yukon and Northwest Territories. That is a development which we should all welcome.

But what about the other arm of government—the so-called bureaucratic branch? Its growth has been far more rapid and, in my view, much more alarming, because if it continues at its present rate it will surely tend to thwart our democratic process. The first available figure showing the complement of the federal Civil Service is for the year 1912. In that year there were 20,016 public employees. During and just after World War II, I spent five years in Ottawa when vast numbers of permanent and temporary employees were added to the Civil Service establishment. The total number of employees, both permanent and temporary, at the end of the war was 115,908, or almost 116,000.

I assisted in the demobilization of naval personnel, and it was assumed that Civil Service personnel would be decreased proportionately as various military and other government offices returned to a peacetime basis. I understand that in fact the Civil Service never decreased in size, and has steadily, and seemingly inexorably, increased every year since.

The last available figure from Statistics Canada is for June 1973, when it reported a total of 445,100 public servants, excluding military personnel and members of Parliament but including all government agencies. That is inflation for you. That figure does not include all persons employed by the federal government in special executive or advisory capacities, or those temporarily recruited on a per diem basis. That statistic is not readily available—I gather for good reason, because the financial outlay it represents would probably shock us all.

I have one other interesting statistic for the information of honourable senators. As of June 1973, Statistics Canada reported that there were almost 654,000 employees on the public payroll of provincial and municipal governments. That figure does not include those special categories to which I have just referred.

● (1530)

So we have just over one million public servants, presumably serving the best interests of the other 22.5 million private citizens. Depending on how you look at it, you might not consider that a bad ratio.

I have already stated that I view with alarm such a rapid and unchecked bureaucratic growth, which is so often accompanied by a mindless dissipation of the public purse. It is not confined to the federal government. We have just had our annual horror story from Ontario's

Auditor General, but I am sure it is no more dreadful than that of any other province, or the next report we shall receive from the Auditor General in Ottawa.

I shall leave it to other honourable senators to indulge in a masochistic analysis of the impact that government growth and, therefore, expenditures at all levels, have had on our economic woes. What I am concerned about is how those leviathans which we have created are frustrating the fundamental purposes of government.

I am rather uneasy at attempts—mine or anyone else's—to categorize my political philosophy. Of course, I am a committed federalist, as I take it for granted every other honourable senator is. So, bearing in mind that we are, first of all, Canadians, and after that members of smaller geographical units, I believe the ideal government at each level should, within its own jurisdiction, be manoeuvrable enough to reach out and touch the lives of its citizens, be responsive to their needs, and also be flexible enough to withdraw its services when a need has been met, and, further, be prepared to relinquish its prerogative to serve when a need can better be met in another way.

I believe most strongly that, wherever possible and feasible, a government should aid and encourage its people to help themselves. It should not take the easy, unthinking way of creating a new department, employing a new coterie of technocrats and bureaucrats, building another empire, putting patches on government structures which should be discarded or torn down and rebuilt, or neglecting or declining to compel its departments to work together or co-operate unreservedly with other governments in order to find solutions to common problems. Inter-departmental rivalries in government, and a jealous guarding of the preserves of power between governments, lead to the creation of separate resources and the consequent duplication and confusion of services.

Heaven knows, it is the nature of the public beast only to grow and never to reduce, but why can we not put a stopper in its mouth? It is we, who are now part of government, who are responsible and must act. The ordinary citizen is helpless to stop it. Why can we not say, "That's it," and use the talent we already have? We have to make the decision to serve that citizen, in the most efficient, humane and economical way possible, since he is also paying for the service.

All elected members in the other place—at least the backbenchers—are, in my opinion, overworked and underpaid, and yet they are, to a large extent, responsible for their own misfortunes. It is they who authorize increased government spending and growth. I am inclined to believe that it is a chicken-and-egg situation—I do not know which one comes first. They then spend maddening hours beating through forests of regulations, restrictions and red tape, trying to provide a simple service to their constituents, so they have no time to reflect upon what they have done to themselves.

Their predecessors created this chamber with the objective, I am sure, that it would perform a useful and fully satisfying function in Parliament—that is, to be of maximum service to the people that its members were appointed, if not elected, to represent. That the Senate has neither completely fulfilled its own expectations and those of the

[Hon. Mrs. Neiman.]

other place, nor, in the mind of the public, been able to perform a useful role, has not been entirely its own fault.

Parliament itself—and that includes this chamber—has too often failed to meet the challenges that the vast changes in our society over the past one hundred years have demanded. Instead of expanding its parliamentary role and utilizing the talent already available to it, it has tended to follow the band-aid approach of adding more bureaucracies. But since it has also tended to arrogate more power to its executive branch, the harried backbencher may be forgiven for feeling that he is allotted a great deal of work but very little real responsibility. We all know what happens in this chamber. We, as senators, have made many praiseworthy and useful contributions, but none of us can be entirely happy with the situation as it now exists.

What we need is a fresh, hard look at our entire parliamentary system. There is a great deal of work to be done, and we must use this vast, unwieldy government apparatus to the best advantage of the citizens of Canada.

Many distinguished parliamentarians in the other place, and a few equally distinguished in this chamber, have, in past times, advocated the reform or abolition of the Senate. But when they were in a position to do something about it, for reasons best known to themselves they did not proceed any further. I suggest that it is up to honourable senators to make the first move now, if not of self-immolation, at least of reorganization. From what I know of the history of previous inquiries, once they appreciate the complexities of our parliamentary system I do not believe the members of the other place would recommend abolition of the Senate. It has, potentially, too useful a role to play in assisting them, if—and that is a big "if"—we can just get down to defining it.

We should be prepared to consider and recommend some drastic changes in our structure and functions which would not necessarily involve constitutional amendments, but might very well go that far. You have heard the comments which have been made in the past week with regard to the need for stronger representation of opposition parties in this chamber. I fully agree with that concept, particularly so long as we maintain an adversary system. I sometimes wonder, however, if that is the most important role we have to play here, and I understand that over the years many honourable senators of both political persuasions have not thought it so. It is a question we should consider again very carefully.

I have come to the conclusion that the appointment of senators should be for a limited time only—10 to 15 years—and that it should be a full-time position, with remuneration and other benefits adjusted accordingly. That would not only provide a regular flow of fresh experience from people of all political persuasions, but would meet the criticism of those who dub us "part-time public servants." It would also offer a challenge to the other parliamentary wing to use the talents this chamber would provide for the service of all Canadians.

I am of two minds as to whether appointments should be renewable once, but I should certainly wish to see a provision to make use of the services of retired senators—perhaps on a per diem basis—who want to provide such

service. Then we should have a good look at how each member of this chamber could serve most effectively.

I believe the time has come to discard the rhetoric and the sentiment. Let us ask ourselves what we are doing here. Let us decide what we want to do here, and how it can best be done. Then let us start doing it. Let us combine the best of the past with a new blueprint for the future.

I know all honourable senators share my wish that this venerable chamber continue to grow and evolve, and play a vital role in our society.

On motion of Senator Buckwold, debate adjourned.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Copies of Report of the Crisis Management Study Group entitled "The Enhancement of Crisis Handling Capability within the Canadian Federal Structure", dated October 15, 1972.

Copies of a Report by the Chairman of the Public Service Staff Relations Board, dated March 1974, entitled "Employer-Employee Relations in the Public Service of Canada, Proposals for Legislative Change, Part I."

The Senate adjourned until Tuesday, March 19, 1974, at 8 p.m.

APPENDIX

(See p. 100.)

FIRST REPORT OF THE COMMITTEE OF SELECTION

Thursday, March 14, 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*), Fournier (*Madawaska-Restigouche*), Heath, Hicks, McIlraith, Macdonald, O'Leary, Quart, Riel, Rowe and Yuzyk. (17)

JOINT COMMITTEE ON PRINTING OF PARLIAMENT

The Honourable Senators Asselin, Beaubien, Bonnell, Bourque, Duggan, Fournier (*Restigouche-Glooucester*), Gouin, Greene, Heath, Macdonald, McGrand, Michaud, Neiman, O'Leary, Riley and Sullivan. (21)

JOINT COMMITTEE ON RESTAURANT OF PARLIAMENT

The Honourable the Speaker, the Honourable Senators Carter, Forsey, Inman, Norrie, O'Leary and Quart. (6)

JOINT COMMITTEE ON REGULATIONS AND
OTHER STATUTORY INSTRUMENTS

The Honourable Senators Flynn, Forsey, Godfrey, Lafond, Riel, Robichaud, Thompson and Walker. (8)

THE COMMITTEE ON STANDING RULES AND ORDERS

The Honourable Senators Argue, Asselin, Boucher, Choquette, Connolly (*Ottawa West*), Cook, Desruisseaux, Eudes, Everett, *Flynn, Forsey, Fournier (*De Lanaudière*), Grosart, Lang, Lawson, Macdonald, *Martin, McElman, Molgat, Molson, Smith and Stanbury. (20)

*Ex officio members.

THE COMMITTEE ON INTERNAL ECONOMY, BUDGETS
AND ADMINISTRATION

The Honourable Senators Argue, Basha, Beaubien, Benidickson, Bourget, Buckwold, Deschatelets, Fergusson (*Speaker*), *Flynn, Grosart, Hayden, Inman, Laing, Langlois, Lefrançois, *Martin, McElman, Molson, Norrie, Phillips, 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, Lapointe, Macnaughton, *Martin, McElman, McNamara, Rowe, Sparrow, van Roggen and Yuzyk. (20)

*Ex officio members.

THE SENATE COMMITTEE ON NATIONAL FINANCE

The Honourable Senators Benidickson, Carter, Côté, Croll, Desruisseaux, Everett, *Flynn, Giguère, Graham, Grosart, Hicks, Langlois, Manning, *Martin, Neiman, Perrault, Phillips, Prowse, Robichaud, Sparrow, Welch and Yuzyk. (20)

*Ex officio members.

THE SENATE COMMITTEE ON TRANSPORT AND COMMUNICATIONS

The Honourable Senators Blois, Bourget, Burchill, Denis, Eudes, *Flynn, Forsey, Fournier (*Madawaska-Restigouche*), Graham, Haig, Langlois, Lawson, *Martin, McElman, Molgat, Petten, Prowse, Riley, Smith, Sparrow, van Roggen and Welch. (20)

*Ex officio members.

THE SENATE COMMITTEE ON
LEGAL AND CONSTITUTIONAL AFFAIRS

The Honourable Senators Asselin, Buckwold, Choquette, Croll, *Flynn, Godfrey, Goldenberg, Hayden, Laird, Lang, Langlois, Lapointe, *Martin, McGrand, McIlraith, Neiman, Prowse, Quart, Riel, Robichaud, Walker and Williams. (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, Lang, Laird, Macnaughton, *Martin, McIlraith, Molson, Smith, Sullivan, van Roggen 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*), Fournier (*Madawaska-Restigouche*), Goldenberg, Hastings, Inman, Lamontagne, Langlois, *Martin, McGrand, Perrault, Smith and Sullivan. (20)

*Ex officio members.

THE SENATE COMMITTEE ON AGRICULTURE

The Honourable Senators Argue, Benidickson, Côté, *Flynn, Fournier (*Restigouche-Glooucester*), Haig, Hays, Inman, Lafond, *Martin, McElman, McGrand, McNamara, Michaud, Molgat, Norrie, Petten, Phillips, Sparrow, Welch, Williams and Yuzyk. (20)

*Ex officio members.

All which is respectfully submitted.

L. Langlois,
Chairman.

THE SENATE

Tuesday, March 19, 1974

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

Prayers.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Report of the Department of Consumer and Corporate Affairs for the fiscal year ended March 31, 1973, pursuant to section 10 of the *Department of Consumer and Corporate Affairs Act*, Chapter C-27, R.S.C., 1970.

Statement of all bonds registered at the office of the Registrar General of Canada for the period April 1, 1973 to February 26, 1974, pursuant to section 32 of the *Public Officers Act*, Chapter P-30, R.S.C., 1970.

Report of the Registrar General of Canada relating to matters transacted by him as Registrar under the *Trade Unions Act* during the year ended December 31, 1973, pursuant to section 30 of the said Act, Chapter T-11, R.S.C., 1970.

Report of the Department of Regional Economic Expansion for the fiscal year ended March 31, 1973, pursuant to section 22 of the *Department of Regional Economic Expansion Act*, Chapter R-4, R.S.C., 1970.

Report on the administration of the *Members of Parliament Retiring Allowances Act* for the fiscal year ended March 31, 1973, pursuant to section 35 of the said Act, Chapter 25 (1st Supplement), R.S.C., 1970.

Copies of a document respecting the proposed flooding of the Skagit Valley, issued by the Department of External Affairs on March 15, 1974.

Copies of two contracts between the Government of Canada and municipalities in the Provinces of Nova Scotia 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 of the Freshwater Fish Marketing Corporation, including its accounts and financial statements certified by the Auditor General, for the year ended April 30, 1973, 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.

BUSINESS OF THE SENATE

Hon. Mr. Flynn: Honourable senators, may I ask the Deputy to the Leader of the Government where is the Leader of the Government tonight? I thought he was back from his mission to Venezuela, and we were hoping to see him here tonight.

Hon. Mr. Langlois: I am always pleased to see that the Leader of the Opposition is worried about the Leader of the Government in the Senate, and I assume that he is referring to Senator Martin.

Hon. Mr. Flynn: Who else?

Hon. Mr. Langlois: Because under rule 5 (d) of the Rules of the Senate, the Leader of the Government is always present in this place. Indeed, rule 5 (d) reads as follows:

(d) "Government Leader in the Senate" means the senator occupying the recognized position of Leader of the Government in the Senate or a senator acting for him.

As far as Senator Martin is concerned, he came back from Venezuela on Monday evening, and tonight he is down in Trois-Rivières, Quebec, on official business as guest speaker at a seminar at Quebec University.

Hon. Mr. Choquette: Lucky people.

Hon. Mr. Flynn: As a supplementary question, may I inquire if it is the policy of the government to send the Leader of the Government away as frequently as is possible so that he will not have to deal with the business of the Senate?

Hon. Mr. Langlois: I believe my honourable friend should be the last one to complain of the distinction the government has given to the leader, or to any one of us, for that matter, in asking him to represent Canada in such important functions at home and abroad. I am sure the honourable senator will be in accord with this practice which has developed.

Hon. Mr. Flynn: Do I understand that the deputy leader suggests it is more important for the Leader of the Government to be away than to be attending to his duties in this place?

Hon. Mr. Langlois: I have just explained that the Leader of the Government is always present in this place.

Hon. Mr. Flynn: I agree that if you are going to be acting all the time we will all be pleased.

Hon. Mr. Langlois: Thank you very much, but that is wishful thinking.

Hon. Mr. Flynn: I am afraid it is.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, March 14, consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Senator Robichaud, seconded by Senator Perrault, for an Address in reply thereto.

Hon. Margaret Norrie: Honourable senators, before the debate resumes, I should like to have the opportunity to answer questions put to me by Senator Connolly (Ottawa West) during this debate on March 14.

The first question was about non-Canadian ownership of land in Nova Scotia. In reply, may I say that the problem is not one of non-Canadian ownership of land in Nova Scotia, but rather non-resident ownership of land in Nova Scotia. In the brief, for purposes of clarity, a non-resident is defined as anyone whose principal place of residence is not Nova Scotia. There are various angles which need to be studied, and non-Canadian ownership could very well be one. Please note also a definite statement was made in the brief to the effect that we are not against any individual who wishes to move into our rural communities in Nova Scotia to become a full-time contributing citizen.

● (2010)

Senator Connolly was certainly correct when he stated that this matter falls within provincial jurisdiction under the terms of the British North America Act. However, does that prevent one from bringing to the Senate serious problems affecting any one province or, indeed, several provinces and discussing them before it is too late to take steps to avoid serious trouble?

This study revealed the astounding extent to which non-resident ownership of land has taken place in Nova Scotia. I find that Prince Edward Island, New Brunswick, Ontario, and British Columbia all have somewhat similar problems, on a greater or smaller scale.

I cannot answer Senator Connolly's question about forced sales or sheriff's sales where the successful bidding was done by foreigners or non-residents of Canada. Neither can I answer his question about the number of acres of land that have been taken out of agricultural production as a result of the continued purchase by non-residents of such agricultural land in Nova Scotia. To obtain such information would take months and months of costly work on the part of the Citizens' Alliance for the Preservation of Nova Scotian Land, and it cannot afford either the time or the money to do so. The Dalhousie Institute of Public Affairs has done quite a study, as have representatives of the Department of Agriculture, into the question of non-resident ownership. But more help both in the form of money and manpower is needed before it is too late.

I hope that this will be of some assistance to you, senator.

Hon. Mr. Connolly (Ottawa West): Thank you very much.

Hon. Guy Williams: Honourable senators, first of all I should like to congratulate our new Governor General and Madame Léger. I wish them well in carrying out their duties, and I also wish them health. My congratulations go also to the new senators. I know they will do well because they are men of long experience in public life.

To you also, Madam Speaker, I offer congratulations on your great ability in carrying out the many difficult duties of your office. You have my confidence and admiration.

My people, the Tsimshians, the Haidas, the Kwakwiltl and the Tlingits of the Alaskan coast, in times before the white man discovered North America, chose and appointed

[Hon. Mr. Flynn.]

women as head chiefs of their tribes. The stories and legends say they ruled well.

Honourable senators, the Canadian Indians enjoyed a system of rule in which women were accepted as equals. The women were also appointed to the body of "thinkers and planners." In my dialect there is no word for "committee" or "council"—therefore, the reference to "planners." Your society, with its many centuries of advancement, progress and science, still discriminates against women, and as a result today you have the Women's Lib.

In relating to you the form of government that existed among the Six Nations, honourable senators, one must dwell a little on the customs of my people from the mid-coast of British Columbia to the coastal parts of Alaska. These are known as the people of the clans, or the totem people. We are also known and referred to by other tribes as the "big canoe people." There is one big canoe here in the museum in Ottawa. If there are some who have not seen this canoe, I suggest that they go some time to see it. It is hewn out of a huge red cedar log from the Queen Charlotte Islands. The length is 60 feet and it is 6 feet 6 inches wide. The prow, or the bow, is 9 feet high, and the stern is 6 feet high. Its estimated carrying capacity is 5 tons, or 30 people. You may still see some of those great trees, out of which the canoes were hewn, in the coastal areas of northern British Columbia.

Honourable senators, there is a legend existing among our people that the interior Indians and the coastal Indians built the coastal ranges and the Rocky Mountains. In British Columbia we do things big. They built the mountains for no other purpose but that of keeping their brothers, the Plains Indians, out of British Columbia.

● (2020)

I would like to inform honourable senators that approximately one-fifth of the Indian population of British Columbia are descendants of the Totem people, the carvers, who were organized in clans or phratries. There are many clans, such as the Eagle, Raven, Whale, Salmon, Beaver, Wolf, and Grizzly Bear clans, each of which has its own chief. There is no intermarriage among clan members; members must marry outside of their clan. The system is matriarchal. The offspring follows the line of the mother, not the father. The son succeeds the uncle, and the daughter succeeds the aunt. That is the surest way of protecting the family line.

There was tribal warfare for material gain only, not for territorial gain, which was the motive of honourable senators' forebears in many of those countries from which they came to Canada. It was not uncommon in the society of the day for a chief to have as many as 10 wives. I can only say: what a system, what a life! There was no inflation in those days. Feuds among families were carried on for decades. It was almost a natural way of life in those days.

I should now like to deal with matters raised in the Speech from the Throne which greatly affect Canada's Indian people.

The Indian society clashed in some serious respects with the society of those who came to Canada from other countries. Many Indians were nomadic or semi-nomadic. In those days there was really no need, in many parts of Canada, for permanent dwellings or, shall I say, houses.

During this difficult transition period for the Indian people, the government's housing program has, for many decades, been lagging further and further behind.

I am told that in some areas adjacent to municipalities and cities—particularly in the southeastern portion of Vancouver Island—as many as 17 people are living in a three-room house erected under the housing program. In my opinion, those houses are substandard. Being an old shipwright and carpenter, I think I know what makes a standard house, and what makes a substandard house. One answer to the problem is a larger appropriation for native housing. However, that is not the total answer.

Insufficient labour is employed by construction and development companies. A housing program without builders is of no value. The housing situation as it relates to the Indian people will not improve until the need for qualified builders is met.

The one bright spot in all of this is that there are quite a number of trained, qualified Indian tradesmen now. However, these Indian tradesmen lack the means to form their own establishments, such as small construction companies. Were they able to do so, they might be able to alleviate, to some extent, the acute shortage of housing for Indian people.

Then, again, I must remind honourable senators that a housing program is not the total answer. It must be tied to a down-to-earth counselling program to help these families adjust to modern houses. It may be difficult for some senators to understand the need for such a program, but let me give one illustration of why it is necessary.

At the end of World War II an epidemic hit a band of Indians living in a remote part of British Columbia. At that time the Government of Canada built 17 houses for them. They were small structures, but they provided fairly good shelter. They did not have running water; I understand there was only one tap to serve the 17 houses. These Indians were not accustomed to living in this type of house, and the first thing they did was to stack the bedsteads up, using them for shelving for their belongings, and they slept on the floor. They were accustomed to sleeping on mother earth, and that was the only way they could sleep in comfort. That is why I say that extensive counselling must be part of any housing program for the native people at least in some areas of Canada. They will adjust in time. I am told on good authority that in a very heavily settled area, again in southeastern Vancouver Island, there are homes, adjacent to city limits, which have outhouses. This does not seem at all reasonable in such an area in this day, nor does it make sense. The Government of Canada and the Canadian people must make every attempt to make the standards of living of your society available to the Indian people of Canada.

● (2030)

Now let me say a few words about the Indian people of today from my personal observations. They have the courage of their forebears, but today they are inclined to be militant, which could be serious and a real national problem. Why? The answer is widespread. The use of marijuana and soft drugs, and indeed heavy drugs, has made terrific inroads in the Indian reservations, which is a serious matter. I know it is also a national problem, because it does not involve only young Indian people.

Whether it be among Indians or others, this problem is extensive.

The government must find some way to divert the energy of these young people to something useful that would benefit the community and the people of Canada as a whole. This is not only an Indian problem; it is a national problem. Every community, every city in Canada, is affected. The energy of these young Canadians must be diverted to something which will be of benefit to this great country of Canada.

Honourable senators, let me go now into something that is a little more pleasant. The Indian people have been involved in the fishing industry in British Columbia from the beginning. They were the first commercial fishermen. For a century, or for very close to a century, they have been so involved. I have rated the fishing industry as second only to the great fur-trading industry involved in the securing of the pelts of fur-bearing animals. Such was the trade. As Indian people in British Columbia we did not receive our rightful share of the fruits of our labour—the labour of those who are no longer with us. However, we survived well when the other nationals, the other fishermen who were predominant in numbers and in production, were not there. When this country was at the height of its struggle in World War II, the Japanese nationals—and many of them were my friends—were taken out of the coastal area, and the Indian fishermen was told by representatives of the government to produce and produce and produce, in order to carry on Canada's war effort. During those days the Indian fishermen produced more than 50 per cent of the salmon catch. That is a very good record. I cannot use any other words to express it.

Hon. Senators: Hear, hear.

Hon. Mr. Williams: Not only that, but many of our young men went overseas and made the supreme sacrifice in the defence of Canada. Being involved in an Indian organization for most of my life, and being a fisherman also, I have some very pleasant memories of the coast of British Columbia. I have also some very pleasant memories of being an appointee of the then Minister of Fisheries on the advisory committee on fisheries for the Government of Canada in its negotiations with the United States, Japan and the Soviet Union. I look back on those days with pleasure. I must say that I learned a great deal, too.

As a result of the efforts of our organization we have been able, after about five years of endeavour, to get governments for the first time to give some form of assistance or subsidy for fishing purposes. It still burns me a little bit to remember that there was a very large experimental boat—perhaps the word "experimental" is my own—known as the *Golden Scamp*, that was built for the tuna fishery on the East Coast. The subsidy that went into that ship was \$1,700,000, and it was sold on the auction block for \$700,000.

● (2040)

The point I am making is that the Indian fishermen's assistance program today provided slightly over \$7 million. The program was terminated and a new program put into effect—a ten-year program this time—the total amount of which will be over \$12 million. So far so good. We appreciate that. The program has brought our fishermen to the point of production where they are real com-

petitors. It is not that they had been poor fishermen all their lives, although they had poor equipment, but with this monetary assistance they were able to upgrade their boats so that they could become real competitors.

To indicate just how competitive they are I will mention that this past season the top man in the whole industry grossed over \$200,000 from salmon alone. The Indian fisherman is now a real competitor to the other nationals who are in the industry as catchers of salmon.

About a year and a half of the new \$12 million program has already gone into effect. I must say that the program is welcomed by the Indian fishermen, but with respect to this past year our own experts have estimated that the total income tax paid by the Indian fishermen for 1973 will be around \$12½ million, and perhaps as much as \$15 million. In other words, in one year the Indian fishermen have more than put back into the coffers of the country the money that is going to be their assistance for ten years.

The industry is changing every day. When that 200-mile continental shelf limit comes into effect, the manner of fishing on the coast of British Columbia is going to change. In order to compete with other nations the fishermen will have to move out on the high seas, and this will mean changing from the smaller types of boats over to large vessels.

In order to get production from any industry it is necessary to have proper and up-to-date machinery. In this case up-to-date boats must be made available. They will more than pay for themselves. But I suggest that this will take at least \$50 million over the next five years when that 200-mile limit comes into effect.

A colleague of mine, the Member of Parliament for Kamloops-Cariboo, Len Marchand, quite often tells this story about fishermen. At a conference here in Ottawa at which many representatives of Indian people were present from different parts of Canada, an Indian who was an arts-and-craftsman apparently told some British Columbian fishermen, who were representatives of an organization attending the conference, that for the very first year he was doing well because he was getting government assistance to engage in arts and crafts. He said, "I grossed \$7,000 last year." That is well and fine. I appreciate that very much myself. To him this was a real step forward in the right direction. But one of those fishermen, in replying to him at that time, said, "That is very good, but you must go after a bigger assistance to enable you to have a bigger production. Last year I paid twice that much money in income tax." He was not belittling the man who was beginning to see a future after getting assistance. On the contrary; he was encouraging him to go for greater production.

Honourable senators, you may find that I have digressed a great deal, but there are so many points I could make in reply to the Speech from the Throne that it is difficult not to digress. However, these are the major aspects that I feel we should dwell on.

I have been much impressed by the speeches of members of this chamber. For example, I very much enjoyed Senator Quart's speech. It opened my eyes to quite an extent. It was nice. I have no further comment than that; it was nice.

[Hon. Mr. Williams.]

I also took considerable interest in what my colleague Senator Croll had to say in his references and descriptions when speaking of the poor people of Canada. You will recall that he referred to the working poor. I think I can understand that. He also referred to the welfare poor, and I think I understand that to a degree. But perhaps I, too, can make a contribution by way of adding one or two additional points. The Indians, too, have their welfare poor. In fact, there are many "welfare poor" Indians. There are also "working poor" Indians. They are the Indians who make every effort to be employed and to earn a living in order to provide for their own welfare and that of their families, but in the majority of cases they are unskilled, have served no apprenticeships, and their rate of pay is not as good as that of those who are skilled. Continuity of employment is not always there, as it is for the skilled.

● (2050)

To that I would add that the public at large uses the term "the poor Indian" very widely. You hear it in all parts of Canada, and I have heard it personally. That Indian may not be poor. He may have means, he may have good earnings—though it would be a rare case—but "the poor Indian" in many cases is a derogatory term. It is a statement by society that he does not belong; that he is outside this society. Fortunately he is surviving, he is going to continue to survive, and he is going to be here as long as you will be. The thing to do, in this advanced day and age, is to provide extension of programs. Training must be made available for them. True, there are less than 300,000 of them in this country, yet they can stand up very straight and say, "My forebears, my people, were here before you or yours." That is courage.

How do we do these things? It is not easy for an Indian to come into your society—and I am speaking from experience. I left my reserve in 1944, and, believe me, it was a struggle, not only from the point of view of being away, but it was also a struggle to survive. There is some looseness, I admit, in the way of life on a reserve. It is much easier to live on a reserve than in a municipality or city. But since 1944 I have no regrets. I must say that I am quite happy that I did leave, although many of my friends condemned me, and looked upon me as a deserter for leaving them. Again, I want to say that it was not easy.

We have quite a large number of Indians in British Columbia who are now living in the lower mainland of that province, in the southern part of Vancouver Island, and in different parts of British Columbia. They have moved out to the cities, to the municipalities, to take advantage of the facilities and whatever is available to each member of society, whether it be schools and education, or whether it be some form of training ground where he can fit in. But also, by the same token, many returned to their reserves.

Do not misunderstand me. I am not trying to convince you that the way of life for an Indian is impossible, or that your society is impossible. Every day the Indian people are advancing into your society, and in the distant future I believe that they will all be in your society, and be participants in your society.

You would be amazed to discover that nearly 40 per cent of the Indians on some reservations have moved to

municipalities or cities. I say it is a very good sign that they are taking advantage of the educational facilities that are available in cities and in municipalities and taking their rightful places in your society, and they are making a darned good job of it.

When this society does not refer to them as "poor Indians" just because they are Indians, then greater opportunities will exist for the Indian people in this great country. I am very happy to say that we have many people from all parts of Canada working in offices here in Ottawa, and they are doing a very capable and good job.

However, it is not only the Canadian nationals who discriminate. We have discrimination all over the world. The history of the world is built on discrimination, or discriminatory attitudes on the part of individuals toward their fellow men. It is a human fault, and we are not going to overcome it in Canada, but I believe that by creating opportunities, or preparing the Indian for more opportunities, we will have a better Canada to live in.

There was another item in the Speech from the Throne that interested me—guaranteed loans to farmers and fishermen. I know next to nothing about farming, but without the farmers this country cannot exist, particularly when the population of the world is consuming more and more farm products. As a member last year of the Agriculture Committee, it hit me very hard to see some of the farm land in the province of New Brunswick reverting back to the wilderness, when Canada needs all the agricultural products she can harvest from good land. This also must be made right. I trust that this government will follow through and offer very substantial assistance to farmers.

"Guaranteed loans," I think, is a very good term. In my understanding it simply means that the government will guarantee the loan. What better system can we get? I am sure that many fishermen will take advantage of it if it comes into effect, and I ask very seriously: Will the Indian fishermen be involved, or will they be told, "You already have a program."? This country has spent millions upon millions of dollars in ship subsidy commitments. For the harvesters of the resources of the seas bigger, better and more expensive boats will be required in the next decade.

Honourable senators, I appreciate very deeply the opportunity that I have had to speak in the debate on the Address in reply to the Speech from the Throne.

I have spoken.

● (2100)

Hon. Keith Laird: Honourable senators, the debate on the motion for an Address in reply to the Speech from the Throne, so ably presided over by Madam Speaker and so competently proposed and seconded by Senator Robichaud and Senator Perrault, has been most instructive. I have either heard or read all the speeches, and, believe me, I have learned a lot. One thing that struck me personally arising out of the Speech from the Throne itself and the debate which has followed—and, incidentally, this first occurred to me when I heard mention of the energy crisis in the Speech from the Throne—is that perhaps our biggest problem today, if you can call any one problem the biggest, is that of Canadian-American relations.

One of my reasons for saying that, honourable senators, is that while it is difficult, if not impossible, to segregate

problems in this complex world, tied in with the matter of our relations with the United States there are so many other problems—the matter of inflation, the matter of prosperity in general and the matter of our military security. All of these things are tied in with our relationship with the United States. As I say, if you can segregate any one problem from the others then I earnestly suggest that our biggest problem today is our relationship with the United States of America. There are certain fundamentals that should be kept in mind at the beginning of any consideration of this problem.

Honourable senators, while saying that let me make it clear that I have absolutely no intention of keeping you for any length of time this evening, because I realize that the debate has already gone a long way, but I should like to try to get you thinking on one or two points.

The matter of deciding and considering some fundamentals in connection with this problem becomes quite important, in my view, before we even start on it. First of all, we must keep in mind that there can really be no equal contest between the United States and Canada, whether economically, militarily or otherwise. You might say that a military contest is quite impossible, and I would agree with you. The American people are so friendly and so anxious to get along with us in the main that the idea of a military conflict is simply unthinkable. But let us consider an economic conflict, which some of our people seem to try deliberately to provoke. Such an economic conflict with the United States would be like matching George Foreman, the heavyweight champion of the world, against any member of the Senate. And I suggest, honourable senators, that such a contest would be rather unequal.

Hon. Mr. Buckwold: I think perhaps Senator Flynn could take him on.

Hon. Mr. Laird: Well, I recognize that he is fairly healthy, but I would not bet on him.

Hon. Mr. Flynn: I had somebody else in mind.

Hon. Mr. Langlois: With his Irish temper yet.

Hon. Mr. Laird: There is another thing that gets me down, and that is the apparent feeling on the part of some people that there is something intrinsically evil about American investment in Canada. I must admit that there are times when I feel rather like Dagwood in the comic strip, in that when people discuss this subject I feel that I just hate myself. I find myself more or less wishing that some of them could be shoved off into the stoney backlands to live where they would be living had it not been for American investment in Canada. They are so blithe in their criticism of American investment here, and yet our standard of living would have been absolutely nothing compared to what it is now without that American investment.

There are certain fundamentals like that, honourable senators, that you have to start out with when you consider this problem. This, of course, does not mean that we need to knuckle under to the Americans. So many people seem to take it for granted that we are beaten before we start, but our whole history shows otherwise.

My most recent reading has been the memoirs of the Right Honourable L. B. Pearson, and having read both volumes, I must admit that I am impressed with the

proposition that very definitely throughout the history of our relationship with the United States of America we have never knuckled under. If you have been looking at the rather well done television serial about the building of the CPR—*The Canadian Dream*, I believe it is called—

Hon. Mr. Buckwold: *The National Dream.*

Hon. Mr. Laird: Well, I was close, anyway. From that story it is clear that even back in those days there was the problem of dealing with American ownership of a key industry. But certainly we have never knuckled under to the Americans.

Another example which occurs to me, as I am sure it has also occurred to many of you, is the question of trade with Cuba. We have gone right ahead and traded with Cuba despite the fact that the United States has imposed a ban on such trade. The recent case of the locomotives manufactured by the Worthington Company in Montreal for sale to Cuba is a perfect example of this. We are simply going right ahead regardless of how vital the Americans feel this is to their own interests.

Hon. Mr. Flynn: The Canadian Football League is another example. Are you going to deal with that?

Hon. Mr. Laird: As a matter of fact, I had not intended to deal with that situation. This does not mean that I am not acquainted with the game of football—I am. But I would regard this as being a suitable subject matter for a separate speech in this house, and therefore I shall not take up your time by discussing it now.

Hon. Mr. Flynn: I was merely tempting you.

Hon. Mr. Laird: Then, all I can say is, "Get thee behind me, Satan."

Hon. Mr. Langlois: I am sure that what Senator Flynn has in mind is political football.

Hon. Mr. Laird: Well, it was quite another kind that I had in mind.

Hon. Mr. McElman: He just ran offside.

Hon. Mr. Laird: Perhaps somebody should run interference for him.

This side of our relationship has been stated so often and at such length—statistically, economically, philosophically and in every other way you can think of. It has been restated and rewritten many times. One thing that struck me—and this is why I said I was going to be brief in my remarks and let you just think about it—is that it seems to me that we might run into the danger, which we have done in the past, of having these problems resolved by emotional considerations. This is a very real problem. When you look back in history, how many real international problems have arisen based not on reason, but on pure emotion? I would think that a good many wars have resulted from pure emotion, instead of reason. We must guard against that in any consideration of this problem.

● (2110)

First, however, let us consider this emotional factor from an American standpoint. I would say that the principal problem the Americans have—and, believe me, I have had plenty of contacts with them; in fact, rather close contacts with one—

[Hon. Mr. Laird.]

Hon. Mr. Molgat: Explain.

Hon. Mr. Laird: Explain, Senator Molgat says. Well, perhaps I should admit, as Senator Davey has said on one occasion, I do have a conflict of interest. How could it be otherwise with an American wife?

In any event, I will say this, that the Americans are remiss in this respect of building up to the emotional aspect. They have never in the past really known enough about us. They have not taken the time, they have not spent the energy, to find out enough about Canada and, as a result, they go off half-cocked every so often.

When we look back on the past and read what has happened between the two countries we realize that the sources of friction were known, recognized, studied and something was done about them by governmental officials, particularly, of course, those engaged in the diplomatic service. They understood—sometimes, I am afraid, their understanding did not help the cause, but they understood what was going on. The ordinary person over there, however, in some respects speaks from ignorance. Let us be honest about it. In my opinion this has given rise to some of their problems arising out of emotionalism.

Consider, for example, the senator over there who castigated Canada for putting a tax on the export of oil saying this was something terrible, without mentioning the little detail that we had to import oil for the Eastern provinces and pay world prices. This is the sort of thing, you see, that gets a person down. In any event, when one senator says that—and I am sure that his was almost a lone voice—this sort of thing is taken up by others of lesser responsibility.

For example, about a month ago in Florida I heard a commentator on a Fort Myers TV station make exactly this statement. Of course, the temptation is to do something about it, but the usefulness of pursuing such an issue with an irresponsible man is, in my opinion, questionable. Where would it get one? It is this emotional aspect that hits the Americans, and for no other reason than lack of knowledge.

Irresponsible speeches, however, made by some rather prominent Canadians worry me equally. They castigate anything American. I classify them as ultra-nationalistic, and I do not think they are serving the cause at all. Of course, we all wish to preserve our heritage. Every one of us wishes to remain a Canadian, but to constantly carp at the United States for doing this, that and the other thing, especially if you are a prominent Canadian, has a most unfortunate effect on the other side because, frankly, it frightens people. I have seen the reaction. They are going to do something in Canada. Perhaps it is a matter of investment, purchasing some property, or something like that, and they begin to wonder and think twice about it. It scares them. These statements naturally build up in their minds a concern far beyond what we, on this side of the border, know they are worth. It really should be a matter of concern to all of us that this sort of thing happens.

I suppose, however, it has one advantage in that it makes the Americans pay that much more attention to us and this, of course, should be the ultimate objective—to induce them to realize that we are here, and to realize that

in our relationships with them we also have problems, that it is not all one-sided.

I observe in the papers the results of recent polls on this subject which at first blush seem to indicate that the majority of the people of Canada are anxious to exclude American investments, and perhaps to have as little to do with the United States as possible. I suggest, however, that this is nothing but an emotional reaction, illustrating that these very Canadians wish to remain Canadian and to retain their heritage. That is all it amounts to.

On the other side of the coin, you will all remember that famous radio speech by Gordon Sinclair, in which he pointed out very forcibly that the United States is a much maligned country, and that we should remember all she has done. I admit that he made the odd mistake in fact in that speech, but in the main I liked it. It hit the nail on the head. The Americans have done so much for so many people. Just think of what they have done for us through the Carnegie and Rockefeller Foundations, and so many others. They have done the same and more for so many other countries in the world. So, when Gordon Sinclair made that speech, believe me, it struck a chord with me, despite some criticism which ensued.

In contrast to what might appear from some of the newspaper polls, I was interested in the sampling of thousands of letters received by the radio station which carried that particular speech. It showed that 90 per cent of the writers favoured the editorial. Only 7 per cent of the letters were unfavourable, and 3 per cent were downright vicious. This, in my view, encourages us to think that while Canadians as a whole wish to remain distinctive, they do appreciate what has been done for them by the United States.

Actually, of course, those who are most vocal in their criticism of the United States are those who are directly affected by some of its actions. For example, there is the matter of pollution of the Great Lakes. I certainly think that while we have carried our share of the load up to this point, the Americans have not.

● (2120)

Honourable senators may recall the action of the President of the United States in holding up the allotment of funds for that purpose. That certainly caused irritation, particularly to those directly affected. I can well understand the unfavourable reaction. Incidentally, I understand that the problem concerning the allocation of funds is likely to be resolved very shortly. Let us hope that they will then be able to get on with this business of cleaning up the Great Lakes.

I could keep honourable senators in the chamber all night listening to a list of irritations that arise in the course of our relationship with the United States. The fact is that as long as we have a neighbour we are going to have irritations. Strange though it may seem, I have even heard about irritations which exist between husband and wife.

An Hon. Senator: Not you.

Hon. Mr. Laird: No, not me. I am surprised I did not get more reaction from my comment. In any event, no matter how close we are to a person—and we are very close to the

Americans—there are bound to be irritations and emotional reactions.

What can we do about them? May I express the hope, so far as the Americans are concerned—and they may not want advice from me—that they will find out more about our attitude towards those problems which involve them. So far as we are concerned, I should like to offer this advice—which I think is in order from one Canadian to another—that despite irritations, such as pronouncements by irresponsible people in the United States, we keep our cool. If we allow ourselves to be carried away by that sort of thing, we shall not be advancing the cause of mutual understanding which is so important for both our countries. If we are able to keep our cool, we shall be able to solve each problem which arises between us.

Hon. B. Alasdair Graham: Honourable senators, I join with others who preceded me in welcoming the Governor General and Madame Léger to Rideau Hall. Their many fine qualities will ensure that those responsibilities to which they have committed themselves will be carried out with great dignity.

To you, Madam Speaker, I can only say how personally pleased I am that you have agreed to continue in your present position. On many occasions you have exercised a remarkable degree of patience, and you have given the Senate exemplary service both inside and outside this chamber.

I would be remiss, honourable senators, if I did not express my personal gratitude to the officers and staff of the Senate who serve this chamber with such great dedication.

To the mover and seconder of the Address in reply to the Speech from the Throne, Senators Robichaud and Perreault, I offer my congratulations. The potential of this house, I suggest, has been greatly enhanced by their presence.

May I say also how pleased we are to see Senator Hicks in his place after a most unfortunate accident. I am sure that all senators would wish me to ask Senator Hicks to convey to his good wife our best wishes for her full and speedy recovery.

Over the past months, all Canadians have become aware of the so-called energy crisis. It is not my intention to enter into a debate on whether or not this so-called crisis is real or contrived. However, it has made all Canadians aware of the necessity of having a truly national energy policy. As most people now realize, energy is a scarce resource and those resources that we have must be carefully husbanded.

Our chief resources are, of course, oil and coal, both of which are non-renewable. Whether the energy crisis is real or contrived, it is my belief that it has been in many ways a blessing in disguise. It has focused much needed attention on the scarcity of world energy supplies. It was recently estimated that if we continue to use our energy resources at the same rate of escalation as that which has existed since World War II, by 1990 we will have effectively depleted the known supplies of fossil fuels.

In February of this year a worthwhile conference on energy was held in my home city of Sydney, Nova Scotia. I do not intend to go into detail about that conference,

which was well reported and acclaimed through the media. One thing that was pinpointed at that conference is how little we really know about our reserves of all forms of energy resources. One result of that conference will be a concerted effort to develop a total inventory of reserves and a rational program of exploitation. To this end I would endorse the position that calls for a single price for oil for the whole of Canada.

I realize that this cannot be achieved without concessions being made that will have the effect of equalizing economic opportunities in all regions of the country. I repeat that oil is a non-renewable resource, and if we insist on squandering it we will leave a heritage of poverty for future generations.

With that in mind, it becomes necessary to look at alternative sources of energy and to study carefully their potential to meet our energy requirements. In this respect I would urge the Government of Canada to commit itself to the role of catalyst in the construction of a common-user grid to connect the provincial electrical utilities of Eastern Canada. This, I suggest, would provide for the most efficient use of all energy resources developed and undeveloped in that part of Canada.

Among other things, construction of the super grid would enhance the economic feasibility of proceeding with the development of the Bay of Fundy tides. The super grid would also lessen the technical difficulties of placing nuclear plants in service in the smaller Maritime power system. I hope also that the Government of Canada will share in the funding of those remaining studies and investigations which are a prerequisite to the determination of the economic feasibility of proceeding with a tidal power development in the Bay of Fundy.

I am pleased to endorse the establishment of a national petroleum corporation which will allow Canadians greater opportunity to become aware of the real costs and potential of our petroleum resources.

We as a nation must guard against the possibility of manipulation by giant multinational corporations which may pursue their own ends with insufficient regard for the wishes or the needs of either people or governments. If we as Canadians can agree that the best way to cement our country from sea to sea is by pursuing economic policies that allow all Canadians to participate as equals, then it ought to follow that we are likewise prepared to pursue other policies which will have as their effect the equalization of opportunity for all Canadians.

● (2130)

There is no policy that has been more discussed, nor is more vital, than a national transportation policy—a truly national transportation policy—which will allow the orderly development of all regions of this country. Again, we cannot afford to develop policies that serve to place regions of this country in disadvantageous positions. From the time of Sir John A. Macdonald, various Canadian governments have attempted to pursue transportation policies to weld our regions into a cohesive nation. There is no question that both the Atlantic and the Western regions of this country have felt somewhat alienated. Many people believe that our national policies have encouraged disparity rather than ameliorate it. All Canadian governments must work together to develop an

[Hon. Mr. Graham.]

equitable transportation policy which will give all Canadians the opportunity to participate in prosperity.

At this point in time, Nova Scotia has the leading container port in Canada at Halifax. I should also emphasize the great potential of the deep-water port in the Strait of Canso, one of the finest deep-water, ice-free ports in the world. At the same time as it is assisting in the development of these ports, the province is also looking at other ports such as my home city of Sydney, to determine their best potential contribution to the economy. Again, what we really need is for governments, through co-operative effort, to pursue a comprehensive policy that will enable these ports to develop to their fullest potential in the interests of the people of Nova Scotia and all of Canada.

I am pleased to see that the government intends to propose an agricultural program that will protect both the producer and the consumer. I suggest we ought to be extremely careful that we do not promote the corporation farm as the answer, as the be all and end all, to our agricultural policy. Much is said these days that what we need is a more sufficiently integrated food industry that would provide food at the most efficient price. I would hope that the policies to be promoted are policies which will not discriminate in favour of the integrated corporation, but rather policies which will make it economic for all people, young people particularly, to continue to develop their own private farms.

The policies that we pursue today will provide the future direction of the agricultural industry. I would suggest that the long-term interests of both producers and consumers will not be effectively met by the establishment of monopolies in the food industry. The market system works to the optimum advantage of all when there exists true competition. We must be sure that this competition does not make paupers of the producers, nor take undue advantage of the consumers.

One other subject I should like to speak on before concluding, honourable senators, is that of housing. During the past year the National Housing Act was amended to make available new, innovative programs to assist Canadians in owning their own houses, to rehabilitate their premises, to improve neighbourhoods, to assist in land assembly, to give a real boost to co-operatives and non-profit groups, as well as other programs directed towards minority groups. I congratulate both the government and CMHC for the progress made in this regard.

The Assisted Home Ownership Program, one of the programs developed recently, provides assistance for families with incomes below \$11,000 per year in buying their own houses as an alternative to the large monolithic public housing developments we have seen in the past. The programs to rehabilitate and rejuvenate older neighbourhoods require agreements with the provincial governments. These agreements set out the budget for each province, and the method by which each province will select the neighbourhoods to be rehabilitated. I understand agreement in principle has been reached with nine provinces, including Nova Scotia. I hope the detailed agreements will be signed quickly.

I should like, in this regard, to encourage the Government of Canada to continue its policy of decentralizing decision-making within the corporation, and to proceed as

quickly as possible to ensure that the role of CMHC becomes more the role of the banker, allowing the provincial and municipal jurisdictions to cope with the attendant problems of planning and development.

I am very much aware that economic forces are making it very difficult for the average person to pursue the great Canadian dream of owning his own home. Again, it becomes important to devise policies that provide optimum opportunity for individuals, and that have the effect of developing humanized urban areas where individuals are not sacrificed in the name of efficiency, and where man can truly pursue the good life.

Honourable senators, there is no doubt that we have too many people who are poor; too many people who are ill-housed; too many people who have inadequate training skills to survive in a competitive economic system. It becomes urgent, in the face of these realities, that we pursue economic, social and educational programs that will truly equalize opportunity for all people in all regions. And it is important to remember that these programs will be expensive, but not to pursue them, I suggest, will endanger the integrity of Confederation.

At the present time, DREE, which has the responsibility of coming to grips with the problems of disparity, is attempting to decentralize. We must encourage this attempt. We must commit ourselves as a people to the costs that are involved, and, most important of all, we must be prepared to pay the price in order that all regions will be enabled to pursue their legitimate aspirations.

It seems that at this period in history, Canada, as a nation, is facing fundamental options. On the one hand we have areas that are prosperous because of size and geographical location, and areas that are prosperous because they have rich resources; on the other hand, we have areas that are struggling with the problems of disparity. If Canada is to be great, then all must share their wealth in order that each region may grow.

● (2140)

[Translation]

Hon. Michel Fournier (Restigouche-Gloucester): Honourable senators, it is with great apprehension and surely with humility that I rise to make a few comments during the debate on the Address in reply to the Speech from the Throne.

Having listened to so many honourable senators in this house who have shown so much ability, knowledge and know-how, I told myself that it would perhaps be advisable for me to listen rather than to speak. However, I know that I can rely on your indulgence in making a few comments. I will spare you a lengthy speech, because at this time it is better to restrict myself to a few comments.

[English]

Madam Speaker, I can add very little to all the compliments and congratulations that you have received. All I can say is that I agree with them, and that you deserve every word of them. I know that when you were appointed to your august position, everyone in New Brunswick was really happy.

[Translation]

To the mover and the seconder of the Address in reply to the Speech from the Throne, my congratulations for a job

well done. As for the mover, Senator Robichaud, he was certainly not unknown to me nor to the people of New Brunswick. I would also like to say that he is a real asset to the Senate, and that his appointment is an honour for the province he represents and has so well represented as premier in the past.

As for our colleague, Senator Riley, I can say that one could not have chosen a better man for the area he has so well represented in the past, in the provincial as well as in the federal government.

The Speech from the Throne came to us this year at a time when we had felt for a few months already a certain disruption of the economy, and this across the world. The oil crisis and the shortage of certain products could not occur without affecting us in Canada as elsewhere through the inflationary thrust resulting from it.

But, fortunately, with our abundance of resources, a wise administration policy and a little good will on the part of both the provinces and the central administration, Canada is still the one country that will probably come off in the best possible way.

This proves to us once again that if it is nearly impossible to give perfect homogeneity to a country the size of ours with so many regional, economic, cultural and other differences, the fact still remains that it is only because of our present confederative system that we have managed up to now and will manage in the future to keep one strong and united Canada.

Those of us from the Atlantic area who were among the first to join Confederation tend to ask ourselves at times if we made a good deal. Relatively prosperous as provincial entities before our entry into Confederation, enjoying flourishing trade with the Indies and our Southern neighbours, it seems that everything crumbled after 1867. That might not be the only reason for our economic downfall but one thing is sure, even with the building of a railway to the West Coast we could never afterwards overcome the fact that centralization was detrimental to us in central Canada. As a friend of mine said to me one day, after the union of Upper and Lower Canada, it was as if a big churn had been set up in central Canada, the spinning motion of which brought all the cream to the centre leaving only the whey at the ends.

This analogy might be somewhat exaggerated because Confederation brought about some good things too and we probably shall never wish to abandon it.

However, we are upset to see that after so many years and all the efforts made to reduce regional disparities, the results are not so obvious.

With the setting up of the Department of Regional Economic Expansion in 1969, we hoped that the situation would rapidly improve. Is it still too soon to see the good results? I hope so.

However, I am sure that nature provided every country and every part of the country with adequate resources to meet the needs of these areas and their population. We just have to find them and exploit them rationally.

Besides, all the economic studies demonstrate without any doubt that we have, in the Atlantic provinces, a combination of various and abundant natural resources. Frankly, we should have no reason to lag behind the rest

of Canada if we could find the means to bring about the necessary developments and to process part of these resources at home instead of shipping them away as raw materials.

I shall rely on a study that was made, for New Brunswick, by the Department of Economic Development whose report was published in April of 1973. For the purposes of this study, the province was divided into five separate areas. I would like to talk briefly about the northeastern part of the province, which is often described as the have-not area.

According to the 1971 census figures, the population is about 168,000. The natural resources are listed as agriculture, forests, peat, fisheries and mines.

As for agriculture, this analysis gives us nothing new when we find that, among all our occupations, agriculture has surely lost the most ground for a number of years.

Forestry has always been very important at home as almost 85 per cent of the wooded lands of the Crown are situated in this part of the northeast. As for most of our other resources, we find that a little more intensive processing would insure the increase in value and additional employment for about 2,000 skilled workers, not to mention an undetermined number of forest labourers, skilled or not.

Located near the coasts of the Chaleur Bay and the Gulf of St. Lawrence, this territory has always been a fishing area. In fact, 65 per cent of fish caught in New Brunswick come from the northeast of the province.

As for the peat moss industry, we know that most such industries in New Brunswick are established in the northeast.

The mining industry is our most recent industry, as we really discovered it only at the end of the 50's.

Therefore, before closing my remarks, I will take the liberty of saying a word on this industry which could have a great influence on our economy, provided we can exploit it in a judicious manner.

For the moment, I would like to say a word on agriculture, the oldest of all our industries, the one which in the past has always been at the basis of our economy, in spite of the fact it has slowed down these last years.

Is it not logical and natural to deal with it to some extent when the Speech from the Throne itself seems to attach so much importance to food products? As a matter of fact, if we really want to avoid a food crisis, which would be much more prejudicial than an energy crisis, it is time to consider agriculture and land with due importance and recognition.

Some time ago, our colleague Senator Michaud described the situation of agriculture in his riding, which was as well, I suggest, a good picture of the whole situation in the province.

This is demonstrated by statistics relating to agriculture. It is proved that between 1951 and 1971, our province suffered, in proportion, the most important decrease of the number of farms in Canada, which is a 4/5 reduction, as well as a 2/3 reduction in acreage for the same period. One can easily realize what this means as far as social reform of any kind is concerned. The main reasons for the high

[Hon. Mr. Fournier (Restigouche-Gloucester).]

rate of unemployment of the last few years are undoubtedly farm abandonment and migration to cities.

It is high time we find out the reason for this state of affairs and its remedies, for we cannot neglect what should be our main industry without paying for it. Perhaps this should be the subject of an in-depth study to be made by the Senate Committee on Agriculture established some time ago.

Our first trip through Kent county last spring convinced us of one thing, that several of our agricultural policies such as the Small Farm Assistance Program, for instance, in their present form, were not in the least functional in this region without some major amendments.

With all the good abandoned land which we have, a lively market and better prices, I think it would be easy, with the required encouragements and well-adapted agricultural policies, to restore agriculture in New Brunswick.

At the moment it seems that many young people have a desire to go back to farming. All we need is see to it that agriculture provides them with a living.

● (2150)

[English]

Signs of mineralization in northern New Brunswick had been known for some past generations, but it was only in the late fifties that a major ore body was discovered near Bathurst. Prospecting and drilling in the following months by a number of individuals and mining companies did give the assurance that the many ore bodies discovered thereafter in the Bathurst-Newcastle area made up what was probably one of the richest and largest ore deposits in Canada. Mining companies, nevertheless, wanted to keep those mines idle and in reserve for future use, apparently.

In 1960, a new government came to power in New Brunswick with none other than our new senator from New Brunswick, Louis Robichaud, as premier. It was then that things started to move in the province. Mining companies were told politely but in no uncertain terms that either they would have to open some of those mines or sell out and abandon their franchise. Not too long after, plans were made for the construction of a large concentrator at Brunswick Mines near Bathurst, and a government financial guarantee was given for the building of a lead and zinc smelter at Belledune Point, where accommodation could be made for a year-round deep water harbour.

From then on, the future of mining in northeastern New Brunswick was looking very bright, with good chances for expansion, until things started to deteriorate around 1970-72. With our present market and better metal price, we should have some improvement.

The first thing that we ought to expect, now that the first smelter has been converted for lead only, is a new zinc smelter. It is absolutely unthinkable that all our zinc should be shipped outside the country in the form of concentrate when there is enough of it, and more, for the operation of a smelter. When we know that Canada is the largest zinc producer in the world, and New Brunswick is the third largest producer in Canada, we should not tolerate that situation much longer, especially when in the beginning some government help was given for the refining of some zinc as well as lead.

Another factor that should stimulate the building of a zinc smelter is that the United States smelting capacity, which was 1.3 million tons per annum some years ago, will drop to about half that amount by 1975-76, and surely Canada, being the largest producer, can operate with some strength in the market.

Another important thing for the area would be the early completion of the harbour at Belledune. According to the recent report on transportation, made for the Government of Canada and the Government of New Brunswick, the port of Belledune is the only port in northern New Brunswick that could have enough water to handle large bulk cargo vessels, anywhere from 26,000 to 80,000 tons, without the use of an icebreaker. The report does recommend, however, that the port should have a tugboat in order to save bringing one from Halifax.

The original plans for that harbour, made in 1965, were for expenditures of around \$18 million to \$19 million. Less than one-third of that amount was spent. Even at that, without any dredging at all, there is 38 feet of water at low tide, which makes Belledune one of the deepest ports in Canada among the harbours listed by the National Harbours Board.

Every Canadian should be glad to see our Western provinces taking their rightful place on the Canadian scene, due to the development of their resources and the help of proper national policies. There is every indication that the extraction of oil from the tar sands, the building of pipelines and the advent of petrochemical industries, will have a tremendously beneficial effect on the economy of the Western provinces.

Let us hope that Atlantic Canada will also have its oil some day, and some of the major projects we have been dreaming about for so long, like the huge hydro development from the tides of the Bay of Fundy, the Prince Edward Island Causeway and the Chignecto Canal. It would be so nice if our provinces by the sea could also become a little more prosperous in their economy and take their proper place in a greater Canada.

Honourable senators, if I can make a wish in closing, it is that our central agencies will make a real effort to solve some of our major transportation problems, which are probably the biggest drawback to a better growth. I have a feeling that this is also the wish of all Maritimers and all well-wishing Canadians.

On motion of Senator Grosart, debate adjourned.

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 on Thursday, March 14.

Senator Langlois moved the adoption of the report.

Motion agreed to.

● (2200)

LIBRARY OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Leopold 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*), Fournier (*Madawaska-Restigouche*), 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 on both houses on the said Library.

Motion agreed to.

PRINTING OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Leopold 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, Bourque, Duggan, Fournier (*Restigouche-Gloucester*), Gouin, Greene, Heath, Macdonald, McGrand, Michaud, Neiman, O'Leary, Riley and Sullivan, 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

Hon. Leopold 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, Forsey, Inman, Norrie, 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

Hon. Leopold 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 Flynn, Forsey, Godfrey, Lafond, Riel, Robichaud, Thompson 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

Hon. Leopold Langlois moved:

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

Motion agreed to.

THE ESTIMATES

NATIONAL FINANCE COMMITTEE AUTHORIZED TO EXAMINE AND REPORT

Leave having been given to revert to Notices of Motions:

Hon. Leopold 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, in advance of bills based upon the said estimates reaching the Senate.

Motion agreed to.

SUPPLEMENTARY ESTIMATES (B)—NATIONAL FINANCE COMMITTEE AUTHORIZED TO EXAMINE AND REPORT

Hon. Leopold 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 1974, tabled in the Senate on Tuesday, 12th March 1974.

Motion agreed to.

INFORMATION CANADA—NATIONAL FINANCE COMMITTEE AUTHORIZED TO EXAMINE AND REPORT

Hon. Leopold Langlois, with leave of the Senate and notwithstanding rule 45(1) (e), moved:

That the Standing Senate Committee on National Finance which was authorized in the First Session of the 29th Parliament on 21st February 1973, to examine and report upon the estimates laid before Parliament for the fiscal year ending the 31st March, 1974, and on 26th June 1973, to prepare and table a report on Information Canada as a supplement to its report on the said estimates, be authorized to continue its examination of Information Canada and table its report thereon in the present session.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, March 20, 1974

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

LEGAL AND CONSTITUTIONAL AFFAIRS

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

Hon. H. Carl Goldenberg, with leave of the Senate and notwithstanding rule 45(1)(e), moved:

That the Standing Senate Committee on Legal and Constitutional Affairs be authorized to examine and report upon all aspects of the parole system in Canada, including all manner of releases from correctional institutions prior to termination of sentence;

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 Third and Fourth Sessions of the 28th Parliament and the First Session of the 29th Parliament be referred to the committee.

He said: Honourable senators, before the question is put, I think I should explain to the Senate that the steering committee which has been engaged in the drafting of this report has reached agreement on all the recommendations, and substantially on the draft of the report. It is our intention—our plan—unless something intervenes, to present the draft report and recommendations to the whole committee before the Easter recess, if possible, or immediately thereafter.

Motion agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

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

Hon. Allister Grosart: Honourable senators, on this last permitted day for debating the motion for an Address in reply to the Speech of His Excellency the Governor General, perhaps I may be excused if I limit the usual introductory remarks to saying quite simply that I fully associate myself with all the compliments that have been paid to those who guide our destiny here in this chamber and outside.

This applies, of course, to His Excellency the new Governor General, to Her Honour the Speaker, to the Leader of the Government, his deputy and his Whip, and to the

Leader of the Opposition, his deputy and his Whip. I associate my thanks with those already expressed, and which I feel may not be expressed often enough, to those who serve us so well on the large and substantial staff of the Senate amounting to some 400 persons. They serve us well under the guidance of the Clerk of the Parliaments, the Black Rod and their deputies and associates.

Perhaps I may be permitted to make two specific references which I hope will be understood by all honourable senators. The first of these is to our official reporters. I don't know what the experience of other senators has been, but mine has been that their expertise in the language I try to speak and their skill in interpreting that language almost invariably make the comments I make here read much better than I am sure they sound to honourable senators who are unfortunate enough to be in the chamber when I speak.

● (1410)

My particular compliment, which I hope and am sure will be taken in a very non-partisan way, is to Senator Flynn, the Leader of the Opposition. I say "in a non-partisan way" because I believe one of the most important things that happens in this Senate is that we have evidence every day, day by day, that there *is* in this chamber a real Opposition. I am sure honourable senators would agree that most of the credit for that goes to his skill, his experience in debate, and his dedication to the interests of the Senate. As long as he is here and as long as we in this group are on this side, the Senate can be assured that there will be an alert, informed, alive and kicking Opposition, kicking, of course, on the many occasions when kicking seems appropriate and necessary under the circumstances which we face here.

Like other senators, of course, I listened with great attention to the Speech from the Throne and since then have read it and might even go so far as to say have studied it. I congratulate Senator Robichaud and Senator Perrault, the mover and the seconder, for carrying this off so well in what must have been a very difficult situation for them, to move that we thank, in effect, those who prepared that Speech for preparing it, because I am quite sure that many of the inherent problems that the contents raised to even a casual reader were apparent to their very alert minds. I found much in the Speech from the Throne to be disappointing, largely in the matter of the remedies to the problems that face Canada today that did not appear there. On the other hand, I found at least one aspect and an important aspect of the Speech from the Throne very encouraging. I refer, of course, as a member of the former Senate Special Committee on Science Policy, to the references in the Speech to what appears to be a new approach by the Government of Canada to science policy, taken in conjunction with some unique documents which accompanied it, to which I shall refer shortly.

It is perhaps not too much to say that at long last the Government of Canada—and I use the term in the historical sense—has realized that science and technology as they reflect on national science policy are the key to our economic and social future in Canada. I may be going further in saying this than Senator Lamontagne, the chairman of the committee, would approve. It is true that all the recommendations of those three large volumes have not yet been implemented by the government. On the other hand, I am most encouraged by the statement in the Speech from the Throne, and particularly the additional statements that we have in what I have called “some unique documents.”

Two paragraphs from the Speech itself are, I think, worth reading. The first is:

The development and use of technology is also essential to the government's approach to increasing national economic production. Steps will be taken to obtain greater returns from industrial research and development as well as technological innovation in Canada.

That might almost be taken word for word from the reports of our Senate committee. The second paragraph reads:

Scientific knowledge and its application is a keystone to meeting the challenges facing Canada, including those in the areas of food, energy or industrial development. The objective of the government's science policy is the rational generation and acquisition of scientific knowledge and the planned use of science and technology in support of national goals. The Ministry of State for Science and Technology will be developing national science objectives as a basis for exercising enhanced advisory and co-ordinating authority within the government.

Here again I say that those words could almost be taken verbatim from our reports. The additional documents go even further. They are issued by the Ministry of Science and Technology under the headings “Throne Speech 1974, MOSST Information Kit”; “Throne Speech, Science Policy Announcements” and “Statements by Madam Jeanne Sauvé, the Minister of State for Science and Technology.”

I said it was a unique addition to the Speech from the Throne. As far as I can remember, I do not think any department of government has ever issued simultaneously this kind of statement, which seems to me to pin the government down to regarding these broad statements as something more than generalities, because in these ancillary documents there is a real pinning down of the government, and we must all hope that in the next year we will see a full implementation of some of these matters.

I might say that in these documents reference is made six or seven times to recommendations of the Senate Special Committee on Science Policy. Most significant perhaps, is a general statement of policy by the minister, which reads, in part, as follows:

The Senate Special Committee on Science Policy has completed a very major study of the whole subject, and in addition, there have been other valuable studies such as that made by the OECD.

[Hon. Mr. Grosart.]

The government has given serious consideration to these studies and has reached the conclusion that sufficient evidence has been brought forward to justify a number of important decisions.

I underline that because I believe some senators wondered if we in that committee were not spending too long taking evidence. We now have the statement from the minister that there is now, at long last, “sufficient evidence” for the government to take a number of important decisions. After discussing the reorganization of some of the organizations, the statement goes on:

Events are however moving fast and the requirements of the nation call for new policies in science and technology as in other fields. The powerful capabilities of Canadian federal science agencies need to be redirected towards new goals and their organizational structure must adjust to new circumstances.

Again I point out to honourable senators that this is exactly what our committee has been saying in volumes 1, 2 and 3 over the violent protests of some of those who do not like to see existing organizations reorganized as we are now told they are going to be reorganized very much along the lines of the recommendation of Senator Lamontagne's committee. The statement goes on:

... the Ministry is to have a strengthened role. Its advice will increasingly be taken into account by Cabinet in relation to new science oriented policies **many of which will originate in the operating departments—**

Again, good things when the Minister of Science and Technology can tell us that her advice will be taken into account by the government.

Again, honourable senators will promptly remember that when we made the recommendation that there should be a Ministry of Science Policy, we were told on all sides that the members of the Cabinet, exercising their responsibilities in their own departments, would not listen. We now have it before us that the Cabinet is going to listen. I am sure that from time to time we will be able to ask the Leader of the Government, who is a member of the Cabinet, how well they are listening and whether they are doing more than listening.

● (1420)

Hon. Mr. Flynn: They are very flexible.

Hon. Mr. Grosart: Yes. Perhaps one demurrer—and it is not a great one—in respect of the science policy announcements, is the funding of the Medical Research Council. I think there has been an oversight in this respect. I am perhaps being too generous in calling it an oversight, but there is some evidence that the government has just made a mistake in this area and is prepared to remedy it very quickly. The situation is this: The Medical Research Council, which operates to a great extent as an independent council, having been spun off from the National Research Council many years ago, has been starved to a considerable extent during the last few years. “Starved” may be too strong a word, but the fact of the matter is that the funding of the very important work of the Medical Research Council has for several years been on a declining plateau in terms of real dollars. The government, I think, has recognized this, because in the main estimates for the

fiscal year ending March 31, 1975, some \$39,600,000 is provided for the Medical Research Council, and we now find that the government has rushed in an additional \$1 million in the supplementary estimates (B) for the current year, 1973-74. I say "rushed in," because in describing that expenditure the minister said he "scraped the bottom of the barrel" of the estimates of the Department of National Health and Welfare to get that extra million.

The matter has been the subject of a committee meeting of the Health, Welfare and Social Affairs Committee of the other place. Considerable evidence was taken, which made it clear that any continuation of this inadequate funding of the Medical Research Council could be a major Canadian tragedy, because it is in this very area of medical research that Canadian scientists have perhaps distinguished themselves more than in any other area.

The rule of thumb as to what Canadian science, as a whole, might add to the total stock of scientific and technological knowledge in the world is about 2 per cent, and that is optimistic. But we have pretty conclusive evidence that in the field of medical research the Canadian contribution to the world knowledge is 4, 5, perhaps even 6 per cent. Yet it is in this area that we find, not an actual reduction in dollars but certainly a reduction in spending power for this year, last year, and the year before, over previous years.

I bring this to the attention of the Senate because I am quite sure that all senators who have influence will urge the government to remedy this, not next year but this year. And in at least one statement made by the minister there is some indication that he may be prepared to do so.

Coming back to the Speech itself, there are various criteria that could be applied to judge its effectiveness. It is important that we judge its effectiveness, of course, because it concerns the whole future of Canada. We have to ask ourselves whether the activities, the action, the legislation predicted or projected in the Speech from the Throne will achieve the solution of any or all of the major problems facing Canada today. One way of looking at it, which is the one I have taken, is to go back to the Speech from the Throne, as was suggested by the Leader of the Opposition in his excellent speech, to see what the government said it would achieve in the speech that we heard here on January 4, 1973, and what the result was. When it presented its policy to us at the beginning of last year, the government said it had four main objectives: a decline in the number of unemployed, a realization of the economic potential of the country, attaining reasonable price stability, and distributing the benefits of the growth of the economy regionally. I suggest that the track record in that respect is something of a guide to what we might expect to be the track record of the Speech from the Throne this year.

We have now seen that generally there were some very significant shortfalls in those objectives last year. It is true, as the Leader of the Government and others pointed out, that there was a decline in the percentage of unemployment during the year. However, the evidence we now have—and Senator Forsey will be interested in this—is that in terms of people unemployed, there has been an increase in the last month. Surely the problem of unemployment is one of people, not of percentages. In the last

month, for example, the increase in unemployed is 10,000—10,000 more Canadians unemployed in February than in January.

Hon. Mr. Forsey: Is that seasonally adjusted?

Hon. Mr. Grosart: No.

Hon. Mr. Flynn: Forcibly adjusted.

Hon. Mr. Grosart: I would point out to Senator Forsey that there is no way known of seasonally adjusting bodies. You can only seasonally adjust percentages. People out of work are not seasonally adjusted; they are out of work, without jobs; they are not in any way concerned about whether the percentage is seasonally adjusted or not. I stress this point because it happens to be one of those shelters behind which those using these kinds of statistics to support their own principle—as I am using my kind of statistics to support mine—hide.

This, of course, supports the statement made by Senator Flynn to which Senator Forsey took objection, which is why I directed that remark to him. Senator Flynn said that unemployment is worsening. In particular, it is worsening when more people are out of work in the first month of the year. All the predictions we have, to some of which I will refer in a moment, are that there will be an increase in the percentage of unemployment this year. I have seen no predictions which indicate that the figure this year will not be over 6 per cent. As part of that picture, of course, we have the great unemployment insurance fiasco of the year.

Again I do not want to place too much emphasis on Senator Forsey's speech, but I sit close to him and hear what he has to say. Sometimes he sends shivers down my back. However, it is not my intention to send any shivers up his front at this time. He was asking whether there was anything the government did last year that could be called socialistic. I do not want to get into the definition of "socialistic." I do not care whether it is liberalism of the Manchester school, Cobden, Bright, Gladstone, Asquith, or Mackenzie King. It does not bother me what kind of liberalism it is, and I am not particularly interested in trying to define socialism, except I do know that socialists tell me the core of socialism is the concept of more and more state control.

We all remember the Regina Manifesto, which at one time was the bible of Canadian socialism. A CCF government was going to take over all the means of the production of wealth. When somebody pointed out that this would mean taking over all the farms, they changed that. But the basic philosophy has not changed. It seems to me that if somebody is looking for signs of socialism in the acts and policies of the present government, all they have to know is that this government says, "We are against wage and price controls, but we are all in favour of controlling who plays football in Canada." Could there be any greater or more nonsensical extension of the concept of state control than for the state to say it will decide who is going to play football here?

● (1430)

Hon. Mr. Phillips: It is very inflationary.

Hon. Mr. Grosart: I was going to say that is just the answer, because if Liberal policy runs all the way from

fiscal and monetary control through all the intermediate activities of Canadians, to who can play football, I think I can say that is socialism.

The unemployment insurance fiasco is a perfect example of Senator O'Leary's excellent phrase, that you could sum up the Speech from the Throne by saying it "deals almost entirely with the consequences but not with the causes" of our problems. Of course, there is no better example than the decision taken—taken just before an election, but that may have been accidental—to so increase the benefits of unemployment insurance that the fund went "broke" for \$1 billion against the actuarial level. I made that statement before, and it has been questioned, but I think the record of at least one of our committees will indicate that in certain arithmetical terms the minister accepted it, not as a fair statement but as an accurate one.

What happened? There was unemployment, obviously caused by poor economic management by the government. By the way, the phrase that is used in the Speech from the Throne is that the government asserts that it is they who control the economic management of our destiny. So we had unemployment, massive unemployment. No cure is offered but the way to deal with the consequences, and that is to pay out huge sums which in themselves have become a disincentive to work.

There is evidence in every day's paper that these extraordinary benefits under the increases in the unemployment terms have become a disincentive to work. Only yesterday in the paper, a leading industrialist in the West made the plea—and it is on the front page of the Toronto papers, at least—that we ship the unemployed from the East out there because, he said, the West has jobs for them. The unemployed ask, "Why should we go as long as we can get this kind of weekly payment under the unemployment insurance?"

The Speech from the Throne says that this will be looked at, "in the light of the experience of the last few years." Of course, the government is going to look at its own experience, and we can only trust that it will come up with some better answers than it has had in the past to the problem of unemployment.

I mention these things because, to me, they indicate a shortfall in the high expectations we were given as to the possible results of government policy as announced in January 1973.

Hon. Mr. Everett: May I ask the honourable senator a question? The Conservative Party has just had a convention, which I believe was a policy convention. Does the honourable senator know whether they established any policy on what they would do with the unemployment insurance problem?

Hon. Mr. Martin: No.

Hon. Mr. Phillips: Why didn't you attend and find out on your own?

Hon. Mr. Smith: They would not let him in.

Hon. Mr. Flynn: Maybe not you, but him—because he is a conservative with a small "c".

Hon. Mr. Everett: I certainly wouldn't want a capital "C".

[Hon. Mr. Grosart.]

Hon. Mr. Flynn: Agreed.

Hon. Mr. Gosart: I will not attempt to answer the question in detail, but I think I can in principle. Just what happened at that convention, which was a fantastically successful convention—

Some Hon. Senators: Hear, hear.

Hon. Mr. Grosart: I am glad Senator Everett mentioned it, because it was such a go-go event. In fact, there were so many young people there that I was not able to get into some of the policy sessions, one of which was, indeed, on unemployment insurance. But I can answer Senator Everett by saying—and I am not really speaking here as a Conservative, but just as a senator sitting in this group—that it is declared Conservative policy to have a public inquiry into the whole question of unemployment insurance; and the Leader of the Opposition in the other place, as well as others, have been urging this for months—so far without success.

Some Hon. Senators: Oh, oh.

Hon. Mr. Grosart: As honourable senators know, I am always anxious to answer any questions or reply to any interruptions, but when there are five at once I do not catch them. If anybody will ask me to sit down while he makes his point, I will gladly do so.

Now, I say that there is plenty of evidence that the expectation is that unemployment will be up next year. One bit of evidence which is most typical, I can assure honourable senators, is the *Business Review* of the Bank of Montreal for February 1974, which states that:

In 1974, the monetary authorities will once again be facing the inflation-unemployment dilemma. As mentioned, we expect no let-up in inflation. At the same time, with some slowdown expected in real activity in Canada, the unemployment rate is likely to rise.

That is one of the predictions there. I could mention other policies of the government which have certainly not done much to solve the unemployment problem, but honourable senators are, I believe, well aware of most of them.

The third goal that was set, and again I am speaking of a year ago, was that we should realize our economic potential. Again, Senator Flynn mentioned this in his speech. The potential in economic terms is somewhat difficult to speak on in a general debate, but it is the measure of the efficient management or efficient operation of the economy. That is a concept which was introduced a few years ago by the Economic Council. Since then it has had some revisions, but it is substantially a sound way of looking at the performance of the economy.

The real problem here is productivity, speaking of potential, and even the Economic Council and other economists seem to have made the mistake in the past of assuming that the main input was employment numbers. Well, the main input still is employment, but it is not necessarily the numbers of employed, as we have just recently discovered. It is the quality of the labour force. It just does not answer the problem of the economy's attaining its potential merely to say that we have added people to the labour force. For example, an addition of 300 unskilled people to the labour force, or women temporarily employed or very young people, will not have the produc-

tivity effect of 100 skilled workers. By that I do not mean skilled necessarily in any narrow sense, but merely people who have had the experience of working, who have been working for five to ten years.

This has been one of the errors which the government has clearly fallen into in not guiding the economy as close to its potential last year as it should have come.

The general estimate of the shortfall is about \$2 billion, which is something like 2 per cent and which naturally makes a significant difference in the unemployment situation.

● (1440)

The suggestions that the government makes to catch us up to this potential, particularly on the supply side, are enumerated in the Speech from the Throne. Senator Carter, I think, referred to them as "comprehensive and far-sighted." I am sorry, but I did not find them so, because, as I read them, I did not find a single one that has not been in effect for years.

These are the "positive steps" the government is going to take—let me run over them quickly:

- guaranteed loans and other forms of assistance to both farmers and fishermen to assist them in purchasing or modernizing their equipment;
- amendments to the Export and Import Permits Act to provide the Government with better means to stabilize the Canadian market;
- improving the availability of manpower for food production;
- assistance in the construction of new storage facilities;
- research to make it possible to increase production, improve quality, and lower costs;
- improvements in harbour facilities for fishing fleets;
- incentives to increase Canada's catch of unexploited stocks of fish;
- advance payments on crops to assure producers of timely cash receipts;
- an agricultural stabilization plan to encourage rational production decisions;—

I think we have had an agricultural stabilization plan for years.

- assistance to young farmers to provide sufficient financial incentives for them to establish themselves in farming;
- better veterinary training facilities;
- a prairie grain market insurance plan;
- improvements in Canadian grain rail transportation capabilities;
- increased availability of reasonably priced feed grains;
- incentives to increase the production of livestock necessary to provide for Canadian and export markets.

And so on.

Well, if those are new positive steps, then I have not read what has been going on in the Canadian economy in

the last fifty years. Senator Carter is right, they are far-sighted—but the sighting is a long, long way back! There is not a single new thing in all those steps that I can find.

Hon. Mr. Flynn: It was written by the Prime Minister himself, and he is finding out things.

Hon. Mr. Grosart: Perhaps we should move on to another of these "great steps," and that is price stability. Well, of course, the government now says we cannot have it because of external forces, and that these are forcing our prices up. The fact of the matter is that almost any analysis will indicate that the effect of external prices cannot be any more than 40 per cent, and even that is rather high. It is probably less, but then, of course, we have the evidence of no less an authority than the OECD, which has stated categorically that the rate of domestic inflation in Canada is rising higher than external inflation as it applies to Canada. This appeared, incidentally, in the original report, the December report. As honourable senators may know, the practice of the OECD commissioners is to draw up their original draft and call Canadians over to Paris and ask, "Are we being too hard on you?" And there were some modifications made.

Paris is a good place for Canadians to persuade the OECD examiners to make some changes; but in the original draft, at least—and I am not sure if it carried through to the February draft—they made it clear that this was the situation. They also made some other recommendations, which I will refer to in a moment.

In this connection, of course, when we think of the calendar we always have to circle 1970, which was the year the Prime Minister said, "Inflation is licked!"

I said to Senator Forsey that I would give him some additional comfort in my general suggestion that Senator Flynn was right when he said that the unemployment situation was worsening. I know of his love for Newfoundland, and it is with the greatest regret that I have to tell him that from February to February unemployment in Newfoundland increased 3.3 per cent to 15.6 per cent, seasonally adjusted, and 20 per cent, unseasonally adjusted. That is this February.

Hon. Mr. Buckwold: Is that because of the Tory government in Newfoundland?

Hon. Mr. Flynn: Unemployment is the responsibility of the federal government.

Hon. Mr. Grosart: No, no. It is an excellent question, which of course, could be applied to some other provinces, and this would open up quite a debate, which I would be delighted to get into some time, but not now.

I have complained about the generalities in the Throne Speech. These are the kinds of phrases we read all through this Speech from the Throne: there are going to be "increasingly vigorous steps"; there are going to be "positive steps"; there is going to be "economic management"; there is going to be "provision of adequate shelter."

Does anybody really believe that last assertion? All the evidence is that if there is one thing that will be going down next year it will be housing.

They say they are going to encourage exploration. Well, we shall see. Above all, they say, there is going to be a

re-adjustment of existing programs—and we can all hope that that is so.

There are some specifics, of course. There is a definite statement that this government is going to bring an end to any discrimination in freight rates—to “any”; that is the word that is used. Is there anybody here or in Canada, generally, who believes that for one minute—that within this year there will be an end to any discrimination in freight rates? I do not know why they make these statements, but that is what they have asked us to believe.

There is going to be an amendment to an act to encourage competition. I have my doubts about that. I think that any amendments we are likely to have will be to stifle competition, and certainly to stifle growth of the critical mass in Canadian industry, which is so essential if some of these objectives in science policy are to be attained.

One may ask, “Have you any positive suggestions?” The answer is, “Yes.” I suggest that there be some further tax cuts. I am sorry to refer to Senator Forsey so often, but I hope he will take it as a compliment that I read and digested, even if I disagreed with, his speech. He gave us a long polemic on this about the terrible evils of corporate profits. Terrible things, they were. But then, of course, he forgot Bill C-192, which we had not long ago, when the Liberal government made a very substantial cut in corporate taxes, which was widely hailed across this country.

Hon. Mr. Forsey: You want more.

Hon. Mr. Grosart: Senator Forsey, you could not have said it better. The statement you make is exactly true: we want more, and I think I speak for all Canadians when I say we want more tax cuts in this country.

Hon. Mr. Forsey: Corporate tax cuts. You want more.

Hon. Mr. Grosart: We want more corporate tax cuts, and I am delighted that Senator Forsey raised that, because I can now—

Hon. Mr. Flynn: He still remembers the time he was in the CCF.

Hon. Mr. Grosart:—refer to a clear statement of Liberal philosophy in regard to corporate tax cuts. I think it is Liberal philosophy. Here is the statement, and this, by the way, was the Minister of Finance, Mr. Turner, speaking on June 19, 1973. He was talking about corporate tax cuts. He said:

Mr. Speaker, the basic objectives of the measures before the House for its consideration this afternoon are twofold: they are to protect the millions of jobs that today depend directly and indirectly on maintaining the international competitiveness of our vitally important manufacturing and processing industries, and to promote the development of many hundreds of thousands of new jobs for our rapidly growing labour force in the years that lie ahead.

That is the official Liberal philosophy for the reduction of corporate taxes, and again I repeat, in chorus with Senator Forsey, “We want more!”

● (1450)

Hon. Mr. Forsey: Greed!

Hon. Mr. Flynn: Since when?

[Hon. Mr. Grosart.]

Hon. Mr. Grosart: If it were not that I dislike taking up the time of the house, I could read what I have in my hand, which happens to be the latest 10-year statement of a Canadian company. It is not selective. It is quite incidental that this particular statement happened to be the one I had on my desk this morning and which came in the mail from Northern Electric. Its net earning in 1973 was the “enormous” sum of \$32 million. Before that they paid \$30 million in taxes. This was a very great increase; it was an increase from \$20 million the year before. It represents a 50 per cent increase—a fabulous increase.

Let us go back and see whether that was justified. Let us take the earnings per dollar-sale in this year, this year of high earnings and high profits. It works out at 5.2 cents per sales dollar. The year before it was 3.8 cents per dollar. The year before that again it was 2.2; the year before that 0.7; the year before that again, 2.3; the year before that again, 2.2; the year before that again, 0.6; the year before that again, 2.5; the year before that again, 2.4; and, finally, the year before that it was 3 cents. And of this year's earnings less than 20 per cent was paid out in dividends.

Hon. Mr. Forsey: Will the honourable senator permit a question? What was the return on capital investment? I think that is the more usual way to expressing the degree of profit.

Hon. Mr. Grosart: I doubt if it is the more usual way, and I most certainly doubt whether it is more valid. That could lead to a long argument, but certainly a fairer measure of judgment of the validity of profits is how many cents you keep out of your dollar sale. Is 5 per cent excessive? One year in ten this company has hit 5 per cent. I think I am correct in that. The other is a different measure and it is one that is not very easy to support, for the simple reason that the capital invested in any corporation is not a static thing; it includes retained earnings which are retained for the very purposes, of course, that Mr. Turner explained so well.

However, I should like to get on with my statement, although, of course, I have absolutely no objection to questions.

The second recommendation we would put before the house is that concerning temporary controls. The government, as I said, is prepared to control who shall play football, but it is not prepared to control the economy, despite the fact that the OECD, again, clearly and in implicit terms recommended that this is the course Canada should take. I hope that honourable senators will take my word for it that that is so. I have the statement here. The OECD, looking at our whole position, has criticized Canada and was very critical of our handling of the economy in some respects, and came up with the strong recommendation that we now need price and wage controls on much the same basis as has been suggested by the Official Opposition.

I would also think that a very careful look should be taken at the possibility of further indexing.

Hon. Mr. Everett: Will the honourable senator permit a question? I am just wondering on what basis the Official Opposition suggested these wage and price controls. As I recall it, they were suggesting that there should be a freeze for 90 days and during that time they would pro-

duce a comprehensive wage and price control policy. I think I am correct in saying that that was over 400 days ago, and I was wondering how they are getting along with that comprehensive policy.

Hon. Mr. Grosart: I think I would answer that by saying, not quite as well as the present government, because we have been told by the Leader of the Government that it has had such a policy on the shelf ready for immediate action at any time. I think Senator Everett would agree that he has misrepresented, not purposely, of course, the position, because the Conservative Party has never said it would have this 90-day freeze and then come up with a comprehensive incomes policy. What it did say was—and Senator Forsey had some fun with this because he seemed to think that our 90 days of indecision would be not much worse than the famous Liberal 60 days of indecision—that it would impose temporary controls and see how they work, and would work on the pragmatic basis of going step by step, which, as Senator Everett will recall, was one of the suggestions quite often made to us in the National Finance Committee by the experts who appeared before us.

We, in the committee, did not say that we were unalterably opposed to wage and price controls. We said that in certain circumstances they might make sense, but there were certain warnings and I agree with those warnings. I still agree with the report of the committee as applied to the situation existing in 1971. But those were easy times, in terms of inflation and unemployment, compared to what we are faced with now. I am sure that if we called all those experts before us today we would get some very, very different advice from them and that our report would be very different from what it was. That, of course, is my own view.

I would also recommend that the government accept immediately the Conservative suggestion of a public inquiry—not a witch-hunt, a public inquiry—into the Unemployment Insurance Fund, to see if it is not possible to get it back on the basis of operating as an insurance fund and not as a welfare fund. I remember the objections made by the Leader of the Government on that dreadful day 15 years ago when for the first time the unemployment fund seemed to be running over its actuarial basis. I am sure you will all remember his eloquent condemnation of the situation. It was when the Honourable Michael Starr was minister, and this was when it looked as though the Unemployment Insurance Fund would not carry on on an actuarial insurance basis. This was a dreadful thing.

Hon. Mr. Martin: I remember that very well.

Hon. Mr. Grosart: Yes, and since then the fund in actual cash terms had a deficit the year before last of \$450 million, this year a deficit of \$510 million, and the Lord knows what it will be next year if the predictions of increased unemployment are correct.

Honourable senators, I thank you for listening to me for so long. I hope you will forgive me, but it is the first speech I have made in the Senate for some time, and I have just been trying to make up for lost time.

Hon. Donald Smith: Honourable senators, the vigour of the speech by Senator Grosart we have just listened to indicates that he has indeed fully recovered his old form,

and we are all glad to see him in such fine fettle at the beginning of a new session. He is one of our hardest workers in the Senate, and we on this side admire him as much as do his colleagues on the other side.

Hon. Senators: Hear, hear.

Hon. Mr. Smith: Some one behind me says, "Even more," but I do not think that is fair. I sincerely believe that he is one of the best members of the Senate. He has so much background knowledge which he brings to bear on our problems and has made outstanding contributions to some of the special work that goes on here. I hope he will never again lose his vigour, even though he indulges in a little semi-partisan outburst from time to time, because we enjoy those and he does not make any bad friends by it.

● (1500)

I would like to follow Senator Grosart's lead when, in effect, he suggested that perhaps we are becoming a little weary of continued references to certain prominent individuals. I hope I shall not be so brief as to omit completely any reference to Madam Speaker. I wish to indicate that I was rather alarmed when, during the recess, someone sent to me a clipping of a columnist which indicated that, because of the passage of time, the time would soon come when Madam Speaker would wish to take a certain action which would involve her vacating the Chair, to the great detriment of this body. I wish to say to her, honourable senators, that I do not believe that we should consider those years, and I hope she does not consider them. When I thought about this column, I was reminded of the words of a television commercial with which perhaps some of you are not as familiar as I. However, it is one I always enjoy, being at that ripe old age myself. Her Honour is "not getting older; she is getting better all the time!"

I do not often take the opportunity of speaking in a formal debate such as this. I wish to take advantage of this opportunity to say quite simply and sincerely that the mover and seconder of the Address both showed that they were indeed seasoned debaters. They both showed their skill as well as a wealth of knowledge of the parliamentary process. We especially welcome people such as these among us.

I wish to say with reference to some of those who have been appointed to this chamber in recent years—I felt like **saying this on other occasions, but the appropriate occasion did not seem to arise—that for some years this chamber's** function has been enhanced by the appointment of gifted men and women of several age groups and from all walks of life. Their presence here augurs well for the continuing process of the best kind of Senate reform. It also reminds some of us who are senior members that when our decision to retire is made, for some of us in a relatively short time, we will be leaving the Senate in much better hands.

I hope I will be pardoned by those who have been appointed in recent years and who possess the superior qualities required in today's parliamentary process, if I especially welcome to the Senate my former colleague of 25 years in the House of Commons in the person, of course, of the Honourable Daniel Riley, who is going to prove to be a fine member of this body.

I do not know if it is a rise to prominence of Nova Scotians or not, but during the short period since the beginning of this session three Nova Scotians have spoken before me in this debate. When they had spoken, I sat back and wondered, "What are we all speaking for now, unless there is an election campaign in Nova Scotia?" But I searched through *Hansard* and could not find any references to such an election campaign, so perhaps this is an indication of the best form of speech to make in this chamber. We always learn something from our new colleague, Senator Norrie, who for many years has been dedicated to the cause of agriculture and to making it possible to retain sufficient good land so that future generations may grow sufficient food. We have noted from time to time her deep interest in the problems of people, and there is no better calling than to respond to that need and to endeavour to do what one can for others. She is interested in the young, as is evidenced by her work at Mount Allison University of some years ago.

Senator Graham is new here, and we always expect him to refer to the industrial development of Cape Breton or the production of power, and he is well qualified to speak on those subjects. He also is a Nova Scotian who is the right man in the right place.

I may have these Nova Scotians in the wrong order, but for good reason.

I am sorry that Senator Blois is not in his seat now—and I assure the other Nova Scotians that I do not intend to attack in any way my good friend Senator Blois, who is a friend of us all. He is my only source of information as to what Senator John M. Macdonald is doing these days, and if he has found out he is only able to give evasive answers, but I have my private suspicions.

I was really sorry that Senator Blois could not find something to refer to in the Speech from the Throne itself. He seemed to regard it in more negative tones than did my friend Senator Grosart. I hope he reads my speech—he and I are good friends and he may do so as a friendly act. However, I wish to refer you, and anyone else interested, to page 3 of the *Debates of the Senate*, which contains the Speech from the Throne. I counted fifteen items which refer to the policies which will be changed in order to provide farmers and fishermen with incentives to produce more food. Thirteen of those fifteen relate to that great area in which Senator Blois and Senator Norrie reside. I suppose that every day they have in their minds, as I have, a picture of those beautiful green pasture lands where the cattle graze along the side of the railroad, which I used to travel on many years ago and until this modern age of air travel ruined many of the simple pleasures we used to get out of life. There are therefore two items left of the fifteen. They refer to fisheries, and I would now like to turn to those two items, which appear midway down the left-hand column on page 3. One is, "incentives to increase Canada's catch of unexploited stocks of fish"; and the other, "improvements in harbour facilities for fishing fleets." This may sound like a simple recital of two odd-appearing items, but there is a great deal of meaning in them which I will come to in just a few minutes.

I would like to begin by summarizing some of the fisheries development policies which have been devised and put into effect during the past year or so by the

[Hon. Mr. Smith.]

minister responsible. With some of these policies the flow of benefits is already becoming evident. Others will require a longer term to bear the fruit of success. Perhaps these will prove to be the most important of all. Some of the steps already taken have been made difficult because of the controversy that often arises during a period of change and reform, especially in any fundamental resource industry. Because of their purpose and function they were not understood by those they were intended to benefit. I well recall a mass meeting in the western part of Nova Scotia which was reported in the daily paper to have been attended by 2,000 people to protest a change involving the lobster fishery.

● (1510)

That is what I mean. Those who gathered to protest were afraid of something new. People do not protest that particular regulation now because its purpose was later explained. It could be regarded as failure on the part of the Department of Fisheries, and perhaps the minister, to ensure that fishermen understood the meaning of the change before the regulations were put into effect.

I am thinking also of other areas where that kind of tactic has been carried out without consultation. I recall Senator Norrie's stand on behalf of the people on the eastern shore of Nova Scotia who rose in protest against the establishment of a national park without benefit of consultation. People in the area east of Halifax were successful in having the provincial government withdraw from an arrangement with the federal government, and Senator Norrie was one of those who led a delegation to Ottawa and who made the government well aware of how the people felt about that particular park. I think it is a shame that they are not going to get that park.

There is a park in the northern part of Nova Scotia where I live which, in my opinion, is a great thing. However, the people there were in a different position. The park was established because there were not so many privately-owned cottages in the area. There was some protest, and when the cottages and lakeshore properties were expropriated, all hell was let loose for a while—if I might use that term. However, the park is now a good refuge from urban areas and some of the neighbouring states.

The provincial government has now stepped into that vacuum and is prepared to do something on a smaller scale under the auspices of their program regarding provincial parks.

The difficulties which I have enumerated provide an opportunity for exaggeration and half truths from others whose role often seems to be one not primarily intended to assist the fishing industry, or whatever industry is involved, to grow and prosper. Their primary objective seems to be negative and destructive—that of shortening the political life of the minister or the government, or both. There are uniformed newspaper and magazine writers who follow that line of thought, and lend credence to some of the protest away beyond its value.

That is an unusually easy course to take with respect to any program of the provincial government, when it is realized that 10 of the 11 members of the House of Commons from Nova Scotia are in the official Opposition and, therefore, have established a 10 to one position on the

front pages as well as on the editorial page of the Halifax daily newspaper.

This is a mathematical problem. It is up to some of us to stop that trend and to square the situation. We are trying to do so in a modest way. However, having detached ourselves from that kind of politics, we do not do very much about it. The additional effect of this is that the radio news in Nova Scotia reflects this coverage like a mirror.

That is all background for my saying that perhaps it is time for someone to speak out in support of what the present Minister of the Environment, through the Fisheries and Marine Service, is trying to do for the fishing industry. First, it is evident to all of us who have access to a collection of material on this subject that the Honourable Jack Davis has clearly demonstrated his support for the inshore fishery to a degree which no other predecessor in office has done.

I would like to give honourable senators several examples of that. The first example is a piece of legislation, passed in the last session of Parliament, called the Fisheries Development Act of 1973. That act provides generous grants for bait-holding facilities, for refrigeration and icing systems for smaller boats, and also for the provision of sufficient supplies of ice. A recent announcement indicates a faster pace of implementing this program, the purpose being to improve the quality of the landed fish by the inshore fishermen.

A new amendment is in Bill C-2, which is already on our desks. That bill has already received first reading in the other place. It is worth noting that this piece of legislation is the first item, with the exception of the pro forma bill which is introduced in both houses on the opening day of Parliament, introduced in this new session. I hope that it is an indication of the priority position that fisheries will have in the government's new program. The amending bill will provide for financial assistance "for the construction, modification, conversion and equipment of fishing vessels." New techniques are being developed, new standards are demanded in the fishing industry, and inshore fishermen as well as other elements of the industry must be enabled to keep abreast of the markets.

The legislation to which I have referred will be of great help. It will round out the 1973 plan to assist fishermen to land an improved quality of fish, and the reward to fishermen arising from increased prices will be of real magnitude.

I turn now to another item in respect of which the interests of inshore fishermen have been very much in the mind of the minister responsible for fisheries. It has to do with the lobster fishery. In this connection I speak only of my province, Nova Scotia.

A day or two ago I received a telephone call from the appropriate section of the Fisheries Service in Ottawa, in which I was told that in the province of Nova Scotia the landed value of lobster in 1973 was over \$22 million. That is rather like fishing for gold and getting lots of it.

I should like to give honourable senators an indication of how much the lobster fishery means to the province of

Nova Scotia. A Canadian Press despatch from St. John's reported the other day:

The gross landed value [of all of the fish landings in the province of Newfoundland] was \$45 million.

The figure I gave for Nova Scotia lobsters is almost half of that for all fish landed in Newfoundland, and Newfoundland is not a poor province by a long shot in the area of fishery and is making rapid progress.

I am pleased to point out that four-fifths of the landed value of lobsters in Nova Scotia come from western Nova Scotia, a part of the province for which I have been trying to do something for many years. That represents \$17 million out of \$22 million, and represents 12 million pounds of lobster.

If the average weight of a lobster is one pound—it could be a little under or a little over—that represents 12 million lobsters, or a pile higher than the height of this chamber. Certainly it would mean two lobsters apiece for everyone who lives in the southern part of Ontario—it represents a lot of lobsters. It is an industry which must be preserved and expanded.

I have a friend who is doing his best to expand the marketability of lobsters. He is looking for increased landing values through good marketing methods. I have a clipping concerning my friend who operates a fish company at Port Mouton.

Hon. Mr. Choquette: Mouton—the lamb.

Hon. Mr. Smith: They lost their "mouton" about 200 years ago! My friend ships annually 40,000 pounds of frozen lobster to Belgium, Holland and France. That represents only one-tenth of his lobster business. However, it is a very profitable part of his business and he is now visiting the United States and England to seek more channels for his product. He is a member of a trade delegation that is trying to sell various Nova Scotia products. That delegation left just the other day, and already he has been interviewed in London. He is quite encouraged by the prospects, as he sees them.

● (1520)

The Fisheries Service, of course, and the minister, regard this highly as well they should, because there are not too many people involved in this type of rich fishery. I do not know the population of the southern end of Nova Scotia from Shelburne County all the way down and across to Digby—that is what I call southwestern Nova Scotia—but it is a rich industry, so the resource must be protected.

This particular aspect of the fisheries industry is receiving the benefits of a restricted licensing system. The purpose of that system is to make sure that the number of lobster fishermen is restricted so that the natural replacement rate of this resource is not exceeded by the harvesting.

I also want to make some reference to the herring fishery, which is a particularly rich resource in eastern Nova Scotia. When I say "eastern Nova Scotia" I mean Senator Graham's country. There has been closer control and regulation of the herring fishery during the last several years in an effort to prevent depletion of the herring stocks by overfishing. It has been made clear that in the future the use of herring for fishmeal and oil should take

second place to preserving an adequate supply of this species for food.

A recent Canada Statistics release shows that the production of herring off the Cape Breton coast increased in January, 1974 to 24 million pounds, as compared to 19 million pounds for the previous January. I have since found a figure which shows that the total of the eastern Nova Scotia herring catch during the winter season of 1973-74 was 33,000 tons—double that for last year. So conservation measures are needed. Such measures are in the interests, for the most part, of the inshore fishermen, but they are also in the interests of those who are employed in the food herring business.

This is the main reason for that great catch down there. There is a relatively new herring processing plant which started a year or so ago. That plant was originally designed for another purpose, but it is now a successful herring processing plant. This one plant, during the past winter season, employed 300 to 400 people, half of whom, I suppose, were women, whose skills are used in the finer areas of processing. Even if these plants paid only the minimum wage in Nova Scotia—and I know they pay more than the minimum wage—they would certainly help in keeping our people off the unemployment insurance roll, which some of us worry about—a little too much sometimes.

Another important step was the close examination conducted of the system of grants and subsidies for the construction of fishing craft. There were a good many indications from the industry, which were accepted by the Fisheries Service and the minister himself, that these grants and subsidies were not going for the right size or the right kind of boat necessary to catch up in the modern race for the rich offshore fisheries. The result of that study, it is hoped, will ensure that the financial incentives will be applied to the size and design of boat appropriate to present day circumstances, as well as to future circumstances.

For some years now, foreign fishing industries have been based on the presence on the banks, some 200 miles or so offshore, of large mother ships. These mother ships always accompany the Polish and Russian fishing fleets, as well as other fleets which have moved into the North Atlantic during the last number of years, and they are actually processing plants. When the processing ship of the Russian fleet, for example, is full, another mother ship, which is a cargo carrier, takes the catch back to Russia. We may have to get into that type of thing. It has never before been thought to be economically feasible, but with the price of fish as high as it is today a great many things are becoming economically feasible.

I do not want to be diverted too much into the details of the fishing industry. Were I to do so, many honourable senators would be as bored as I used to be when some of my friends constantly talked about the wheat situation. I do think it is important to these people, however, and some of us should speak up for them once in a while.

Without going into figures to any great extent, I do want to point out that several years ago 6 cents per pound was a good price for the biggest cod. Today it is 12 or 14 cents a pound, or even more, depending on market conditions. Six cents a pound was a pretty good price for haddock a few

[Hon. Mr. Smith.]

years ago. Then it rose to 8 cents, and the fishermen of today are getting anywhere from 22 cents to 25 cents a pound for haddock. That is why we have to pay \$1.60 a pound for a "prime No. 1 rib roast" of haddock in our stores. In the small town of Nova Scotia in which I live, we pay \$1.35 a pound for haddock. No one is making too much profit on it. The fellow who is finally getting something out of it for the first time in his life is the one who goes out on those boats and conquers seasickness and busted-up hands, and endures the other hardships that go along with that kind of life. He is now making the kind of money that his father never dreamed of making. So the price of fish is raising the fishermen's standard of living, and is allowing them to improve their operations. With the continuing shortage of protein in the world, we will have to be very careful that we are able to obtain our share of protein from the oceans.

Another step being taken by the Canadian government is the establishment of a licensing system for most fishing vessels. This measure will take several years to phase in. Lobster fishing has been the only part of the industry up until now that has been licensed. This measure will be instituted during the next year or so, and it will have as its purpose control of the growth of the fleet of vessels prosecuting each of the specific fishery resources that appear to be diminishing. This principle, as I said before, has been applied to the lobster fishery for some years. In the future, it might be appropriate to apply the same principle to the regulation and conservation of quite a number of other species.

Those conservation measures which are now in effect, of course, will likely have to be continued and expanded. A current example of the kind of regulation that can become controversial is the ban on haddock fishing on specified offshore banks during spawning periods, and minimum size limits on scallops, which is a regulation of ICNAF, the International Commission for the Northwest Atlantic Fisheries. Both of those species are regarded as being overfished, and virtual destruction of the species is possible. Such measures as I have just outlined should have the support of all those interested in conservation.

A statement issued last week by officials of the Fisheries Service indicates that all nations, with the exception of the United States, which is a signatory to ICNAF, were observing the haddock conservation measure. It is evident that the State Department of the United States would have a much greater influence on the control of the American fleets if a repetition of recent departures from the regulations by relatively few Canadian vessels can be avoided in the future. I understand that steps leading to this end are now being taken. I regarded the publicity given to some irresponsible and uninformed statements on this matter as distinctly harmful to Canada's conservation goals.

● (1530)

At the present time discussions are being held with the fishermen and the industry in all parts of the Atlantic Coast to explain to those concerned the details of the licensing system proposed, and the benefits expected. A similar system of licensing and controls, although much more drastic in scope, together with international agreements, on the West Coast of Canada have resulted in great

benefits, such as increased stocks of fish and long-term high incomes for the fishermen of British Columbia. Now the fishermen of Nova Scotia will have their fishery enriched by adequate protection measures.

It is well known that while some of my neighbours, who are commercial fishermen on the East Coast, pull their boats ashore to fix them up, and so on, when the lobster season is over, many of them head for Prince Rupert, and places like that, to participate in the halibut fishery in which the total catch is regulated by international agreement. When the quota has been reached everybody has to stop fishing. These regulations are strictly observed, and they have led to large halibut catches by those nations engaged in the fisheries off the West Coast. Perhaps in the long term we will benefit in the same way, and I hope there will not be too many difficulties.

In general, the fishermen on the Atlantic Coast have continued to be the least organized labour group in this country. This may be the first time that the Fisheries Service has gone to the people for advice. It is a new departure to consult with the fishermen, and it should receive the general approval of those who believe in so-called grass roots democracy.

I should like to draw attention to the recent organization of fishermen in western Nova Scotia, at which 650 fishermen attended. This organization has the makings of a good vehicle for constructive consultation, as I am sure the people in the Fisheries Service are aware.

It is now evident that one of the most important policy changes brought about by the present Minister of Fisheries is the turning over to his department of responsibility for the development of small craft harbours. I cannot over-emphasize the great benefits that are presently flowing, and will flow in the future, from that reorganization decision. It is well known that the Department of Public Works has great responsibility for the engineering, supervising and building of public works all over the country. The officials of that department had to make recommendations to the Minister of Public Works in Ottawa on whether a certain small craft harbour should be dredged, or its wharves extended. We have several former Ministers of Public Works in this chamber, and they know how difficult a problem it was to make final decisions on such matters. There was always some kind of loose consultation with the Department of Fisheries, but that consultation was at too high a level; it never got close enough to the fishermen themselves to achieve an understanding of their real needs.

Although from time to time the program was respectable in size, it was phased down and then phased up again—there was no continuity to it. Now the responsibility for directing what public works shall be built for the small craft harbours in this country, whether on the Atlantic coast, the west coast, or in the inland waters, will be that of the Fisheries and Marine Service of the Department of the Environment. This is a positive and productive policy, which is dedicated to filling the needs of fishermen, wherever they may live.

The small craft harbours branch is now completing a list of projects to be carried out by the Department of Public Works. The estimates for the coming fiscal years will provide for a doubling or tripling of the annual amount

available for the improvement of these fishing harbours. For Nova Scotia the approved program for 1974-75 carries a total price tag of over \$6 million. This estimate, of course, does not include projects that are under the jurisdiction of the Ministry of Transport, such as ferry docks and commercial wharves, such as the one costing \$750,000 at Yarmouth, and certainly not Halifax harbour, or any of those big harbours, because the Ministry of Transport has first jurisdiction in that respect. Those involve a great amount of money, particularly when related to inshore and medium size fisheries. I know quite a bit about it, because I have lived among fishermen all my life.

Restrictions related to the availability of manpower, equipment and materials, as well as budgetary guidelines, may bring about a measure of deferment, which will run the completion date of this \$6 million program into next year. However, it is my understanding that final approval and engineering services will be directed to a completed program during this fiscal year, which will involve an expenditure of at least \$4 million in Nova Scotia.

I am glad to say that a lot of this money is going where it should have gone years ago, and that is to southwest Nova Scotia. That is where the rich lobster fishery and so many other developments in the fishing industry are. There are big plants there, and a lot of people living on the little coves along the coastline. I have often thought I would like to measure the length of that coastline so that I could see what all those inlets add up to.

I understand, from talking to the director of the small craft harbours branch, that this is the first stage only of a catch-up program in Nova Scotia, which will require a great deal more time and money before the full program is completed.

In my own particular area there are important fisheries projects being undertaken. There is the expansion of privately operated cold storage plants, processing plants, and so on. For example, in Mouton—as my friend Senator Choquette and I both pronounce it, being so fluent in French—the modernization of a very old plant, to provide for year-round operation, is under study. I have no doubt that this project will require some kind of assistance, possibly from DREE, rather than going to the small craft harbours branch. Someone who wants almost exclusive use of a wharf built by public funds cannot expect it to be turned over to him, particularly in this instance, where there is no room for the plant to be on one side and a public structure on the other.

DREE has been of great assistance over the years, together with other incentive programs that have had good effects in Nova Scotia. I imagine that this industry will find that DREE can meet most of their requirements. It is something that should provide year-round employment, not only for those working in the plant, but for those intending to go into the herring fishery. It is labour-intensive, and a very important development. I am sure someone will find a way to bring that about.

Then there are Moose Harbour and Port Medway, where they are enlarging the boats and expanding. There is a need for a lot of this work, and I cannot see an end to the program. I hope those who are interested in building up the industry will be patient, and will not get too dis-

couraged while waiting for the engineering services to catch up with the demands.

I was particularly interested to learn, when I looked over the projects scheduled for Nova Scotia, that what is officially described as a "new fishing harbour" for Cape Sable Island has been approved. I would point out to those who may be strangers to our area that Cape Sable Island is not Sable Island. Sable Island is the place where there are the ponies and oil, we hope. Cape Sable Island is where those Cape Codders, who many generations ago lived in what is now Massachusetts, came to. It is a rocky sort of island off the very southern tip of Nova Scotia, to which it is now connected by a causeway.

● (1540)

That causeway was their first blessing in life. This project will be regarded as a second blessing in the life of some of those old grandfathers down there, because this new fishing harbour will mean there will be an opportunity for larger vessels to bring their catches into that section of Nova Scotia. It is quite a populous place, containing about 5,000 people, and the only real industry is fishing—associated, of course, with the service industries that go with any other kind of industry. There are bound to be large scale economic benefits from this project.

I have been told that it may be possible to make a start on this during this fiscal year. If so, it is estimated that the expenditures may amount to \$300,000, but the total tab for this project is in the area of \$2 million, so it is big business. Of course, costs are not getting any lower, but that \$2 million investment will be recovered in wages and landings of fish down there. They will be better equipped to protect their boats, and some considerably larger ones will be able to get into a decent sized wharf. This is a good investment of the taxpayers' money.

Honourable senators, it would be an understatement for me to say that I am highly gratified to learn of this particular development, because it is in an area where I have enjoyed lasting friendships for many years.

I was also interested to learn that a project of some magnitude is being planned for Weymouth which has played a great role in the shipping history of Nova Scotia and the world. It was where they concentrated on the barque and the brigantine, the four-masters and the square-riggers, that voyaged all over the world. It was an important place, known throughout the world, there they constructed many smaller naval vessels, especially wooden ones. Weymouth could be the basis of a better industry than it has now, and this would expand the opportunities for employment there. I understand that before it is completed this project will cost about \$1 million, and it is expected that perhaps half a million dollars will be spent this year, if the engineering can be done. The Weymouth project is also long overdue. I know the shore quite well, and I have always looked forward to the time when it would be developed.

There was a rather important development not far away that cost over \$1 million, but it proved not to be the best choice of location. There was a lot of money involved, and I suppose the former Auditor General would have referred to this as waste and extravagance. The people there could see the money being poured down the drain. There were great engineering problems with regard to breakwaters to

[Hon. Mr. Smith.]

protect the structure. The engineers had to add and add, and dredge and dredge, but they had to go back and stabilize it so that they could go somewhere where it made a little more sense.

I have indicated some of the success which has been attained since the introduction of this small craft harbours branch, and I believe this is very important to our future.

Honourable senators, you have been very patient with me, and I shall detain you but a few minutes more. I should like to make a few observations with respect to the development of new horizons and expanded opportunities for Atlantic Coast fishing. Ever since the late 1950s, successive governments have been using their diplomatic skills in the direction of an international agreement on proposals for much needed but drastic changes in the law of the sea. In about 1958 or 1960 an agreement which would have made a drastic change in the law of the sea failed to get through the United Nations sponsored conference, by just a few votes. Now we arrive at a period in history when it does seem possible that the conference, which is going to be held this summer, will be crowned with success. The minister has indicated, in public and in private, that he is confident and most optimistic that it would be the greatest development that we have seen for a long time.

I am sure that Senator Martin will recall some of the attacks he used to meet from the Opposition in the other place, when they used the phrase, as I recall, "gunboat diplomacy". He was attacked by statements that the government had made a unilateral declaration—which was designed to protect and serve the fisheries. As a first step, straight base lines were established for measuring the extent of the territorial sea, and a nine-mile fishing zone was established. Up to then the fishing zone and the territorial zone was three miles, the distance that the old cannon could fire in the days when privateers used to come and do battle with some of those Yankees, during their war of liberation, I suppose you call it.

All these steps were not taken without difficulties. They involved the delicate and difficult phasing-out of negotiations with friendly nations which had established historic rights in those waters. Agreement has now been reached with all of those nations, except the United States. However, in this instance the results have been pretty good up to this point. There is a reciprocal agreement with our neighbouring nation, which permits fishing by the fleets of both nations up to three miles off the coasts of each. It is a *status quo* arrangement, and it is working well. We are taking their scallops and we let them take our flounders or some other kinds of fish, and it is working well.

I hope the United States will be at the new Conference on the Law of the Sea, and will be drawn into new agreements which will result in granting the coastal states of the world fishing jurisdiction up to a 200-mile limit from the shore. In addition, Canada will be seeking preferential rights and resource management on the continental shelf where it extends beyond the 200-mile limit. We are fortunate in having that great expanse, which extends well beyond 200 miles in some areas. It is difficult to imagine the benefit to all nations, and in particular the magnitude of the benefit to Canada that will fall from such a decision.

The responsibilities which Canada would be obliged to assume are also immense and will require heavy financial involvement associated with the new requirements of manpower and ships. These requirements will be in both the public and private sectors. The rewards to the future of the fishing industry throughout the world should also be of the highest order.

I hope that the Minister of Fisheries is not proven in the end to have been over-optimistic. During the course of his preparation, and during the course of this conference, I hope he will be supported by all concerned with the future harvesting of the marine resources of that great continental shelf.

Hon. Alan A. Macnaughton: Honourable senators, in the tradition of this famous chamber I want to congratulate His Excellency Jules Léger on his appointment as Governor General of Canada and also his charming and gracious wife Madame Léger.

All of us are glad to see and welcome in our midst Senator the Honourable Louis Robichaud who as Premier of New Brunswick did a very distinguished job, and also Senator Daniel Riley who was one of our associates in the other house many years ago. This is indeed a strong team from New Brunswick.

May I add a word of congratulation to the mover and seconder of the motion for an Address in reply to the Speech from the Throne, Senator Louis Robichaud and Senator Raymond Perrault.

Last on my list, but first in the Senate, may I pay tribute to our charming and capable Speaker, Senator Muriel McQueen Ferguson.

Hon. Senators: Hear, hear.

Hon. Mr. Macnaughton: A few days ago some proposals for the reform of the Canada-United States Interparliamentary Group crossed my desk, for a re-assessment of this joint organization. The report is a very detailed and capable one, in my opinion. The members of the study group were Senators John Aird and Grattan O'Leary, and from the House of Commons Messrs. Barnett Danson and David MacDonald. These proposals call for a review of the Canada-United States Interparliamentary Group and are to be discussed this evening at 6 o'clock in the Railway Committee Room. I would hope that as many honourable senators as can will be present to discuss, not the rejuvenation but certainly the revision of the terms of reference under which this very important group with our neighbour to the south operates.

● (1550)

This gave me a few ideas with respect to the Speech from the Throne and I thought that it might be of some use, not to discuss this report since it will no doubt be discussed in detail this evening, but perhaps to give some historical references to the relationships and contacts between the United States and Canada and I am sorry if these references seem to be rather long. Yesterday Senator Laird spoke of these relationships in an up-to-date and most interesting fashion. Not to impress anyone, but simply to get it on record—and it might just be useful for our discussion this evening—I should like to show how during 200 years we have had a great many contacts with

our neighbours to the south and how important such contact is to our future.

If I had to link my remarks to the Speech from the Throne, I suppose I could refer you to the first sentence in paragraph 12 of the Speech, which reads:

The Canadian economy, perhaps more than any other, is closely tied to international trade and markets.

These remarks that I would like to make in the little time that is left will, I hope, refer to the historical background of events and contacts between Canada and the United States, some present-day problems and irritations between our two countries, and then again the impact of United States trade and investment on the Canadian economy.

I have naturally delved into quite a few references and I do not claim any particular originality for these remarks; but I do think, as a matter of interest, that it might be useful for students of this subject if honourable members would allow me to file at the end of these remarks a list of the references on which I have drawn.

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

Hon. Senators: Agreed.

Hon. Mr. Macnaughton: Honourable senators, the development of Canada-United States relations over the past two centuries has been characterized by a whole array of international interactions, ranging from overt belligerence and hostility to the most congenial relationship witnessed between states anywhere in the modern world. Indeed, relations with the United States were born amid the bitter hostility of the American Revolution of 1776 which itself was not finally settled until some seven years later, at the Peace of Paris of 1783.⁽¹⁾ Canadian-American relations in their initial phase, which lasted until the end of the War of 1812, were times of hostility, encompassing two Anglo-American wars, that involved invasions on both sides. This was followed by a half century of uneasy truce interspersed by such events as the Confederate raids from British North American soil to the United States during the Civil War on the one hand and the retaliatory Fenian Raids between 1866 to 1870 on the other.⁽²⁾ However, despite these temporary interruptions of the peace along the border, underlying economic and social forces were beginning to work in the direction of closer trade relations—a fact underlined by the mid-century reciprocity arrangement which provided a measure of free trade from 1854 to 1866.⁽³⁾ While reciprocity in trade had been a major issue just before Confederation, the long recession of the 1880s and 1890s precipitated a movement in Canada in favour of union with the United States. In the meantime, the Treaty of Washington of 1871—which provided, *inter alia* for free navigation of the St. Lawrence River, certain bonding privileges and the free entry of Canadian fish to American markets⁽⁴⁾—eliminated United States-British issues in North America, and the settlement of the Venezuela dispute in 1895, involving the boundary line of the latter country and British Guiana, put an end to a United States threat to Canada.⁽⁵⁾

By the end of the next decade the stabilization of relations between Canada and the United States provided the

atmosphere for the amicable settlement of the Alaska and Passamaquoddy Bay boundaries by the Boundary Waters Treaty of 1908. Canadian opinion, however, had been highly incensed at the British capitulation to American demands in this case; so much so that the Canadian members of the Boundary Tribunal, Sir Louis Amable Jetté, Lieutenant-Governor of the Province of Quebec, and Mr. A. B. Aylesworth of Toronto, later to hold the portfolios of Postmaster-General and Minister of Justice in the Laurier government as well as being named to the Senate thereafter, both dissented and refused to affix their signatures to the award.⁽⁶⁾ Other disputes relating to taxation, extradition of criminals and common defence also were matters that were dealt with in a mutually accommodating fashion.⁽⁷⁾

In the following decades, trade steadily increased despite the absence of a formal agreement until 1935. In the meantime, United States investment in Canada had surpassed that by the United Kingdom in the early 1920s.⁽⁸⁾

With the outbreak of war in 1939, cooperation in trade, defence and the common management of industrial resources for war purposes, received a great impetus. Canada had come to depend upon the United States for its strategic defence. The Permanent Joint Board of Defence was established by the Ogdensburg Agreement in 1940 to serve as an advisory body to the two governments to coordinate plans for the defence of North America. In 1941 Canada and the United States established a Joint Defence Production Committee to ensure the effective coordination of the production of defence materials.⁽⁹⁾ The Hyde Park Agreement, also concluded in 1941, whereby each country undertook to complement each other's war production, extended the military cooperation into the civilian economic sphere.

The mutual relationship which had marked the cooperation of the war period was extended into the post-war period with the establishment of the Military Cooperation Committee in 1946 and a joint declaration in 1947 which outlined limited mutual cooperation for North American defence involving the exchange of personnel, cooperation in development and design of equipment and the reciprocal use of certain defence facilities.⁽¹⁰⁾ With the advent of the Cold War between the East and the West, Canada entered into the North Atlantic Treaty of 1949. This treaty was the first and only formal alliance between Canada and the United States, according to the recent External Affairs green paper entitled, "Canada-U.S. Relations: Options for the Future." Furthermore, it was precipitated in no small way by the initiative of the then Canadian Prime Minister, Mr. Louis St. Laurent. Relations were drawn even closer together with the "Statement of Principles for Economic Cooperation in 1950" and the conclusion in 1958 of the North American Air Defence Command Agreement; NORAD has a Canadian as its Deputy Commander at the Headquarters at Colorado Springs in the State of Colorado. The NORAD agreement, however, aroused a somewhat negative reaction in Canada as "United States forces and bases in Canada were viewed as posing problems for Canadian sovereignty."⁽¹¹⁾ Nevertheless, in 1971 some 14,000 Canadian military and civilian personnel served in NORAD's operational force of 144,000, while roughly 250 Canadians were located at this Command's military bases in the United States and 700 Ameri-

can personnel were serving in Canada in a similar capacity.⁽¹²⁾

I should like to say just a few words about United States policy. Current United States policy with regard to its relations with Canada was outlined during President Nixon's visit to Ottawa in April 1972. In focusing on Canadian-American history, the President underlined the tendency to sometimes gloss over the fact that real problems exist between Canada and the United States. On this occasion he stated:

It is time for Canadians and Americans to move beyond the sentimental rhetoric of the past. It is time for us to recognize that we have very separate identities; that we have significant differences; and that nobody's interests are furthered when these realities are obscured.⁽¹³⁾

● (1600)

The President of the United States explained that his country's policy toward Canada reflected the Nixon doctrine which rested on the premise that mature partners must have autonomous independent policies with each nation defining the nature of its own interests; deciding the requirements of its own security; and determining the path of its own progress. Furthermore, he added the soundest unity among nations is that which "respects diversity and the strongest cohesion is that which rejects coercion."⁽¹⁴⁾

The Nixon doctrine, according to Mr. Sharp's External Affairs policy paper, indicates a relative diminishment in the weight of the United States in international affairs which "should afford a country like Canada greater breathing space."⁽¹⁵⁾

Referring to a pronouncement once stated by Canada's former Governor-General, The Right Honourable Vincent Massey, who at one time voiced the pluralistic thought that, "toleration of differences is the measure of civilization," the President indicated that more than ever before this dictum invoked the type of understanding that had to be applied to the whole range of world affairs today. Furthermore, he called for the application of this type of understanding to Canada-United States relations. Canada and the United States were friends, he said, "not because there have been no problems between us, but because we have trusted one another enough to be candid about our problems and because our candor has nourished our cooperation."⁽¹⁶⁾

Turning to the matter of trade, President Nixon then noted that the Canadian and American economies had become highly interdependent. However, he conceded that mutual interdependence and the mutual desire for independence need not be inconsistent traits. Finally, he agreed that no self-respecting nation "should accept the proposition that it should always be economically dependent upon any other nation." He recognized that what was needed was to find a pattern which was mutually beneficial and which respected Canada's right to chart its own economic course.⁽¹⁷⁾ These words should tend to quieten extreme anti-American rhetoric in Canada while at the same time reinforce Canadian initiative to work towards the establishment of a distinct and more independent Canada without looking over the country's proverbial shoulder to see whether Uncle Sam is giving his consent.

One might also add the words of the well-known French Canadian writer and journalist M. Solange Chaput Roland in Montreal who, in discussing Mr. Sharp's policy paper, *inter alia*, said:

No American will ever solve our quest for a real and distinctive identity, it is up to us to affirm our difference and to accept the consequences. And only Canadians themselves, not Mitchell Sharp or the Canadian government, can determine whether they want an American standard of living with all that entails, or a more modest—but Canadian—existence, with all that implies. If Canadians want three cars instead of just one, if they prefer Marcus Welby to Jalna, they should stop complaining because the White House sometimes treats us as if Canada were an American satellite, or an American state.⁽¹⁸⁾

I want to deal now with the North-South pull between Canada and the United States, which can be traced back to the strong annexation feelings of 1849 when the British merchants of Montreal, hard hit by the Mother Country's newly adopted free trade policies, advocated union with the United States.⁽¹⁹⁾ Subsequently, trade and mutual defence have had the greatest influence in developing this reciprocal attraction. Today the emphasis undoubtedly is on the former.

Indeed, it is in the economic and cultural fields in which the North-South pull has been especially strong. This is because advances in communications and modes of production and economic integration favour large units and markets which help to augment the natural pull of geography. On the other hand, in the defence and political fields, continental linkages have not significantly increased in the last decade. The strongest continental pull appears to derive from the presence of the U.S. branch plant subsidiaries of large multi-national corporations and from the great number of informal, non-governmental ties between private groups, associations and individuals. "Paradoxically, as these ties have expanded, the capacity of Canada to develop economically and culturally with less reliance on the United States and the outside world in general has also increased."⁽²⁰⁾

There are several policy differences between our two countries. In the year 1967 Canada celebrated its centennial under its own new flag adopted through the untiring efforts of Canada's former Prime Minister, the late Right Honourable Lester B. Pearson. The year 1967 was also the time when the government launched a tentative comprehensive study of foreign ownership with a view to adopting some form of national policy. Since 1968 the Canadian government has adopted such policies, sometimes going against United States stated positions, as: the partial withdrawal of Canadian forces from NATO in Europe; the initiative toward obtaining China's membership in the United Nations; and a categorical stance on certain aspects of disarmament which apparently go beyond what the United States feels is currently safe. In the opinion of the Canadian-American Committee, formed in 1957 by planning associations on each side of the border, and composed of members from agriculture, business, labour and professional leaders, the most startling divergence from the United States position occurred in April 1970 when Canada unilaterally declared that it would extend its

territorial waters to a twelve mile off-shore limit and establish a pollution control zone within one hundred miles of Canada's Arctic lands and islands as well as create nearly exclusive fishing zones in certain international waters.⁽²¹⁾

By and large in the economic field of Canadian-American relations it is expected that there will be increasing governmental regulation in those areas previously left to natural commercial forces. For instance, Canada is currently adopting a "screening formula" to set limits on foreign investments and has levied export taxes on such resources as copper and oil to protect what it saw as the national interest. On the United States side, the Canadian-American Committee has speculated that Canada's exemption from the United States interest equalization tax on borrowing in the capital market in New York might be eliminated. The effects of such moves undoubtedly would tend to moderate the growth of economic integration between the two countries. This however does not mean that a relatively extensive degree of integration would not remain across a wide spectrum of activity and interests in both countries.⁽²²⁾

The current oil crisis, as a result of the Middle East War and the imposition of an oil embargo on United States imports from that area, has served to sharpen Canadian-United States relations in this regard. The current policy of the Canadian government, of ensuring adequate supplies of oil for domestic purposes, necessitated the rejection, by the National Energy Board in February 1973, of a United States request for additional oil supplies. However, it should be pointed out that, despite Canada's insistence on providing for its own needs first of all, oil has been flowing into the United States without interruption. In his national television address of November 22, 1973, the Prime Minister, the Rt. Hon. P. E. Trudeau, refuted charges that Canada was reducing oil exports to the United States and predicted an 18 per cent increase—some 63 million barrels—in 1973 over the previous year.⁽²³⁾ What, of course, has been conveniently forgotten is that Canada for the greater part of the last decade had made repeated attempts to increase its export of oil to the United States all without any avail. On the other hand, however, it must be conceded that Canada fared better than other countries in that it was given preference to supply District No. 5 on the West Coast by shipping oil to the Puget Sound through the Transmountain Pipeline from Alberta and British Columbia.

● (1610)

The comparative unemployment rates in Canada and the United States are observed as being areas which also might provoke self-interest policies on both sides of the border. Indeed policies affecting Canada-United States trade and investment may come to the point of being determined by "the balance of employment" effects. It is possible that each country will, in its own way, move toward a position where major investment projects, trade or economic cooperation generally must, before approval, come under close scrutiny for possible effects not only upon the balance of trade or payments but also on employment. For Canada the adoption of "the balance of employment" criteria could lead to a situation where a desirable labour-intensive industry that Canada wished to attract

from outside the country would be restrained by U.S. action. Further, the emergence of deliberate employment considerations on the United States side might even lead to the pressuring of certain U.S. companies to bring back production from their branch plants in Canada if such production was clearly destined for the U.S. market and if related unemployment on the U.S. side was significant.⁽²⁴⁾

While there is considerable evidence which Canadians can use to support their criticism of United States extra-territorial actions in Canada, sometimes the shoe is on the other foot. The question relates to the problem of the proposed transportation of oil by American tankers down the West Coast of British Columbia—a matter that the Canadian section of the Canada-United States Interparliamentary Group brought to the attention of their American colleagues. There is, however, another side to this question. A very pertinent observation on this matter has recently been made by John Kenneth Jamieson, a native of Medicine Hat, Alberta, who now heads the world's largest energy corporation, Exxon. A native of Canada, himself, he probably is less reluctant to point out to Canadians that they are not without their own shortcomings. For instance, he takes to task Canadian opposition based on fears of oil spills as a result of the trans-Alaska oil pipeline and the related tanker delivery system down the West Coast. He said, "The thing that Canadians overlook completely is that for years British Columbia was supplied with oil coming from the south, transporting right past the West Coast of the U.S., and no one objected". Oil was delivered by north-bound tankers to refineries at the top end of Burrard Inlet in the Vancouver area until the Transmountain Pipeline from Alberta was built in the early 1950s. Enlarging on the subject and pointing to the current oil transportation routes on the East Coast, Mr. Jamieson noted that no American has objected to the hazards of tanker traffic into Portland, Maine, bringing the oil for the pipeline to Montreal.⁽²⁵⁾

Undoubtedly there are other areas where rather zealous Canadians, carried away by the tide of anti-United States sentiment, have criticized their neighbours to the south when Canada itself has been guilty of similar questionable practices.

I would like to refer briefly to the options for the future. The Canadian foreign policy review defines "foreign policy" as the extension abroad of national policies. More specifically, instead of reacting to international events, what Canada is attempting to do is to steer its foreign relations policy so that it is positively oriented in the direction of national aims.⁽²⁶⁾ The question of course arises as to what this might mean in terms of Canadian-United States relations. It seems rather obvious that, with the increasing public reaction to political decisions, this question will undoubtedly be influenced by public attitudes.

The national mood of Canadians today appears to be that while they remain aware of the benefits of the American connection, more than any other time since the Second World War they are concerned about the direction and dimension of the relationship with the United States. In response, Canadians seem willing to contemplate and support reasonable measures to assure greater independence⁽²⁷⁾ and perhaps distinctness.

[Hon. Mr. Macnaughton.]

Canadian distinctness, says Mr. Sharp's foreign policy paper, "today can only mean distinctness from the United States." Canadians are coming to realize that Canada is a distinct country with distinct problems that demand unique Canadian solutions. It is not that Canadians underrate the tremendous achievements of American society. The problem simply is that more and more Canadians have come to conclude that the American model does not fit the Canadian condition. Such a conclusion has led, not unnaturally, according to Mr. Sharp's paper, "to the assertion of the right of Canadians to fashion their national environment according to their own perceptions."⁽²⁸⁾ The real question for Canada then is whether "interdependence with a big, powerful, dynamic country like the United States is bound, beyond a certain level of tolerance, to impose an unmanageable strain on the concept of a separate Canadian identity, if not on the elements of Canadian independence."⁽²⁹⁾

Canadian policy-makers concede that the concept of Canadian uniqueness or distinctness has no autonomous virtue of its own. If Canadians say they want a distinct country, it is not because they think they are pretentious but rather because they consider it important to do things in their own way. It might also be conceded that they could be more capable of doing them better if they did them in their own way. Secondly, "they want Canadian actions and life styles to reflect distinctly Canadian perspectives and a Canadian view of the world", says the Department of External Affairs policy paper.⁽³⁰⁾

To further future Canadian independence and distinctness, the present government is contemplating opting for a policy of pursuing "a comprehensive, long-term strategy to develop and strengthen the Canadian economy and other aspects of our national life and in the process to reduce the present Canadian vulnerability." The basic aim of this option is to eventually "lessen the vulnerability of the Canadian economy to external factors, including, in particular, the impact of the United States". In the process, this option is expected to strengthen Canadian capacity to advance unique "Canadian goals and to develop a more confident sense of national identity." Carried to its logical conclusion this would involve other areas of national endeavour which would have to be supported by appropriate policies. The main thrust of this option appears to be "towards the development of a balanced and efficient economy to be achieved by means of a deliberate comprehensive and long-term strategy."⁽³¹⁾

The emphasis of this option is on Canada without at the same time being in any sense anti-American. It attempts to come to grips with, as yet, the unanswered question, what do Canadians actually want? This option is subject to two qualifications. The first recognizes that the full benefits of such an option would take time to materialize and that a deliberate and conscious effort would be required to put and maintain the Canadian economy on such a course. Secondly, it must acknowledge that the era of growing world interdependence will limit the extent to which this option can be pursued.⁽³²⁾

Nevertheless, it must be admitted that the whole concept of distinctness is changing. Challenges exist in the modern world that transcend national boundaries. Economic activities increasingly can no longer be performed

efficiently except on a scale that exceeds national dimensions. This is a global trend from which Canada cannot be exempt. "It is a fact, nevertheless, that the Canadian situation in relation to the United States is unique in two respects: the linkages are probably more numerous and more pervasive than between any other two countries and the affinities between them are also such as to put particular strains on the definition of the Canadian identity. On both counts the problem of living distinct from the United States is only marginally related to the larger issue of global interdependence."⁽³³⁾

"Distinctness and independence," as Mr. Sharp's policy paper points out, "are clearly related, but they are not the same thing. In the broadest sense, independence is related ultimately to the capacity of governments to formulate and conduct policy on the basis of national objectives in domestic and international environments. Distinctness, on the other hand, is an attitude that applies to a national society in all its various manifestations". As a general proposition, the paper points out, "there is no real evidence that the United States Government does now pursue a concerted policy of continental integration in relation to Canada. Conversely, however, the U.S. Government should not be counted on to inhibit any integrating trend that may be emerging as a result of separate actions or interest, of various U.S. constituent communities"⁽³⁴⁾ that is, the actions of corporations, business groups, trade unions, and the media.

Canada and the United States, throughout their history, have developed a special relationship which has a uniqueness that goes beyond those special relationships that are claimed to exist with other countries. However, there is evidence that such special relationship as has existed in the past will to an extent likely diminish on both sides of the border. Last year, the Chairman of the Board of the Northern Electric Company, Mr. V.D. Marquez, speaking before the Canadian Export Association in Toronto on February 21, 1973, on the subject of Canada-United States relations, noted with some dismay that there was a growing tendency in the United States "to cease treating Canada as a specially privileged associate"⁽³⁵⁾ In the United States, according to the External Affairs policy paper, the perception is gaining ground that the "special relationship" with Canada was an unbalanced one involving "accommodations in favour of Canada that are no longer tenable in the light of current economic and political realities," and that any restructuring of this arrangement "would have to proceed on a basis of much more demonstrable equity of benefit to each country. On the Canadian side, there is a current feeling that special arrangements with the United States," for all their benefits, "may in the end have curtailed Canadian freedom of action, domestically as much as in the realm of foreign policy, and that the cumulative impact of such arrangements taken together carries the risk of locking Canada more firmly into a pattern of continental dependence."⁽³⁶⁾

● (1620)

I want to refer to Canadian constitutional questions. Americans usually refrain from much overt speculation about the Canadian internal spectre of disunion. Edmond Gullion, of the Fletcher School of Law and Diplomacy, Tufts University at Medford, Massachusetts, points out

that this is possibly so because of an uncharacteristic delicacy of feeling about a neighbour's most intimate problems or because the official Canadian position has usually been reassuring. Nevertheless one of the last things Americans want is a fragmented Canada. What the United States wants most from Canada is unity under whatever format French- and English-speaking Canadians can achieve it.⁽³⁷⁾

An aspect of the Canadian federal-provincial question which concerns the United States is the difference of opinion with regard to economic matters. Most provinces, for example, appear leery of any curtailment of United States direct investment for fear of adverse consequences for their economic growth and employment opportunities. Furthermore, resource-rich provinces have their own views regarding raw material exports to the United States which may also be at variance with those of the federal government. The best current example, of course, is the differences of opinion between the federal government and the provincial governments of Alberta and Saskatchewan with regard to the pricing and exportation of oil to the United States.

Another federal-provincial issue that could potentially affect Canada-United States relations concerns proposals for introducing a new competition policy.⁽³⁸⁾ For instance, the sections dealing with foreign judgments, and laws and directives in the proposed amendments to the Combines Investigation Act,⁽³⁹⁾ which are to apply to both federally and provincially incorporated companies, could raise disagreements as to how a particular American corporation resident in a province should be treated.

Many remedial structures exist between our two countries. Over the past two centuries Canadian-American relations have necessitated the establishment of certain administrative and para-judicial bodies to arbitrate and settle recurring problems that have arisen between two neighbours so geographically contiguous. Among these are the International Joint Commission of 1909, created to settle boundary water disputes between Canada and the United States. Today the function of this commission involves the regulation of the natural level or flow of boundary waters along with the administration of the Water Quality Agreement signed in 1972 by Prime Minister Trudeau and President Nixon. The International Pacific Halibut Commission, established as the result of the conclusion between Canada and the United States of the Convention for the Preservation of the Halibut Fishery in the Northern Pacific and Bering Sea in 1923, has broad regulatory powers to ensure the preservation of this commercial species. Likewise the Great Lakes Fishery Commission, set up under the 1955 Fisheries Convention, provides for joint action by Canada and the United States for research into Great Lakes fish stocks and the establishment of a program to control the parasitic sea lamprey which is responsible for the depletion of lake trout stocks.

The functions of such bodies as the Permanent Joint Board of Defence and other defence arrangements have already been mentioned. In addition to these bilaterally constituted bodies, a third class of joint activities between Canada and the United States takes place at the political level. Such political activities are without administrative arrangements of a permanent character and are carried

out through the regular and ad hoc meetings of the Canada-United States Interparliamentary Group as well as by the two ministerial committees of both countries on joint defence, and trade and economic affairs. Finally, there are a large number of ad hoc consultative arrangements which deal with such varied problems as meteorology, West Coast pollution controls and anti-trust prosecutions. All of these, along with the daily flow of diplomatic information and other trans-boundary interactions, add up to a very large volume of contacts and cooperation.⁽⁴⁰⁾

Maxwell Cohen, in considering Canada-United States relations from a legal point of view, notes that no similar network of relationships and varied types of machinery has emerged to carry out the complex economic-legal interactions between the two countries. He suggests, "Canadians are in a position to insist upon better means for being heard on common economic, trade, investment and resource development aspects of the heavily intermeshed relationships of the two countries." In the absence of existing machinery to deal with work problems two serious defects have arisen from the Canadian point of view. The first is the "tendency of the American courts or American administrative agencies to apply directly or indirectly United States law and standards to persons, events, goods, and services based in Canada but made unlawful or administratively suspect by the operations of the United States judicial or administrative decision-making." Perhaps the best current example of this is the attendant difficulty that has arisen with regard to the export of Canadian built locomotives to Cuba. Mr. Cohen makes the positive suggestion that to avoid such irritations in the future Canadians and Americans might establish a "Joint Economic and Statistical Commission or a series of commissions—resources, environmental, commodities, investment et cetera—which will do for these everchanging potentially irritating areas what the International Joint Commission has done for boundary waters..."⁽⁴¹⁾

The explanation, of course, for the anomaly of existing areas of interaction, without anything more than ad hoc arrangements, is explained by the fact that these activities have had their import almost entirely in the private sector. Both Canadian and United States governments have largely been satisfied to avoid any detailed regulation of these activities in the past. In future, however, especially as governments more and more move into those areas of activity which have largely been the domain of private interests, circumstances will probably induce more government and internationally agreed upon regulation.

I should like to say a few words about Canada-United States tourism and some of the related figures, because it is an inter-connecting link. Perhaps very few other areas foster more good relations between Canada and the United States than the cross-border tourism between the two countries. Travel between the United States and Canada is greater, in visits exchanged and in money spent, than between any other two countries on the globe. Statistics for January to November 1973 show that visitors from the United States numbered 35.5 million, an increase of 2.7 per cent from the previous year.⁽⁴²⁾ On the other hand, Canadian visitors to the United States for the same period amounted to some 28,950,000. Further, in 1973 American

visitors spent about \$1.1 billion in Canada while Canadians spent almost as much, \$1.0 billion, in the United States.⁽⁴³⁾

In 1974 it is expected that if the gasoline shortage in the United States persists it will discourage Canadians from travelling south of the border. The possible lifting of the Arab oil embargo however would undoubtedly alter this somewhat. On the other hand, the apparent sufficient supply of gasoline north of the border might attract Americans to spend their vacations in Canada in large numbers.

The Canadian Government Office of Tourism expects group travel by plane, bus and train to increase as well this year. It optimistically predicts that the 83 per cent of its total tourist revenue now coming from the United States will be doubled and perhaps redoubled in future years. To build tourism from its No. 2 position, to Canada's No. 1 source of export dollars, carefully planned expansion and improvement of tourist facilities is required, along with a greatly intensified program of promotion, the Canadian Office of Tourism maintains.

While Canada-United States visitors have energy problems to overcome and the Canadian tourist industry has environmental constraints to consider, it is evident that because of the vast Canadian variety of attractions tourism between Canada and the United States will continue to contribute to maintaining friendly relations between a great many people on both sides of the border.

I should like to deal now with the subject of international parks. Perhaps nothing signifies the many years of peace between Canada and the United States more than the joint international parks that are found along the Canadian-American border. Good examples of these are the International Peace Garden straddling the Manitoba-North Dakota border, and the Waterton-Glacier International Peace Park between Alberta and Montana. In addition, the Roosevelt International Campobello Park off the coast of New Brunswick, the summer home of the late President Franklin Delano Roosevelt, is becoming a shrine for American visitors to the East Coast of Canada.

The International Peace Garden was originated by the International Association of Gardeners who endorsed a proposal for such a park in 1929. In 1930, 888 acres were donated for the project by the State of North Dakota and 1,312 acres by the Province of Manitoba. More than 50,000 Canadians and Americans attended the dedication ceremonies on July 14, 1932 when a cairn was unveiled with the inscription, "To God in His Glory We Two Nations Do Dedicate and Pledge Ourselves That as Long as Men Shall Live We Shall Not Take Up Arms Against One Another." The gardens of the park were sponsored by a number of voluntary organizations. Trees from Mount Vernon, the home of George Washington in Fairfax County, Virginia, and Kingsmere, Quebec, the summer home of Mackenzie King, are planted there.⁽⁴⁴⁾ Apparently North Dakota is planning to expand its part of the park, as part of the United States bicentennial celebrations in 1976.

A peace park similar to the one on the Manitoba-North Dakota border was also established in 1932 when the Waterton Lakes National Park in Alberta and Glacier National Park in Montana were reconstituted as the

[Hon. Mr. Macnaughton.]

Waterton-Glacier International Peace Park covering some 1,754 square miles in this beautiful area of the country.⁽⁴⁵⁾

The Roosevelt-Campobello International Park was first conceived by the late Prime Minister Lester B. Pearson and President John F. Kennedy during the former's visit to Hyannis Port. In 1964 Canada and the United States signed an agreement establishing the Roosevelt-Campobello International Park. It is situated on the Island of Campobello which makes up part of New Brunswick and stands at the entrance of Passamaquoddy Bay which, as already mentioned, was the subject of a boundary controversy between Canada and the United States at the beginning of this century. The park was subsequently dedicated by Prime Minister Pearson and President Johnson. The park, because it contains the former summer home of the late Franklin Delano Roosevelt, has become an attraction for American visitors.

The Roosevelt-Campobello International Park is being restored and operated jointly by Canada and the United States who share the operating and capital costs on a fifty-fifty basis. The board of directors consists of three Americans and three Canadians appointed by their respective governments. The chairmanship of the board continues for a period of two years and has been held by both Senator Muskie from the State of Maine and Senator Alan Macnaughton from Canada. Sovereignty and ownership, of course, have remained in Canadian hands. The original area of eight acres has been expanded to 3,000 acres. The park, in addition to being a visiting place, is also now being expanded into a conference centre available to groups from both sides of the border.

Now I have a very few remarks concerning the role of the Canada-United States Interparliamentary Group. It was during January 1959 that the former Governor-General, the Right Honourable Roland Michener, then Speaker of the House of Commons, and Senator Aiken of Vermont, started the Canada-United States Interparliamentary Group. Since that time this group has shown great ability in adapting itself to changing requirements on both sides of the border. The Canada-United States Group offers an important means of direct communication between members of the Canadian Parliament and members of the United States Congress—an advantage few other countries, if any, enjoy. The Group can be convened quickly and used for dealing with special problems on either side of the border. For instance, when President Nixon imposed the 10 per cent surcharge and introduced the DISC program in August 1971, a special ad hoc meeting was held in Washington on November 11 at the request of Canadian members. On that occasion the Canadian delegation had the opportunity of bringing to their opposite numbers in the United States the reasons why Canada thought the surcharge and the DISC program should not apply to Canada. It is on occasions like this that the Canada-United States Interparliamentary Group has proved its worth.⁽⁴⁶⁾ Indeed, "in the past this has been an unannounced, indirect but effective way of bringing to the attention of our American friends and confreres problems which exist between our two countries and of attempting to reach a solution".⁽⁴⁷⁾

● (1630)

The contribution of the Canada-United States Interparliamentary Group was aptly described by Senator Allister Grosart when he spoke on the motion presented by me requesting a meeting to discuss the movement of Alaskan oil down the West Coast of British Columbia. On that occasion Senator Grosart said, "I have said on many occasions that I believe there is a great role in international relations to be played on what I call the third level, the parliamentary level, by parliamentarians as parliamentarians, rather than as cabinet ministers or members holding a specific responsibility in foreign affairs."⁽⁴⁸⁾

Senator Grosart's view can be substantiated by pointing to the stated aims of the generic "Interparliamentary Union" founded at the time of the first Interparliamentary Conference for international arbitration held in Paris in 1889. The aim of the Interparliamentary Union was then, and is today, "to promote personal contacts between members of all parliaments and to unite them in common action to secure and maintain the full participation of their respective states in the firm establishment and development of democratic institutions..."⁽⁴⁹⁾

It is rather interesting to note that the founding conference of the Interparliamentary Union, on June 29 and 30, 1889, in expressing its first resolution questioned the role of governments generally and suggested that more direct representation of the commonweal was required. Its founding resolution in part stated:

The conduct of governments tending more and more no longer to be the expression of the ideas and feelings of the whole body of citizens, it is the responsibility of the electors, by exercising their choice, to direct the policy of their countries towards justice, law and the brotherhood of nations.⁽⁵⁰⁾

Whether or not it is still as true today as it was in 1889, in the light of the tremendous metamorphosis that Western governments have undergone since then, the pertinent question is that parliamentarians as representatives of the people have a very definite role to play in matters of international concern, even though the executive branches of governments have or are already engaged in such international intercourse. International affairs should have a parliamentary dimension. The consideration of international matters by such a body as the Canada-United States Interparliamentary Group adds a very pertinent and necessary democratic ingredient to the affairs of humanity in an ever shrinking world.

Again, the contribution of the Canada-United States Interparliamentary Group in its visit to Washington in July 1973 amounted to very direct consultation involving a clear and free discussion of a whole array of problems while at the same time providing a tremendous opportunity to become informed, to persuade and perhaps even influence. In such a forum parliamentarians can speak to their opposite numbers with understanding on matters of great national concern and urgency. Furthermore, "...relationships between the United States senators and representatives and Canadian senators and members of Parliament are apt to be on a much more permanent basis than dealings between cabinet ministers, who change from year to year and from government to government."⁽⁵¹⁾

I want to refer briefly to the United States bicentennial celebration in 1976. In the light of the two hundred years of history between Canada and the United States, involving both mutual difficulties as well as mutual friendships, and because of the fact that the American people are Canada's closest neighbours who have in recent years shared in the mutual defence of democracy and freedom, the forthcoming bicentennial celebrations should involve as great a contributory participation by Canada as by any other country in the world. Indeed, the close association between the members of the Canada-United States Interparliamentary Group should be the vehicle through which the Canadian Parliament should forward its offer of participation to the United States Congress.

The current importance of parliamentary institutions makes it paramount that the role of the United States Congress and Congressmen, in maintaining the high democratic ideals of the Republic, be acknowledged by other international parliaments and the Canada-United States Group is ideally situated to further such recognition.

Perhaps as a first step the Canadian component of the Canada-United States Interparliamentary Group could form an ad hoc committee for the purpose of exploring what the Canadian Parliament can contribute to the United States celebrations and how it might be most fitting for Canadian legislators to participate in this bicentenary event.

Honourable senators, I have dealt rather extensively with the historical record between our two nations in order to lay the basis for further discussion at our meeting to be held this evening.

The historical record indicates we have come a long way from the War of 1812-14, the 1844 election cry of "54—40 or fight," the Fenian raids of the 1860s and the real danger that the victorious Union Army would move north at the end of the American Civil War. It was this fear that gave a major impetus to bringing about Canadian Confederation.

Today our problems are, in the main, economic:

The bilateral problem of the fisheries.

The complexities of scheduling air transportation over a Continent split into three nations.

The problems concerning oil and gas, pipelines, law of the sea, Great Lakes pollution, agricultural quotas, tax treaties, extradition treaties, phasing out of air bases, and the defence communication in the far north.

The problems of the Automotive Products Agreement and of our bilateral trade accounts.

But, in spite of these problems and irritants, just let us remember that in 1972 trade, both north and south, amounted to \$27 billion, up from \$11 billion in 1965. This amount of trade is greater than the total U.S. annual trade with the European Community, including Great Britain. It is almost as great as the whole U.S. trade with Asia and Africa combined, and Asia includes Japan.

Look also at bilateral investment. At the end of 1971, U.S. direct investment in Canada was almost \$24 billion; portfolio investment was \$13 billion, and short-term funds held in Canada by U.S. citizens were about \$3 billion, for a

total of \$40 billion. This is greater than U.S. investment in any other country and is equivalent to almost one-quarter of U.S. total foreign investment of \$180 billion.

Canada had \$3.3 billion worth of direct investment in the U.S.—\$3.1 billion in securities and \$7.1 billion in liquid claims, for a total of \$13.5 billion.

With trade like this, no wonder we enjoy, along with the United States, a high standard of living.

Adolph W. Schmidt, until recently the United States Ambassador to Canada, in a speech said, in part:

I would conclude by reiterating the view that the bilateral relationship is sound and healthy. We have our differences, of course, which in the special way of democratic societies we let each other know about.

As Prime Minister Pearson paraphrased the usual description of our open boundary: "We have the longest border in the world for unguarded remarks".

The Ambassador continued:

The historical record of accommodation of our differences and of finding constructive ways of cooperation is the best of any two countries in the world. ⁽⁵²⁾

Long may this continue to our mutual benefit.

(The references follow:)

⁽¹⁾ J. A. Lower, *Canada, An Outline History*, McGraw-Hill Ryerson, Toronto, 1966, p. 53.

⁽²⁾ *Ibid.*, p. 105.

⁽³⁾ "The New Environment for Canada-American Relations", a statement by the Canadian-American Committee, *Canadian-American Committee* sponsored by the National Planning Association (U.S.A.) and *Private Planning Association of Canada*, 1972, p. 3.

⁽⁴⁾ J. A. Lower, *op. cit.*, p. 125.

⁽⁵⁾ "Venezuelan Boundary Dispute", *Encyclopedia Canadiana*, 1962, Vol. 10, p. 221.

⁽⁶⁾ *Correspondence Respecting the Alaska Boundary, United States No. 1 (1904)*, CD 1877, Presented to both Houses of Parliament by Command of His Majesty, January 1904, H.M.S.O., London, pp. 57 ff.

⁽⁷⁾ M. Cohen, "Canada and the United States—Possibilities for the Future", *Columbia Journal of Transnational Law*, 1973, Vol. 12, No. 2, p. 197.

⁽⁸⁾ "The New Environment. . .", *op. cit.*, p. 4.

⁽⁹⁾ W. L. Mackenzie King, *Canada, House of Commons Debates*, November 5, 1941, p. 4098.

⁽¹⁰⁾ W. L. Mackenzie King, *op. cit.*, February 11, 1947, pp. 345-48.

⁽¹¹⁾ M. Sharp, Secretary of State for External Affairs, "Canada-U.S. Relations: Options for the Future", *International Perspectives*, Special Issue, External Affairs, Information Canada, Autumn 1972, pp. 3-4.

⁽¹²⁾ *Canadian-American Relations in Selected Areas*, Research Branch, Library of Parliament, November 4, 1971, p. 6.

⁽¹³⁾ R. M. Nixon, President of the United States of America, "Address to Members of the Senate and the House of Commons in the House of Commons Chamber,

- Ottawa, on April 14, 1972", Canada, *Senate Debates*, April 25, 1972, p. 309.
- (14) *Ibid.*
- (15) M. Sharp, *op. cit.*, p. 7.
- (16) R. M. Nixon, *op. cit.*, p. 309.
- (17) *Ibid.*, pp. 309-10.
- (18) Solange Chaput Roland, "Canada-U.S. Relations: Options for the Future 2 Canadian Reaction", *Behind the Headlines*, April 1973, Vol. XXXII, No. 2, p. 2.
- (19) A. J. Lower, *op. cit.*, p. 102.
- (20) M. Sharp, *op. cit.*, p. 6.
- (21) "The New Environment . . .", *op. cit.*, pp. 33-34 and 40.
- (22) *Ibid.* p. 41.
- (23) "Notes for the Prime Minister's statement on national TV, Ottawa, November 22nd, 1973", *Press Release*, Office of the Prime Minister, November 22, 1973, p. 7.
- (24) *Ibid.*, pp. 41-44.
- (25) D. Farquharson, "Exxon chief warns Canada: Get serious about energy", *Gazette*, March 5, 1974, Montreal, p. 11.
- (26) M. Sharp, *op. cit.*, p. 7.
- (27) *Ibid.*, p. 11.
- (28) *Ibid.*, p. 12.
- (29) *Ibid.*, p. 13.
- (30) *Ibid.*, p. 20.
- (31) *Ibid.*, p. 17.
- (32) *Ibid.*, p. 17.
- (33) *Ibid.*, p. 20.
- (34) *Ibid.*, p. 21.
- (35) V. D. Marquez, Chairman of the Board, Northern Electric Company Limited. "Changes in Canada-United States Relations", *Vital Speeches of the Day*, February 21, 1973, p. 412.
- (36) M. Sharp, *op. cit.*, p. 22.
- (37) E. Gullion, "Canada-U.S. Relations: Options for the Future, No. 1 American Reaction", *Behind the Headlines*, Canadian Institute of International Affairs, February 1973, Vol. XXII, No. 1, p. 7.
- (38) "The New Environment . . .", *op. cit.*, p. 16.
- (39) "Section 31.5 and 31.6", *Bill C-7, 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*, First reading, Minister of Consumer and Corporate Affairs, The House of Commons of Canada, March 11, 1974.
- (40) M. Cohen, *op. cit.*, pp. 200-201.
- (41) *Ibid.*
- (42) "Review of International Travel", *Travel between Canada and Other Countries*, Statistics Canada, Information Canada, February 1974, Ottawa, p. 5.
- (43) Office of Tourism, Canada Department of Industry, Trade and Commerce, March 4, 1974, Ottawa, Canada.
- (44) "International Peace Gardens", *Encyclopedia Canada-na*, 1972, Vol. 5, p. 305.
- (45) *Ibid.*
- (46) The Honourable A. A. Macnaughton, Canada, *Senate Debates*, Fourth Session, Twenty-Eighth Parliament, February 29, 1972, p. 46.
- (47) *Ibid.*, First Session, Twenty-Ninth Parliament, May 23, 1973, p. 636.
- (48) The Honourable Allister Grosart, *ibid.*, July 20, 1973, p. 923.
- (49) *Inter-Parliamentary Union, Aims, Structures, Activities*, Inter-Parliamentary Bureau, May 1970, Geneva, Switzerland.
- (50) *The Inter-Parliamentary Union: Its Organization, Its Work*, Inter-Parliamentary Bureau, 1957, Geneva, Switzerland, p. 6.
- (51) The Honourable A. A. Macnaughton, *op. cit.*, July 25, 1973, pp. 944-45.
- (52) Ambassador A. W. Schmidt: address to Annual Conference of the Canadian Importers Association, 1973.

Hon. Daniel Riley: Honourable senators, at the risk of being repetitious, I should like to pay homage to the Speaker of the Senate. As you know, Madam Speaker, I followed your long and illustrious career, before you came to the Senate, as a lawyer, as a public servant, and as a person intensely interested and very successful in your work with local and national organizations whose objectives were to provide a major contribution to the welfare of many sections of the Canadian public.

Since my appointment to this house my admiration has increased, and I have a feeling of intense pride when I hear other senators express themselves, as they do, in such a way that lets you know in what high regard and with what deep respect you are held by them.

I read with a certain amount of chagrin—as a matter of fact, I was aghast—a newspaper release the other day to the effect that you may be contemplating leaving your position some time during the latter part of May. I know all honourable senators, holding you in such high regard as they do, will want to urge, along with me, that you remain in the Chair so long as the law may permit you to do so, without interfering in any way with your future security.

● (1640)

[Translation]

I wish to join the previous speakers during the debate in extending my sincere congratulations to His Excellency Mr. Jules Léger on his appointment as Governor General of Canada and to Mrs. Léger, his gracious and charming wife.

The new Governor General brings to his high office an extensive experience in national and international affairs, an experience which he acquired during his many years spent in the service of his country.

Since the appointment of the late Vincent Massey, Her Gracious Majesty continues to select noble and prominent Canadians to represent her in Canada. All the Canadian people are pleased and proud to see that she has respected that tradition by appointing another great Canadian to that post, an individual entirely qualified to represent the Crown in Canada with dignity and the sense of duty inspired by the love of his country.

I extend to the new Governor General and to Mrs. Leger my best wishes for health and happiness in carrying out their duties.

I also extend my warmest congratulations to Senator Robichaud, one of the movers of the Address in reply to the Speech from the Throne. My relationship with Senator Robichaud goes way back into the past; the closer it became, the more my admiration grew for this man whose exceptional dynamism is such that he has often been compared to a compact car mounted with a Rolls Royce engine.

Those of us who know him as the architect of the New Brunswick Equal Opportunity program, which ensures all the young people in that province equal educational facilities, both physical and academic, see in the senator an undaunted crusader whose unwavering courage and tenacity stirred new hopes and aspirations throughout New Brunswick.

[English]

In our province the one-room schoolhouses have disappeared, we hope, forever. They have not only disappeared from the northeast section of the province, but also from every county of the province. Senator Robichaud's fiercest antagonists were completely unaware that there were one-room schoolhouses in the southern and western sections of the province of New Brunswick which were long since destined for extinction. Mainly through the centralization of the control of our educational system, those schoolhouses have been replaced by the most modern physical facilities, manned by the best qualified teachers, teachers who are able to instruct the young people of our province in their own language, whereas previously in many of these one-room schoolhouses special certificates were issued to housewives with limited education to instruct these children as best they could.

[Translation]

Another of his great achievements was the Official Languages Act which he steered through and which guarantees, once and for all, the protection of linguistic, cultural and educational rights of both English- and French-speaking citizens.

Although we have not been together in Ottawa for very long, I have already witnessed the enthusiastic dedication of Senator Robichaud for great causes.

In the foreground of the work of the Kidney Foundation of Canada for many years, he has particularly been active with the support of a group of dedicated members of the medical profession and other individuals, in organizing a chapter of the Foundation for the whole Ottawa Valley.

Senator Norrie and I had the privilege of attending a meeting of the Ottawa Valley Chapter, last week. I know she was as impressed as I was by his keen interest in the prevention, care and treatment of kidney diseases which are the fourth most fatal in Canada.

On the other hand, this is not Senator Robichaud's first success in this field. He was one of the major organizers of the various sections of the Foundation in New Brunswick. He also played a significant role in the creation of sections in Nova Scotia.

[Hon. Mr. Riley.]

It is with great pleasure, therefore, that I am associated again with Senator Robichaud, here in the Senate where indeed we were summoned and sworn in on the same day.

Madam Speaker, I offer my regrets to my French-speaking colleagues because, as you can see, and as I have often said, I speak the French language like a Basque speaks Spanish or, as we say back home in Acadia, we speak French like Spanish cows.

● (1650)

[English]

I was very interested to hear and read in the Throne Speech the references to the energy crisis, and particularly the admonition that we must go beyond our concern for the energy crisis in our own country. While the shortages of oil supplies, and certainly the sharp increase in oil prices, cause serious problems in the industrialized parts of the world, their effects on developing nations are disastrous. In a country such as India, an increase in the price of kerosene, which is a low grade petroleum product, means that millions of poor people must literally choose between light and heat and a supply of food on their tables.

It has been argued that the oil crisis is not a real crisis, that it was artificially created by those who stand to gain by it financially. While the oil-producing countries may have increased the price of petroleum products for political motives, they would not have been able to do so were it not for a world-wide scarcity of oil as well as of other raw materials. It is obvious that producers and consumers will have to get together to find new ways of conserving existing energy, and to find new and alternative sources.

The severity of the world situation demands that Canada maintain its international development efforts, while adopting programs, as required, to meet the changing conditions. It is clearly in Canada's best interests to do so, not only because of our duty as a responsible member of the world community, but also, as the Secretary of State for External Affairs put it so well in Washington recently, in view of the political consequences of serious distress in such a wide area of our planet.

Although I congratulated my honourable colleague from New Brunswick, Senator Robichaud, on the able manner in which he moved the Address in reply to the Speech from the Throne, I also meant to mention the seconder, Senator Perrault, who so ably performed his duty. He presented us with proof of his excellent knowledge of the problems of not only his part of the country but all of Canada. I thought it was a wonderful thing that he, as a Westerner, gave linguistic recognition to the other founding nation of Canada, by speaking, if only briefly, in the French language. This is true Canadianism.

I was also impressed by the fact that the Throne Speech pointed out that the inflationary trends, the inflationary problems we are facing today, are not restricted to our own country. I think that is generally known, except apparently to a few people who speak in the other place and tell the government that it must arrest and roll back inflationary prices, without offering logical and sane solutions.

When we get down to considering methods, the only way we can hope to cope with inflation in this country at

the present time is to do it in small stages, making every endeavour we can, as the Minister of Agriculture has done recently by subsidizing the prices of beef cattle. There are many ways in which this can be done.

One of the things that amazes me, when we see oil jumping in price to \$6 and \$10 a barrel—and it is going to go higher—is the fact that we have a 15-cent levy paid to the Ministry of Transport under the guise of a fund for the protection of the environment. On every ton of crude oil that comes into our refineries, of which I think there are six in the Atlantic provinces, there is a levy of 15 cents. When the same crude oil goes through the refineries and comes out in the form of refined products, volatiles, bunker C or what have you, it leaves the refinery and is transported by water in the coastal trade or up the rivers, and another 15 cents a ton levy is imposed.

No doubt this levy was first imposed because of panic by the environmentalists. At the time it was a good idea, because it followed on the great Chedabucto Bay disaster off the coast of Nova Scotia. There has now been built up over this period a fund of about \$16½ million. There has not been one claim on that fund since, I believe, the Chedabucto Bay disaster. The reason is that the shipping and oil companies have themselves been policing the transportation of oil. There have been small spills, which have been cleaned up. If the spills were the fault of the oil or shipping companies, they were cleaned up by those companies under the supervision of officials of the Ministry of Transport.

There the fund rests. There it lies stagnant, waiting for a major oil spill that can be blamed on the negligence of a ship's captain or a shipping company or oil company which allows a spill, probably at the connection where the crude or volatiles are piped to and from the refinery. That \$16½ million, if my figures are correct, should be permitted to remain in the treasury under the supervision of the Ministry of Transport, but there should be a moratorium declared now; and then, if we have major spills, impose the levy again. The fund is there and it will take care of a good many serious spills if they occur. But stop the payments now and allow the oil companies to absorb that 15 cents a ton or the double and sometimes triple levy on the same shipment of crude. They might process it at a refinery, transship the refined product up to the coast to a marine depot, and then transport that by a smaller ship farther up the coast or up a river. Then you get the third 15-cent levy per ton on the same cargo of crude which reaches the refinery. It does not make sense to me. If the oil companies could be made to pass that saving of the payment of the levy on to the consumers, I think that would make a small but practical improvement in a common sense way, giving at least some relief to the retail price of petroleum products.

● (1700)

Another thing which caused a great deal of confusion in my mind recently was a statement I read in the *Montreal Gazette* regarding freight assistance in the Atlantic provinces. I read the news and not always the views of the columnists in that paper. This item appeared and may have been a feeler sent out on a policy paper.

Let me give some of the background first. In 1970, under the Atlantic Region Freight Assistance Act, the highway transport people in the Atlantic provinces were granted a

subsidy of 17½ per cent for transporting freight, goods, back and forth within the area of the Atlantic provinces and including that portion of the province of Quebec that is south of the St. Lawrence River and east of the town or city of Lévis. I do not know what the Honourable Senator Bourget would have to say about that. I do not know whether it is a city or a town. It rests in the shadow of the great Quebec Citadel.

This grant was given to most trucking concerns and individual truckers in the Atlantic Region. It was designed to maintain the freight rates that were in effect, and at the time the companies co-operated, with few exceptions. They maintained the level of freight rates until they were hit by this spiralling inflation. The heaviest roll-up was within the last year. They were told at the time that they were going to get a 17½ per cent subsidy, with few exceptions, on all of their freight movements back and forth in the Atlantic region, extending the line in Quebec but not into Quebec City or Montreal. But they were told, "You are going to have to take a reduction in this, probably within a year or two; we do not know."

So the matter died and along came this galloping inflation. The price of tires rose by about 32 per cent last year. There was a rise of probably 40 per cent in the price of diesel fuel, and the price of gasoline rose something like 32 per cent as well. The owner-operator dominated this field. The transport companies engaged them, because they have what is known as a leasing authority whereby they can rent their tractors to one of the companies which are licensed and operate for hire under their licence. They have been hit tremendously hard. I have enumerated only a few of the escalating costs, and these do not include wages. The cost of a tractor which hauls a trailer has risen in a year by \$3,000. And the other day along comes this item in the *Montreal Gazette*:

Federal subsidies for freight rates on selected commodities shipped from the Atlantic provinces to central Canada will be boosted to 50 per cent from 30 per cent about April 15, it was announced today.

The higher subsidy will apply to selected goods ranging from raw fish to trailers westbound from the Atlantic provinces, the transport department said in a news release. The subsidy is for the region east from Lévis, Que.

I do not know whether the truckers in Lévis are going to benefit by it. The item continues:

The department said other subsidies for shipments within the Atlantic region will be reduced to 15 per cent from 17.5 per cent soon. This was alleged to be part of a shifting of subsidy payments to make the subsidy program more effective.

So, on the one hand you have an increase in subsidy on freight movement from within the Atlantic area described, into Central Canada, raising it from 30 to 50 per cent, and you cut back on the poor truckers within the Atlantic region who have had to raise their rates because of the inflationary trends during the last year, as a result of spiralling or galloping inflation, and who are faced now with another increase in the rates. It is the only way they can carry on. Yet we have this ridiculous policy statement—no one is named, but I presume it emanates from someone within the Ministry of Transport—and I under-

stand it is to come into effect on April 15, reducing the subsidy, forcing their rates up within the Atlantic region. And they call that an effort to arrest inflation or to roll back prices.

I am sure that the Minister of Transport is not aware of the implications—that he is not aware of the deep concern of the trucking industry within the Atlantic provinces, if he allows an order in council to go through reducing that subsidy from 17½ to 15 per cent. It is ridiculous. One of my old school teachers used to use the words, “I call it a lot of balderdash and flapdoodle.” I do not know whether the honourable senator who is president of Dalhousie University would approve of those words, but they are in Webster’s dictionary, with the annotation afterwards that they are of unknown origin.

Hon. Mr. Hicks: I use only the Oxford dictionary.

Hon. Mr. Riley: I have been Americanized. My mother was American and I am half American. I tried to find a similar phrase in the French language, and the best I can come up with, with the assistance of a friend, is “de la bouillie pour les chats.” And that is what I think of this contradictory policy of the Minister of Transport with respect to the subsidy to the truckers of the Atlantic provinces.

● (1710)

Certainly, before an order in council is passed this subsidy should be reviewed, because it evolved long before these prices began to escalate. It evolved, I am sure, from a meeting of the premiers of the Atlantic provinces several years ago and has since lain in a dusty corner of somebody’s desk in the Ministry of Transport. It has now come to light and somebody has probably said—and I am not sure of this—“Oh, well, the premiers of the Atlantic provinces wanted this a few years ago. Don’t you think it is time we implemented it and reduced this subsidy and increased the long-haul subsidy from 30 to 50 per cent?” Well, I tell you that that is not going to work. I hope the government will take another hard look at it.

There is another aspect of transportation which bothers me and which goes back to a decision of the Judicial Committee of the Privy Council in 1952 in the *Winner* Case. This was a decision which was not warmly welcomed everywhere but which was based upon section 92 of the BNA Act. According to that decision, and I suppose they were probably right, the trucking industry, interprovincially, constitutes an interprovincial work and undertaking.

An act respecting extra-provincial motor vehicle transport was assented to on June 26, 1954. That act had to be approved by the provinces. I believe it was eventually approved by New Brunswick in 1956. It delegated to the provinces the authority to regulate and license people engaged in interprovincial highway transportation.

In the 1966-67 session the National Transportation Act was passed—a great act. But in the original act there was a Part III which was not proclaimed at the time. Subsequently, in 1968, a senior official of the Department of Transport or of the commission met with me and the secretary of my commission in Fredericton, at which time he said that all the regulations would be ready within six months, and he said that they would then let the provinces

[Hon. Mr. Riley.]

have a look at them. That was 1968. Since then there have been a few meetings, and Part III of the National Transportation Act was actually proclaimed two years ago, but we still haven’t anything on the regulations. As a result, we have a federal regulatory body without teeth. When you ask questions you receive vague answers: “Well, we cannot get accord among the provinces.”

The late Charles Gavsie, who was one of the most prominent public servants in this country, when posed with a knotty problem by somebody sitting across from him at his desk, somebody obviously worried, perhaps about a client or about difficulties with the taxation division or something of that sort, would always say, “Well, now, there is always a meeting place between earth and heaven.” And I have found that as long as men have goodwill and sit around the table—and this applies to both provincial and federal bodies and government agencies—so long as they have patience and forbearance and are willing to give a little and take a little, there are workable solutions to all of these problems.

I am sure, honourable senators, that Senator Martin will agree with me in this regard, and I know that the great negotiator Senator Goldenberg would also agree, because both of these gentlemen have had vast experience in negotiating settlements of disputes which seemed to be beyond the reach of settlement when they sat down but which ended with workable and acceptable solutions.

I find that although Part III was proclaimed without regulations, certain truckers are being permitted to pass through the provinces on Sundays, “based on the merits of the case” according to a press release. In my opinion, definite rules should be laid down in this regard. Otherwise, the highways of the provinces will become clogged, traffic will be disrupted and many more accidents will occur over the weekends.

Certainly, there are emergency situations, but surely it is obvious that most shipments of freight from one part of the country to another can be scheduled so that they take place from Monday to Saturday, leaving Sunday relatively clear. Even with respect to fruit coming up from the southern states there is no necessity for weekend transportation. Certainly, there was never any difficulty in the past in that regard. Oh, occasionally one or two tractor-trailers might move into the Atlantic provinces on a Sunday, but this was rare indeed because the movement of freight was properly scheduled and dispatched and there were good dispatchers looking after the scheduling so that it was not necessary, except on rare occasions, to move freight through the provinces on Sundays and unnecessarily clogging the highways.

Somebody has said, and I will not quote him, that the movement of commerce is more important than the general public interest or the convenience of Sunday drivers. Well, that may be so, but I would hate to see any increase of traffic on Sundays. There are tremendous movements now of mobile homes along all our highways owing to the upward trend in the purchase of mobile homes. For example, if someone from Quebec buys on Friday a mobile home manufactured in New Brunswick, the movement of that mobile home could likely take place over the Sunday, but in my opinion it could be scheduled so that this need not happen. So I hope with respect to that type of haulage,

as well as other types, that the authorities in Ottawa responsible for the movement of the traffic will apply some common sense and will prevent the highways from being clogged by a glut of mobile homes, modular homes, office trailers, bunk trailers and whatnot. If they control that aspect of traffic, the provinces, under the various motor vehicle acts, will be able to control the flow of traffic involving the 14-foot widths, which no federal body is authorized to control, since they cannot infringe upon the motor vehicle legislation and regulations of the various provinces.

Honourable senators, I could have said much more on this subject. I should like to express my deep appreciation to Senator Bonnell for yielding to me. As an Islander, I know he did it out of the warmth of his heart for another Islander who migrated to another province. I am also appreciative of others like Senator Phillips, even though he made a remark or two in the dying days of the last session decrying the movement of petroleum products from New Brunswick to Maine. He meant well because he is a great man and a great Islander, and I am very fond of him, but I am very much afraid he did not do any research. We had lots of petroleum products in New Brunswick this winter, as was the case in Newfoundland and Nova Scotia. None of us, to quote the well known expression, "froze in the dark." We had some oil to export and we wanted to export it to the pulp mills in Maine because we had good reason for doing so. All along our western border and, even more particularly, our southwestern border our people move back and forth freely; they work in these pulp mills and make their livelihood there. Many of our farmers in the southwestern section of the province sell their raw wood over there and work in the woods in New Brunswick for these companies. There is an intense community of interest between southwestern New Brunswick, northwestern New Brunswick and the western part of the province generally with the people of Maine. We are, in fact, in some ways rather like one people, in that some of them come and work on our side of the border while some of our people go across and work on their side. They are part and parcel of what is almost an integrated community and are an integral part of the economy of the whole region. For that reason, I hope that in moments of panic those who have to do with the issuing of permits for the import and export of oil will investigate very carefully before they jeopardize the jobs and the income of those from New Brunswick who are gainfully employed in earning their livelihood on the other side of the border and sell their raw wood there.

● (1720)

Honourable senators, I know that Senator Robichaud joins with me in expressing our deep appreciation and heartfelt gratitude for the warmth of the welcome accorded to us when we came to the Senate. As neophyte senators, if I may use that expression, we thought that we would be brought in the back door and presented to you quietly, but the grandiose manner in which we were received and the warmth shown by all honourable senators, many of whom I have known for many years, left a lasting impression on us.

I wish particularly to thank Senator Martin who spoke so kindly of us and who also welcomed us so warmly. I

have a very, very fond feeling for Senator Martin because when I was a young politician he taught me many political tricks—

Hon. Mr. Langlois: Perhaps that should be political intrigue.

Hon. Mr. Martin: Others call it strategy.

Hon. Mr. Riley: He taught me how to campaign, as only he could, because prior to coming to this august chamber he was probably about the best campaigner I have ever known. I remember one occasion when we were down in the bowels of Albert County. I was on my first campaign tour—and here I should point out that the people of that county are very fine people, but we were not on the same wavelength. I am speaking now of the people of Saint John and the people of Albert County. Senator Martin told me, "You know, you have gone into this farmhouse and you have seen this man having trouble with a hawk going after his hens. You may not be back here next year or the year after, but some day you are going to come back, and you are going to pick up that notebook you have in the car and you are going to say, 'Here I am coming to the farmhouse of John Jones and the first thing I will ask him is whether that hawk is still bothering his chickens.'" That is only one example. I should mention that this particular farmer and I became very close friends and still are after many years.

Hon. M. Lorne Bonnell: Honourable senators, I know you are hungry, but I have a two-hour speech prepared. I also know you will not mind coming back at 8 o'clock. I shall probably carry on until close to 6 o'clock, and I am sure you will all agree to our coming back at 8, or tomorrow if that means we shall not have to come back at 8 o'clock.

If Your Honour will forgive me for not saying all the nice things I had intended to say about you, and just allow me to say how nice it is to have you back, I can skip some paragraphs. If the Leader of the Government will allow me to say how nice it is to see him again, and the Leader of the Opposition also, that will permit me to skip another three paragraphs. Perhaps I can say to Senator Flynn that I don't think he is so hungry that he would start to eat grits.

I would like to mention my good friend, the mover of the motion for the Address in reply to the Speech from the Throne. The excellence of his speech did not surprise me in the least, because I knew he was capable of it. There is no need to go further, and that allows me to drop four more paragraphs. We all heard the seconder, and he excelled himself, as we knew he would.

I have four or five paragraphs on my good friend from New Brunswick, who was originally an Islander, and who has just become a member of the Senate, and whom we have just heard speak, but I shall skip them and simply say that since this country was born in 1864 at Charlottetown we Islanders have been true Canadians. Today he said that the seconder of the motion spoke partly in French, and that that made him a true Canadian. Let me say that I don't speak French and I don't understand it, but so that I may continue to be a true Canadian I have had my honourable friend prepare a short paragraph

which reads: *Je ne parle pas le français. Je ne comprends pas le français, mais je suis un vrai Canadien.*

Hon. Mr. Phillips: May I ask the honourable senator a question? As one whose ancestry is mixed Anglo-Saxon and Celtic—and here I am referring to Welsh—what variation of the Welsh language was he using?

Hon. Mr. Bonnell: Let me say to my friend that as another true Islander he would not know, because he comes from that region of the province where they speak nothing but Gaelic.

● (1730)

Honourable senators, I noticed when my honourable friend Senator Grosart spoke he mentioned the fact that the Opposition in the Senate is alive and well. Charles Lynch says that Prime Minister Trudeau and the government are alive and well. Since both are alive and well, I suggest to you that perhaps we should keep the Conservatives in opposition and the Liberals in government until the country is alive and well.

Some Hon. Senators: Hear, hear.

Hon. Mr. Bonnell: Although I am not speaking on inflation, I do wish to say that personally I could not support a freeze on food prices, nor could I support a freeze on wages. The reason is that in Prince Edward Island our main industry is agriculture, and the day we start freezing the prices of potatoes, milk, fish and beef our whole economy will be destroyed, because we cannot control what we must pay for our oranges, grapes and bananas, which we import from other countries. If we must freeze the price of potatoes and the price of labour in Prince Edward Island—which is as low as it possibly can be—then there is just no way that we can survive. Therefore, I have to say that I cannot support that policy, particularly coming from an agricultural province, and one which depends so greatly on agriculture and fisheries.

I like to think that with the present short-term policies of increasing the old age pension, welfare benefits and family allowances, subsidizing the price of beef, milk and bread, and reducing the income tax, we do much more to help the lower income families and those on fixed incomes than we ever could by fixing the price of the potatoes and fish they have to sell. For that reason, it gives me pleasure to support the motion of my honourable friend from New Brunswick, because the Speech talks of inflation in those terms which I believe.

I would like to discuss regional growth, but time does not permit, and I would like to speak of food prices and housing. May I just say in respect of housing that we have a program in Prince Edward Island which I believe is worthy of study and thought by other provinces of Canada. The program of which I speak, under Manpower and Immigration, establishes a school for carpenters. A first-class carpenter is hired to teach. Some of the students are Indians, some have low incomes, and some are welfare recipients. They are taught the trade of carpentry, and given a grant of \$4,000 by the provincial government. They learn the trade of carpentry by building their own homes with the carpenter on the job teaching them in groups of seven or eight. They spend half the day doing the actual work, and the other half in the classroom learning how to rig the square, saw a board straight and other aspects of

[Hon. Mr. Bonnell.]

the trade. In this manner we are able to provide cheap housing and at the same time teach unskilled people a trade, and they receive pay during the course of instruction. In my opinion, it is a program well worth promoting in other parts of the country.

It is wonderful to see in the Speech from the Throne that the government is going to give further consideration to transportation problems, that regional disparity will be investigated very closely, and that we in the East and in the West will again receive favourable consideration and recognition that our problems are greater than those of central Canada. However, I hope the government does not forget the island provinces of Prince Edward Island and Newfoundland, and realizes that we need transportation to and from those islands by boat. We need more ferries. If anything happens to the present ferry to Prince Edward Island, the *Abegweit*, we are lost in the winter months; we are lost when strikes occur. We need more ferries for our island provinces, and we need them soon. The planning should be taking place now.

We also need a better air service between the capital cities of the Maritime provinces, and to the remainder of Canada. We need better air services direct from Ottawa to our capitals, to Toronto, and to the cities to the south, such as Boston and New York. In this day and age, travel by air is becoming more and more popular, and more and more we in the East need a better, more up-to-date service. I hope the Minister of Transport will look into these matters and make sure that we are not neglected. Air Canada forgets that Prince Edward Island is a province although it calls itself the national airline. I do not see how it can be the national airline when it serves only certain provinces of this nation.

I want to say also, honourable senators, that I was pleased to see in the Speech from the Throne that the government intends to take another look at the Unemployment Insurance Act. I hope, that they will look at it in all aspects. It may be that someone drew unemployment insurance and went to British Columbia on a ski safari, but that is no reason to cut off everyone in Prince Edward Island from unemployment insurance benefits.

The population of our province lives basically from the soil, the top six inches of the land, and from the sea. In the winter we do not fish. I am not telling you what we are all doing, but we are not fishing. When we do not fish there is no fish packed, and when there is no fish packed the factories close. When the factories close the workers are cut off from unemployment insurance benefits because they are not attempting to find work. How can they find work when there is no work?

One of the regulations states that reasonable efforts must be made to obtain employment. One could spend a fortune running around Prince Edward Island trying to find a factory that is packing fish in the winter. If one did find one, it must have brought in fish from the south. However, because a reasonable effort to find employment is not made, unemployment insurance benefits are cut off. Most of the factories during the summer provide transportation assistance by sending buses around to take the people to work.

Hon. Mr. Phillips: Yes, the Shaw government started it.

Hon. Mr. Bonnell: The Shaw government started it?

Hon. Mr. Phillips: Yes.

Hon. Mr. Bonnell: I thought it was private enterprise that did that.

Hon. Mr. Phillips: Anyway, it was a Conservative government.

Hon. Mr. Bonnell: That is not what they did that I remember.

Hon. Mr. Phillips: But that is your difficulty, senator. You have a very short memory.

Hon. Mr. Bonnell: Honourable senators, my good friend from Prince Edward Island knows full well that these buses are owned and operated not by government, but by private enterprise.

Hon. Mr. Phillips: They receive subsidies.

● (1740)

Hon. Mr. Bonnell: Because they have no transportation to get to work in the winter, they are cut off again. They are cut off because they cannot get transportation to take them to work. The regulations say that they must make a reasonable effort to find employment, and they must also find their own transportation. If a man is colour blind, and thereby cannot obtain a driver's licence, he has no transportation by which to get to work. There are no buses, trains, or commuter systems. In some areas the only means of transport is the skidoo. If a man cannot find a way to get to work some 30 miles away, he cannot draw unemployment insurance.

Honourable senators, that is not the intention of the act. The intention of the act was to ensure that those who are legitimately unable to find work should receive the benefit of unemployment insurance. Now, simply because someone at some place obtained a few easy dollars, everyone at every place must pay the penalty.

I should like to suggest that when the review takes place it should take into consideration the great and small distances, and the isolation of some areas. Regulations for such areas should not be the same as those made for areas such as Toronto and Montreal, which have commuter systems, bus and train systems, and even subway systems. The regulations should be so framed as to provide for rural areas such as the southeast portion of Prince Edward Island. The regulations, as they now exist, do not make sense.

Honourable senators, I feel also that some fishermen in Prince Edward Island do not receive justice. Possibly the same thing applies to fishermen in Newfoundland. Some fishermen in Prince Edward Island are able to make from \$11,000 to \$25,000 per year. If they do, they get the biggest stamp, they draw the largest unemployment benefit, and they enjoy a pretty good winter. But the poor fisherman, who works every day and just as hard, who puts out his nets and hauls them in day after day, may be operating in poor fishing grounds. He may not have the best equipment to start with. He may have a poor year. He receives the smallest stamp, and the smallest unemployment benefit. Yet he works just as hard, fishing through stormy seas, to keep himself in employment. Simply because his luck has run out, or because he was fishing in poor fishing ground,

he ends up with a smaller stamp and less unemployment insurance benefit.

If a man does a just day's work he should receive a just day's pay—or at least a just stamp—and receive the same benefits as those who enjoy a good year in the fishing industry.

In the area in which I live 124 people have been cut off from unemployment benefits during the past two weeks because a factory brought in a load of fish from outside and needed 20 employees.

Hon. Mr. Phillips: Did you not get that corrected?

Hon. Mr. Bonnell: Yes, we got it corrected. We contacted the unemployment insurance authorities. They said, "We will put on a bus and will try to bus them to work." A bus was put on. It started out at 6 o'clock in the morning, drove 65 miles and arrived at the plant at 8 o'clock. The bus returned at 7 o'clock, and took two hours and 15 minutes to travel the 65 miles along rural winding roads. Had that not been done, those employees would have lost their unemployment insurance benefits.

I do not believe that sort of thing falls within the meaning of the act. I would like to see more discretion given in the interpretation of the act. Much of the problem arises because of the regulations made under the act.

I would like to speak also about land use. My honourable friend, Senator Norrie, is very interested in this subject. However, it might be discussed more appropriately later by notice of motion, and dealt with as a separate subject.

I should like also to speak briefly about highway safety. Highway accidents represent the third greatest killer in Canada. This is a subject to which we should give some thought. The Standing Senate Committee on Health, Welfare and Science should examine this problem, and in doing so give consideration to the fact that since the speed limit in the United States was lowered to 55 miles an hour the death rate has been lowered considerably. It should look also at safety standards for school buses and cars, and at road conditions. Proper standards should be set which attach more importance to people's lives than is attached today.

I was pleased to see in the Speech from the Throne that money will be made available for the removal of train tracks in our municipalities. I would suggest that railway tracks and crossings be removed from those highways which are heavily used by traffic, because many deaths result from collisions between cars and trains. Too many young people are killed. If even one life can be saved, it will be worth the time of the Senate committee in studying this matter.

A good deal of research is taking place on this subject. The results of such research could be studied by the committee and passed on to a joint conference of federal and provincial governments with a view to introducing legislation, because problems concerning highway safety are mostly of a provincial nature or jurisdiction.

I am not in favour of the compulsory wearing of seat belts, a matter which is to be considered by the Ontario Legislature. I believe in the protection of human rights. A man should be able to use a seat belt if he so wishes, but I do not believe he should be forced to do so if it is against

his wish. Some Canadians suffer from claustrophobia, and if they are forced to wear a seat belt they might die from fear. They should be permitted to live in the hope of not having an accident, rather than die of fear from the effects of claustrophobia. More and more of our rights are being taken from us, and increasingly we are losing some of those rights which we should retain. I do not like to see any provincial legislature take away the right of free choice in the use of seat belts.

Honourable senators, I wish now to talk about tuna fishing. Last year Senator Phillips went out with a group of senators to catch tuna.

Hon. Mr. Phillips: And very successfully, naturally.

Hon. Mr. Bonnell: Prince Edward Island has the record for the largest tuna caught by rod and reel in Canadian waters. The former Governor General, the Right Honourable Roland Michener, during his term of office, presented a trophy for the largest tuna caught in Canadian waters. That trophy has been held regularly by Prince Edward Island, except for one year when the tuna went south and was caught in Nova Scotia waters.

Tuna fishing is very remunerative for fishermen, who receive approximately 90 cents per pound for the fish. Honourable senators can imagine the value of 1,000 pounds of tuna at 90 cents per pound. Tuna is sold in Japan for approximately \$3 per pound.

Hon. Mr. Phillips: Fifteen dollars. Pardon me, senator; I am sorry for interrupting your remarks, but by the time the fish has arrived in Japan, having been frozen and flown out, it is worth \$15 per pound. I mention that merely because I am in sympathy and in agreement with your remarks, not to disagree with you.

Hon. Mr. Bonnell: Thank you, senator. You are always in sympathy with my remarks, and I appreciate it.

● (1750)

Hon. Mr. Phillips: Not always. Sometimes you are reasonable.

Hon. Mr. Bonnell: I would just comment that if the price has gone up to \$15 a pound in Japan, that is really inflation.

In any event, the point I wanted to bring forth was that I am pleased to be able to say that the Minister of the Environment, who is also responsible for fisheries, the Honourable Jack Davis, has agreed to control commercial fishing of tuna in the Gulf of St. Lawrence in the year 1974. Tuna is to be caught only by rod and reel with a 130-pound test line. This, of course, will mean that sport fishing will continue, and commercial fishing may still be carried on, provided it is done by rod and reel.

I should like to suggest that the Minister of the Environment send a research team to Newfoundland, Nova Scotia, and Prince Edward Island, to determine the potential for tuna. Even New Brunswick has some tuna. It may be that we will overfish it or over-exploit it. We need more information; we need some research. For those reasons, we have asked the federal department concerned to give it some thought.

Honourable senators, I see it is now 6 o'clock. I thank you for listening to me. I do not intend to adjourn the

[Hon. Mr. Bonnell.]

debate and bring the Senate back this evening. Rather, I will now close my remarks.

Hon. Orville H. Phillips: Honourable senators, I have the greatest respect for Senator Bonnell as a medical practitioner, but I would suggest that he have his eyes examined, because if he looks at the clock he will see that we have not yet reached 6 o'clock. Therefore, I am still entitled to speak in this debate. I might go on for one or two minutes beyond 6 o'clock—

The Hon. the Speaker: Honourable senators, it is now 6 o'clock. Pursuant to rule 12 I intend to leave the Chair until 8 o'clock this evening, unless the Senate, by unanimous consent, decides to complete this afternoon's business now.

Is there unanimous consent?

Hon. Senators: Agreed.

Hon. Mr. Phillips: Thank you for your courtesy. I assure you my remarks will not be extended.

I should like to sum up the debate by referring to the opening day. On that occasion I watched both the Prime Minister and the Leader of the Government in the Senate as they sat in their chairs on either side of the Throne. They both seemed uneasy. They kept looking at His Excellency the Governor General to see if he was doing the right thing—at least that was my impression. But what was really bothering both the Prime Minister and the Leader of the Government in the Senate was the fact that they thought someone had made a mistake and had passed His Excellency the Governor General the same Speech from the Throne as had been read a year earlier. Having heard it before, they could not believe they were hearing it again.

There were a couple of minor differences in the latest Speech from the Throne, one of which was the proposed anti-inflationary measures. For once I thought that perhaps the government was really going to deal with inflation. However, when the main estimates came out for the fiscal year ending March 31, 1975, showing an increase of 20 per cent in the estimates, I realized that the government had been influenced by the winds of the ski slopes of Europe. That, honourable senators, can only be called "windy."

Later on in the Speech from the Throne, the government referred to the necessity of increasing farm production, subsidies, and so forth. My immediate reaction was that this was the "fishy" part of the Throne Speech. In the event that some honourable senators do not understand my remarks, I should explain that when a Maritimer hears a remark he does not believe he says it is fishy, because he does not believe or appreciate the odour from decaying fish. The reference to agriculture can be summed up, I think, by saying it was fishy.

Strangely enough, about the same time the Throne Speech was being written, both the Prime Minister and the Leader of the Government in the Senate were scuba diving or fishing in the Caribbean. I think that is where the fishy part of the Throne Speech originated.

I should like to refer to a number of remarks made by honourable senators throughout this debate. At times I thought the debate was dull, repetitious and needless. But when one considers that we have had the same Throne

Speech, essentially, for the past three years, one cannot criticize honourable senators for making the same speech again and again.

When I first came to Parliament as very much a greenhorn—and honourable senators, was I green when I came to the House of Commons!—Senator Riley's sister, the late Mary Riley, was my first secretary. She taught me a great deal about Parliament, parliamentary procedure and government. One thing I remember the late Mary Riley for was her advice to me to respect the public service, to forget the ministers and deputy ministers and to deal with the individual who is going to make the recommendation on policy.

I would just like to suggest to Senator Riley, who completed his remarks a few moments ago, that he should remember his late sister's remarks; he should know the people he is dealing with and talk to them.

● (1800)

I honestly mean this, honourable senators. She was of immense value to me; she helped me in many ways. There is no need for special mention of women in the Throne Speech. Every man I know who has been fortunate enough to have met such a woman will agree.

Senator Bonnell has just completed his remarks. I have known the honourable senator for a number of years. I was of the opinion that he was going through some sort of Kung Fu method of self-defence, and that he was being taught by the Honourable Senator Martin. He has just concluded what was, for me at least, one of his better speeches. Usually he is a specialist in exaggeration and irresponsibility. Today he modified his remarks and did very well in presenting the Island viewpoint. The only thing is, I find myself in agreement with two or three of his remarks, which causes me some concern.

Honourable senators, I will conclude with two brief requests. I cannot make these remarks with the idea that either the Senate or the public will listen to me—I have been around here too long to think that. Perhaps I could refer to our Orders of the Day to show why we are not being heard. Honourable senators, we are wasting too much time on Inquiries. It makes me sick to see this inquiry in the name of the Honourable Senator Hicks. One would think that he was the Columbus of the Maritimes, and that he founded the United Nations. God knows, he could not find his way down the street unless there were mercury lights all over the place.

Look at the next one, in the name of the Honourable Senator Deschatelets, P.C.—“francophonie”. Have we found anything new in the term “francophonie”?

Then let us look at the third one, which fills pages, paragraph after paragraph, in the name of the Honourable Senator Argue. It is meaningless. Why waste time on it?

Honourable senators, I appreciate your courtesy in listening to me, and in extending me the courtesy of going beyond the six o'clock deadline. I have made one request of you. I am now about to make a second. The second one is even more important than the first, although I ask you to join me in both.

Several years ago the publicity people elected a new Prime Minister. Senator Martin will, I am sure, join me in confirming how much money went to buying publicity for

the idea of a new horizon, a new star, a new dawn. The person who bought his way into the new dawn, who convinced thousands and thousands of Canadian voters that there was going to be a new dawn, has not provided that new dawn.

Last year we became aware, through great publicity, that a new comet was coming on the scene. The comet Kohoutek was going to provide new horizons, a bright star in the western sky in the evening. The comet Kohoutek turned out to be similar to the Government of Canada. Honourable senators, neither of them was too bright. There is one exception. The comet had the good common sense to buzz off into outer space, and most of the Canadian people are wishing that the Canadian government would do the same thing.

Everyone has heard the remarks of the Honourable Senator Martin. In fact, a great many honourable members of this chamber have boasted about his influence in the government and in the Liberal Party. May I suggest that you all join me—

The Hon. the Speaker: I am sorry, honourable senator, but you have far exceeded the two minutes for which you had permission to speak. I think I should bring that to your attention.

Hon. Mr. Phillips: Thank you, Madam Speaker. I realize that is one of my faults. After all, it is so easy to be carried away. I will finish in 30 seconds, if I may.

The Hon. the Speaker: I think many honourable senators have appointments they are anxious to keep.

Hon. Mr. Flynn: Adjourn until eight o'clock then. The rules provide that if at six o'clock—

The Hon. the Speaker: I have already called it six o'clock. I think you were out of the chamber at the time.

Hon. Mr. Flynn: If you call it six o'clock, we should adjourn until eight o'clock.

Hon. Mr. Langlois: There was unanimous consent to continue.

The Hon. the Speaker: I know, Senator Flynn, but with unanimous consent we can go on, and unanimous consent was given to continue for two minutes, I think in your absence.

Hon. Mr. Flynn: He was just concluding.

Hon. Mr. Phillips: May I say, honourable senators, I would urge Senator Martin to impress upon the present Cabinet the necessity of joining Kohoutek in outer space and oblivion.

The Hon. the Speaker: It is moved by the Honourable Senator Robichaud, P.C., seconded by the Honourable Senator Perrault, that the following Address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Jules Léger, Chancellor and Principal Companion of the Order of Canada,—

Some Hon. Senators: Dispense.

Hon. Mr. Flynn: No, let us hear it. It is very important.

The Hon. the Speaker: Dispense?

Hon. Mr. Flynn: No.

Hon. Mr. Phillips: Madam Speaker, if it is after six o'clock, we will have to hold it.

The Hon. the Speaker:

—Chancellor and Commander of the Order of Military Merit, Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

We, Her Majesty's most loyal and dutiful subjects, the Senate of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency

for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to, and the Address in reply to the Speech from the Throne adopted.

On motion of Senator Martin, ordered that the Address be engrossed and presented to His Excellency the Governor General by the Honourable the Speaker.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 21, 1974

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

Prayers.

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 for the fiscal year ended March 31, 1973, pursuant to section 34(2) of the Official Languages Act, Chapter 0-2, R.S.C., 1970.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Governor of the Bank of Canada, including statement of accounts certified by the auditors, for the year ended December 31, 1973, pursuant to section 26(3) of the *Bank of Canada Act*, Chapter B-2, R.S.C., 1970.

Copies of an Arrangement regarding International Trade in Textiles, dated December 20, 1973, made under the General Agreement on Tariffs and Trade (GATT).

Copies of a contract between the Government of Canada and the Town of Olds, 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).

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, March 26, at 8 o'clock in the evening.

Honourable senators, before the question is put I should like to give a brief outline of our program of work for next week. First, we will continue with the second reading of Bill S-2, an Act to amend the Animal Contagious Diseases Act and Bill S-3, 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.

In addition it is expected that by Wednesday two supply bills will reach the Senate, one covering supplementary estimates (B) for the fiscal year ending March 31, 1974, and one for interim supply on the main estimates for the fiscal year ending March 31, 1975.

The Standing Senate Committee on National Finance will examine and report upon the aforesaid supplementary estimates (B), and a number of the standing committees will hold organization meetings.

On Tuesday night Senator Aird will move the motion standing in his name to authorize the Standing Senate Committee on Foreign Affairs to examine and report upon Canadian relations with the United States. It is expected that the Minister of External Affairs will appear before this committee on Thursday next.

Senator Lamontagne will proceed with the motion to reconstitute the Senate Special Committee on Science Policy, following the motion I just made on his behalf, to organize and hold a conference for the purpose of determining the feasibility of establishing a Commission on the Future.

Lastly, I am informed that Senators Hicks, Deschatelets and Argue will speak to the inquiries standing in their respective names on the Order Paper.

Hon. Mr. Rowe: Honourable senators, I should like to direct a question to the Leader of the Government, which I realize may be difficult to answer at this time. Can any information be given now, particularly for the benefit of senators living in the distant parts of the country, with regard to the Easter recess? Travel is heavy during Holy Week, with students going home, and so on, and if reservations are not made well in advance one is just out of luck. Could the Senate be given any information in this regard, please?

● (1410)

Hon. Mr. Martin: No time has yet been fixed for the Easter recess. The usual practice is not to sit on Good Friday. Whether we shall sit on Holy Thursday is yet to be determined. It all depends on what comes before us and the progress made.

Hon. Mr. Asselin: Does the leader know if the Prime Minister will call an election before Easter?

Motion agreed to.

[Translation]

QUEBEC PROVINCIAL POLICE

FINANCIAL COMPENSATION FOR MAINTENANCE—QUESTION ANSWERED

Hon. Mr. Martin: Honourable senators, on March 13 last, the Leader of the Opposition asked, in my absence, a question about the decision made by the Solicitor General on the question he was asked by the Quebec Minister of Justice.

The answer will undoubtedly be considered unacceptable by my friend, but here is the reply that the Solicitor General sent me this morning:

To this day, the federal government has not finalized its answer as concerns the request made by the Quebec Minister of Justice as regards financial compensation for the maintenance of Quebec police forces.

I urged the Solicitor General to give me a more complete answer soon, otherwise the Leader of the Opposition will ask me another question on this matter.

[English]

FORT-FALLS BRIDGE AUTHORITY

CONSTRUCTION OF NEW INTERNATIONAL BRIDGE—QUESTION

Hon. Mr. Everett: Honourable senators, I have a question for the Leader of the Government. The Fort-Falls Bridge Authority Act is an act respecting the construction of an international highway bridge between Fort Frances, Ontario, and International Falls, Minnesota, to replace the private toll bridge owned by the International Bridge and Terminal Company.

What action is being taken to build the new bridge as an entry into Canada from the United States to replace the present privately owned toll bridge entry?

I spoke to the Leader of the Government prior to the sitting of the house, and I imagine he will wish to take the question as notice.

Hon. Mr. Martin: Yes, I shall take that question as notice.

ANIMAL CONTAGIOUS DISEASES ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Fred A. McGrand moved the second reading of Bill S-2, to amend the Animal Contagious Diseases Act.

He said: Honourable senators, the purpose of this bill is to provide authority to regulate the care and treatment of animals while in transit for the purpose of reducing the incidence of sickness and disease. In addition, a number of areas in the act are being clarified and strengthened in order to assure the necessary authority for adequate protection of the Canadian livestock population against serious epizootic diseases.

The Animal Contagious Diseases Act was first passed by Parliament in 1869 as an "Act Respecting Contagious Diseases Affecting Animals." Amendments have been made since that time, and the name changed to the Animal Contagious Diseases Act. The present act is the vehicle through which Canada has been able to eradicate and control the major diseases affecting animals. This act is essential for the well-being of the Canadian livestock industry with regard to both domestic production and international trade.

The first purpose of the bill, to provide authority to regulate the care and treatment of animals in transit, is dealt with in sections 31, 32, 33 and 34.

The remaining sections of the bill deal with a number of items already in the existing Animal Contagious Diseases Act but which, in the opinion of the legal authorities of the Department of Justice, need clarification.

These items are for the purpose of:

- (1) Clarifying definitions with respect to animal semen, poultry, other birds, bees, reptiles and hatching eggs.

[Hon. Mr. Martin.]

- (2) Authorizing the Governor in Council to regulate the importation, quarantine, destruction, disinfection or purification of animal products, animal by-products, fodder, fodder packing, and other articles and things likely to introduce infectious and contagious diseases.

- (3) Regulating the exportation of animals for the prevention of disease.

- (4) Establishing areas for the inspection, segregation, and testing of animals for tuberculosis, brucellosis, and any other infectious and contagious diseases.

- (5) Regulating the conduct and operation of zoos and game farms for the prevention of animal diseases.

- (6) Requiring every operator of a dairy, creamery, or cheese factory, to supply samples of milk or cream for inspection for disease testing.

- (7) Prescribing sanitary and health measures for artificial insemination centres to authorize the inspection, testing, and segregation of animals kept at the centre and to prescribe the records to be kept concerning collection, storage, and sale of animal semen.

- (8) Regulating the manufacture, distribution, and importation of veterinary vaccines.

- (9) Regulating the introduction of garbage and also the use of garbage in the feeding of swine and poultry.

- (10) Authorizing an inspector to enter the premises and carry out the provisions of the act, the regulations, and any orders made by the Governor in Council or by the minister.

- (11) Regulating the construction, operation and maintenance of animal deadyards and rendering plants, including the packaging and marketing of products of such yards.

- (12) Regulating meat lockers on ships in Canadian waters to prevent the introduction of foreign animal diseases.

Through the implementation of the provisions of this act, Canada has achieved an animal health status recognized as equal to the best in the world. As a result of this animal health status, livestock and livestock products are acceptable in practically all countries of the world. In 1972, the last year for which total figures are available, veterinary certification with respect to the health of Canadian livestock and livestock products provided for the export of such livestock and livestock products to 117 countries, with a total value of approximately \$800 million.

It is therefore essential to the well-being of the Canadian livestock industry that a strong act providing for eradication and control of animal diseases be maintained.

Further, it should be noted this bill amends the name of the present Animal Contagious Diseases Act to "An Act respecting infectious or contagious diseases affecting animals and the protection of animals." This new name more clearly describes the purpose of the act as amended.

As the amended Animal Contagious Diseases Act now becomes the instrument through which the transportation of livestock is controlled, sections 404 and 405 of the Criminal Code, which presently deal with these responsibilities, are being repealed by this bill.

Finally the Livestock Shipping Act, which presently deals with the shipping of livestock out of Canada by ship, is being repealed inasmuch as these responsibilities will now come under the provisions of the amended Animal Contagious Diseases Act.

On motion of Senator Flynn, debate adjourned.

● (1420)

MOTOR VEHICLE TIRE SAFETY BILL

SECOND READING—DEBATE ADJOURNED

Hon. Joan Neiman moved the second reading of Bill S-3, 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, Bill S-3, of which I have the honour to move second reading this afternoon, is extremely important to everyone who uses Canada's roads and highways. It is a sequel and is complementary to the more general Motor Vehicle Safety Act, which was passed by this chamber just over four years ago.

In 1967 the Department of Transport assumed responsibility for all aspects of road and motor vehicle traffic safety that fell within the jurisdiction of the federal government. Following a study defining the limits of its own jurisdiction, the department instituted a series of collective and individual consultations with the ten provincial departments responsible for motor vehicle administration and highway safety in order to determine the means whereby the federal government could make the greatest and most effective contribution to their common goal.

In January 1969, the Minister of Transport met with his provincial counterparts in Quebec City, and there the ten provincial ministers endorsed the proposal that the federal government assume an expanded role in setting and maintaining uniform standards, not only with respect to highway safety generally but specifically for the manufacture and importation of motor vehicles and their components. It was also agreed that the federal government should conduct and coordinate traffic safety research and promote international cooperation in all these areas. These proposals were confirmed by the ministers at a subsequent meeting in Fredericton. The Motor Vehicle Safety Act, which honourable senators considered and approved some years ago, was the result of that federal-provincial agreement.

The essence of the Motor Vehicle Safety Act, passed in March 1970 and proclaimed on January 1, 1971, is that it provides the federal government with the authority to write and enforce safety standards for new motor vehicles manufactured in, or imported into, Canada after January 1, 1971. Because in previous discussions the provinces had agreed to continue being responsible for maintaining and enforcing the safety standards of vehicles on the road, as well as of replacement and additional parts for those vehicles, the Motor Vehicle Safety Act is limited in its application.

It does not provide jurisdiction over what are known as after-market tires—that is, tires other than those fitted to a new vehicle as original equipment. We would all agree

that tires are one of the components which, on the one hand, are vital to the safe operation of motor vehicles, and, on the other hand, are susceptible to latent defects, which manufacturers or distributors might be liable to overlook and consumers not to recognize. Since it is almost inevitable that the tires will need to be replaced on every motor vehicle during its lifetime of use, it is important that the safety standards of the replacement tires be equal to those of the originals.

So, as we see, since the passage of the Motor Vehicle Safety Act, the safety standards of tires fitted to new vehicles have been regulated by the federal government, but those of replacement tires remained under the jurisdiction of the provincial governments. Unfortunately, the provincial governments soon realized that they face an almost impossible administrative task. Apart from their other qualities of mobility, tires are also an extremely mobile market commodity. In addition to the numbers which are imported, the fact that domestic production is confined to about six manufacturing plants in Canada made it inevitable that the provinces would face jurisdictional problems in attempting to deal with shipments which crossed international or interprovincial boundaries. From a practical standpoint as well, none of the provinces have acquired the necessary facilities for testing tires. The result has been that this large area of the after-market has not been regulated by proper safety standards, and that Canada has been vulnerable to the dumping of unsafe tires on its consumers.

The provincial governments have been as concerned as the federal government about the critical role played by tires in providing for the safe operation of a motor vehicle, and they have requested the federal government to assume responsibility for the regulation of after-market tires in the same way it has for new tires. The government was happy to accede to that request because it recognized the need for minimum safety standards for all tires to enable consumers to buy replacement tires anywhere in Canada with the same assurance that they have when purchasing new vehicles.

Since the Motor Vehicle Safety Act came into force, the federal government has gathered evidence showing that significant reductions in motor vehicle accidents, injuries and deaths can be effected through the provision of safety standards for motor vehicle tires at the point of manufacture. Between April 1972 and September 1973, eighty lines of original equipment tires were tested and found to be in compliance with existing federal standards for new passenger car tires.

Although replacement tires have not been regulated under the present act, an extension program of testing after-market tires was undertaken by the ministry during this same period on behalf of the provincial departments responsible for motor vehicle administration. In that survey it was found that up to March 1973, twenty-two of 353 replacement tires tested did not meet the federal standards for tires on new cars. The tests indicate that replacement tires generally have been inferior to new car original equipment tires.

Honourable senators, the Minister of Transport, Mr. Marchand, undertook that his ministry officials would work with their provincial counterparts to remedy the

situation. It is, therefore, in response to requests from the provinces, and in the interests of traffic safety in Canada, that the present bill is offered for your consideration.

Before going into some of the details of Bill S-3, I should like to say that while ministry officials were drafting the Motor Vehicle Safety Act and its accompanying regulations, it was careful to ensure that the safety standards set were at least equal to, and in conformity with, the standards already set for similar motor vehicles in the United States. It will be appreciated that there is a substantial export and import exchange of motor vehicles across the international border, and because of this it is essential that our standards be uniform and mutually recognized. In drafting Bill S-3, which is almost identical in wording to its parent act, the same considerations have obtained and will be continued when the necessary regulations are drawn.

● (1430)

Bill S-3 uses the same definitions for "motor vehicle," "manufacturer," "distributor" and "importer" as are found in the Motor Vehicle Safety Act. It also defines a tire as being "any tire, made of rubber, chemicals and fabric and steel or other materials, that is designed to contain a gas or liquid".

Furthermore, the bill is directed toward the same classes of persons and companies as its parent act.

This bill would give the Government of Canada authority to prescribe safety standards to regulate the design, construction, safety performance and labelling of motor vehicle tires for the purposes of protecting persons against personal injury, impairment of health or death. The standards which must be observed in order to meet this objective are not set out in the bill. They are now in the course of preparation by the Ministry of Transport and can be introduced quite quickly and easily as the initial regulations under this legislation.

All classes of motor vehicles will, or can eventually, be covered by appropriate regulations setting out minimum levels of safety and labelling requirements. For practical reasons, the initial standards will be identical to those currently being enforced for new motor vehicles under the Motor Vehicle Safety Act.

The act establishes a national tire safety mark as a trade mark which will be the exclusive property of Canada. Under the act, regulations will be made respecting the use of the national tire safety mark on prescribed classes of tires, such as specific types and sizes of passenger car tires, motorcycle tires and heavy duty highway vehicle tires. The use of the mark will imply compliance by the tire manufacturer with the prescribed safety standards. The form of the mark as well as its location on the tire will be prescribed, together with the need for marking the date of manufacture on the tire. Misuse of the national tire safety mark will be an offence.

I have considerable detail here, honourable senators, on the provisions of the bill, but, since I am prepared to move that the bill be referred to committee if it receives second reading, perhaps you would prefer me to omit some of it. I can assure you that the provisions as a whole are quite similar to the provisions you studied when dealing with the Motor Vehicle Safety Act.

[Hon. Mrs. Neiman.]

The act not only provides that the government will have powers of maintaining and enforcing standards, but also provides penalties for non-compliance with its various regulations and provisions—as does its parent act. I am sure that the principles and objectives underlying Bill S-3 will find the ready support of all honourable senators.

I have with me a copy of the proceedings of the Standing Senate Committee on Transport and Communications to which the Motor Vehicle Safety bill was referred. It shows that the committee considered that bill and some of its regulations in considerable detail.

Hon. Mr. Martin: When was that?

Hon. Mrs. Neiman: The act was passed in 1970 and proclaimed in 1971. The regulations made under that act are far more numerous and complex than those that will be made under this bill, since they cover a multitude of components affecting the whole range of motor vehicle safety. In this bill, of course, we are just dealing with tires.

The committee subsequently reported the Motor Vehicle Safety bill without amendment.

Although there are a few quibbling questions in my mind regarding Bill S-3, the only serious reservation I have and one that does not detract from its merit is that it may not have wide enough application to achieve optimum safety standards for buyers of tires. I have discussed my reservations with officials of the Ministry of Transport, and can well appreciate that they, too, may have some jurisdictional problems which have yet to be resolved.

Since other honourable senators will probably welcome the opportunity of reviewing its provisions with those officials, and perhaps their legal advisers, it is my intention to move that Bill S-3 be referred to the Standing Senate Committee on Transport and Communications if it receives second reading.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I think we are indebted to Senator Neiman for the clear exposition she has given of this piece of legislation. However, I am afraid I did not quite follow her at the beginning, and perhaps I am a little off track when I ask this question.

As I understand it, the bill applies only to new tires. Perhaps this is a matter for the committee, if Senator Neiman does not have the information, but she has used the expressions "after-market tires," and "replacement tires." I ask whether those terms are synonymous with "second-hand tires" and "recaps", and whether the standards that are to be applied to new tires can in any way affect the use of after-market replacement or second-hand tires.

Hon. Mrs. Neiman: I have discussed this very point with officials of the ministry, senator. The measure applies specifically to new tires, and the importation of new tires which are sold in what is known as the after-market—that is, as replacement tires—and only in that context. It does not apply to retreads, which I think embrace a wide variety of tires, and it does not apply to what might be called second-hand tires. This is something that I, too, would like to discuss in some detail with the officials, because I think, from the information they have given me, that this is another area where they are having

some problems in not only framing the regulations, but framing them in such a way that they are enforceable. There again, there probably will be jurisdictional problems, because at the moment the business of retreading and recapping tires is strictly a provincial matter. I think what the ministry is doing, in effect, is taking one step at a time to broaden its jurisdiction, and, hopefully, it will achieve that eventually.

Hon. Mr. Choquette: Honourable senators, some persons will certainly have to be appointed to administer the two bills that have been introduced this afternoon, but I would ask whether I am correctly informed when I am told that there are ten new positions to be created, at \$20,000 per year, to enforce this legislation. That is the usual thing when important legislation like this is presented. Am I right?

Hon. Mr. Martin: That is an interesting question that we might want to pursue further with the minister in committee. Senator Choquette is usually right, but this may be one instance when he is not.

Hon. Mr. Langlois: The exception confirms the rule.

Hon. Mr. Haig: Honourable senators, I move the adjournment of the debate.

While I am on my feet, and before the question is put, I would indicate to the house that the Standing Senate Committee on Transport and Communications will hold an organizational meeting next Wednesday morning at 10 o'clock, in a room to be made available to us. All members of the committee will receive a notice in due course.

On motion of Senator Haig, debate adjourned.

The Senate adjourned until Tuesday, March 26, at 8 p.m.

THE SENATE

Tuesday, March 26, 1974

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

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Convention concerning the Freedom of Association and Protection of the Right to Organize. Geneva, July 9, 1948. In force for Canada March 23, 1973.

Copies of Convention concerning the Equal Remuneration for Men and Women Workers for work of equal value. Geneva, June 29, 1951. In force for Canada November 16, 1973.

Copies of Protocol extending the Arrangement regarding International Trade in Cotton Textiles of February 9, 1962. Geneva, May 1, 1967. In force for Canada October 1, 1967.

Copies of Protocol to the International Convention for the Northwest Atlantic Fisheries relating to Panel Membership and the Regulatory Measures. Washington, October 1, 1969. In force for Canada December 15, 1971.

Copies of Arrangement concerning certain Dairy Products (Skim Milk Powder). Geneva, January 12, 1970. In force for Canada May 14, 1970.

Copies of Protocol extending the Arrangement regarding International Trade in Cotton Textiles from October 1, 1970 to September 30, 1973. Geneva, June 15, 1970. In force for Canada October 8, 1970.

Copies of Notes exchanged between the Government of Canada and the Secretary General of the United Nations constituting an Agreement concerning the Continuity of Pension Rights between the Government of Canada and the United Nations Joint Staff Pension Fund. New York, July 16 and December 14, 1970. In force December 14, 1970 with effect from December 11, 1970.

Copies of Agreement between the Government of Canada and the Government of the Union of Soviet Socialist Republics on Co-operation in Fisheries off the coast of Canada in the Northeastern Pacific Ocean. Moscow, January 22, 1971. In force February 19, 1971.

Copies of Agreement between the Government of Canada and the Government of the Union of Soviet Socialist Republics on Provisional Rules of Navigation and Fisheries safety in the Northeastern Pacific Ocean off the Coast of Canada. Moscow, January 22, 1971. In force April 15, 1971.

Copies of Protocol relating to an Amendment to Article 50(a) of the Convention of International Civil

Aviation. New York, March 12, 1971. In force for Canada January 16, 1973.

Copies of Agreement to amend Article 56 of the Agreement of August 3, 1959 to supplement the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces with respect to Foreign Forces Stationed in the Federal Republic of Germany. Bonn, October 21, 1971. In force for Canada January 18, 1974.

Copies of Agreement between the Government of Canada and the Imperial Government of Iran for Co-operation in the Peaceful Uses of Atomic Energy. Ottawa, January 7, 1972. In force April 10, 1973.

Copies of Protocol to further extend certain Provisions of the Trade Agreement between the Government of Canada and the Government of the Union of Soviet Socialist Republics signed at Ottawa on February 29, 1956. Moscow, April 7, 1972. In force provisionally April 7, 1972. In force definitively January 15, 1974.

Copies of Notes exchanged between the Government of Canada and the Government of Guatemala to provide for the exchange of Third Party Communications between Amateur Radio Stations of Canada and Guatemala. Guatemala City, November 8, 1972. In force December 8, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of the Union of Soviet Socialist Republics, modifying the Air Agreement between the two countries of July 11, 1966, as amended in 1967. Moscow, January 19 and February 1, 1973. In force February 1, 1973.

Copies of Trade Agreement between the Government of Canada and the Government of the People's Republic of Bulgaria. Sofia, February 12, 1973. In force provisionally February 12, 1973, with effect from October 8, 1969. In force definitively January 7, 1974.

Copies of Notes exchanged between the Government of Canada and the Government of the Union of Soviet Socialist Republics, amending and extending the Agreement on Fisheries Co-operation between the two countries signed January 22, 1971. Ottawa, February 15, 1973. In force February 19, 1973.

Copies of Notes exchanged between the Government of Canada and the Government of Indonesia constituting an Agreement relating to Canadian Investments in Indonesia insured by the Government of Canada through its agent, the Export Development Corporation. Djakarta, March 16, 1973. In force October 24, 1973.

Copies of Commonwealth Telecommunications Organization Financial Agreement 1973. London, March 30, 1973. In force for Canada April 1, 1973.

Copies of Agreement terminating the Commonwealth Telecommunications Organization Financial Agreement signed at London, January 27, 1969. London, March 30, 1973. In force for Canada April 1, 1973.

Copies of Protocol relating to Milk Fat (Butter Oil). Geneva, April 2, 1973. In force for Canada December 7, 1973.

Copies of Agreement between the Government of Canada and the Government of the Czechoslovak Socialist Republic relating to the Settlement of Financial Matters. Ottawa, April 18, 1973. In force June 22, 1973.

Copies of Notes exchanged between the Government of Canada and the Government of the United States of America constituting an Agreement to extend the Agreement of May 12, 1958, as extended on March 30, 1968, relating to the Organization and Operation of NORAD. Washington, May 10, 1973. In force May 10, 1973.

Copies of Notes exchanged between the Government of Canada and the Government of the People's Republic of China, settling and terminating the loans contracted by the Chinese Ming Sung Industrial Company Ltd. from the Canadian Banks on October 30, 1946. Peking, June 4, 1973. In force June 4, 1973.

Copies of Notes exchanged between the Government of Canada and the Government of the United States of America, constituting an Agreement to facilitate joint co-operation in a research project entitled "The International Field Year for the Great Lakes". Ottawa, May 24 and June 7, 1973. In force June 7, 1973 with effect from April 1, 1972.

Copies of Civil Air Transport Agreement between the Government of Canada and the Government of the People's Republic of China. Ottawa, June 11, 1973. In force June 11, 1973.

Copies of Notes exchanged between the Government of Canada and the Government of the Republic of Iceland constituting a Reciprocal Amateur Radio Operating Agreement. Ottawa, May 22 and June 13, 1973. In force June 13, 1973.

Copies of Agreement between the Government of Canada and the Government of the United States of America on Reciprocal Fishing Privileges in certain areas off their coasts. Ottawa, June 15, 1973. In force June 16, 1973.

Copies of Notes exchanged between the Government of Canada and the Government of the Federal Republic of Germany constituting an Agreement concerning the continued use of the Churchill Research Range. Ottawa, June 7 and 29, 1973. In force July 1, 1973.

Copies of Notes exchanged between the Government of Canada and the Government of the United States of America constituting an Agreement concerning the continued use of the Churchill Research Range. Ottawa, June 29, 1973. In force July 1, 1973.

Copies of Notes exchanged between the Government of Canada and the Government of the United

States of America governing the use of facilities at the Goose Bay Airport by the United States of America. Ottawa, June 29, 1973. In force July 1, 1973.

Copies of General Technical Co-operation Agreement between the Government of Canada and the Government of the Republic of Haiti. Port-au-Prince, July 12, 1973. In force July 12, 1973.

Copies of Notes exchanged between the Government of Canada and the Government of the People's Republic of China constituting an Agreement concerning Reciprocal Registration of Trade Marks. Peking, July 16, 1973. In force July 16, 1973.

Copies of Letters exchanged between the Government of Canada and the Government of New Zealand constituting an Agreement on Rates and Margins of Preference. Ottawa and Wellington, July 26, 1973. In force July 26, 1973 with effect from February 1, 1973.

Copies of Notes exchanged between the Government of Canada and the Government of the United States of America constituting an Agreement concerning the administration of Income Tax in Canada affecting Employees within Canada of the United States of America subject to such Taxation. Ottawa, August 1 and September 17, 1973. In force September 17, 1973.

Copies of Trade Agreement between the Government of Canada and the Government of the People's Republic of China. Peking, October 13, 1973. In force October 13, 1973.

Copies of Letters exchanged between the Government of Canada and the Government of Australia constituting an Agreement modifying the Trade Agreement of February 12, 1960. Ottawa and Canberra, October 24 and 25, 1973. In force October 25, 1973.

Copies of Long Term Grain Agreement between the Government of Canada and the Government of the Polish People's Republic. Ottawa, December 12, 1973. In force December 12, 1973.

Copies of a document setting forth guidelines concerning Real Estate Businesses, issued by the Minister of Industry, Trade and Commerce pursuant to section 4(2) of the *Foreign Investment Review Act*, Chapter 46, Statutes of Canada 1973-74.

Report of the Tax Review Board for the year ended December 31, 1973, pursuant to section 17 of the *Tax Review Board Act*, Chapter 11, Statutes of Canada, 1970-71-72.

Report of the Central Mortgage and Housing Corporation, together with a statement of accounts certified by the Auditors, for the year ended December 31, 1973, pursuant to section 33(3) of the *Central Mortgage and Housing Corporation Act*, Chapter C-16, and sections 75(3) and 77(3) of the *Financial Administration Act*, Chapter F-10, R.S.C., 1970.

Report of the Superintendent of Insurance for Canada, Volume III, Annual Statements of Life Insurance Companies and Fraternal Benefit Societies, for the year ended December 31, 1972, pursuant to section 8 of the *Department of Insurance Act*, Chapter I-17, R.S.C., 1970.

Report of operations under the *Government Annuities Act* for the fiscal year ended March 31, 1973, pursuant to section 16 of the said Act, Chapter G-6, R.S.C., 1970.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—FIRST READING

Hon. Donald Cameron presented Bill S-4, a bill to amend the Criminal Code, control of weapons and firearms.

Bill read first time.

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

EUROPEAN COMMUNITIES STUDY—REPORT OF COMMITTEE EXPENSES TABLED

Hon. John B. Aird, Chairman of the Standing Senate Committee on Foreign Affairs, pursuant to rule 84, tabled the report of the special expenses incurred by the committee in the Fourth Session of the Twenty-eighth Parliament and in the First Session of the Twenty-ninth Parliament in connection with its examination respecting Canadian relations with the expanded European Communities.

NATIONAL FINANCE

REPORT OF COMMITTEE EXPENSES TABLED

Hon. Douglas D. Everett, Chairman of the Standing Senate Committee on National Finance, pursuant to rule 84, tabled the report of the special expenses incurred by the committee in the First Session of the Twenty-ninth Parliament in connection with its examination and consideration of legislation and other matters referred to it.

THE SENATE

PRECINCTS AND CLERESTORY OF CHAMBER—NOTICE OF INQUIRY

Hon. John J. Connolly: Honourable senators, I give notice that on Thursday next, March 28, 1974, I will call the attention of the Senate to certain elements within the precincts of the Senate Chamber and in particular to its clerestory.

Hon. Senators: Explain.

Hon. Mr. Connolly: Not to be too technical about the matter, I understand that the word "clerestory" applies to basilica-like structures and includes the upper windows, which provide light. Such a word would apply to this chamber. I shall draw the attention of the Senate particularly to a project that refers to the clerestory, or the windows, of this chamber.

[Hon. Mr. Martin.]

RIGHT HONOURABLE ARTHUR MEIGHEN

PORTRAIT—QUESTION

Hon. Mr. Forsey: Honourable senators, I wonder if I might ask the Leader of the Government if he can give us any information about the prolonged absence from the corridor outside the other place of the portrait of a former leader of this house, the Right Honourable Arthur Meighen. I understand that some months ago, when an eccentric character burst like a bomb into the Chamber of the House of Commons, he damaged this portrait and I understood at the time that it was being removed for repairs, or something of that sort.

To the best of my belief, it has now been absent from its place on the wall for a very long time and I wonder if the Leader of the Government will inquire into the matter and give us any information?

Hon. Mr. Martin: I shall be very glad to do so.

ANIMAL CONTAGIOUS DISEASES ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, March 21, the adjourned debate on the motion of Senator McGrand for second reading of Bill S-2, to amend the Animal Contagious Diseases Act.

[Translation]

Hon. Jacques Flynn: Honourable senators, one of the disadvantages of having so few senators in the Opposition will be your misfortune in having to listen to me on a matter about which I know nothing. It reminds me of the time when Senator Martin was the agricultural expert of the Liberal Party in the House of Commons. However, it will be up to the Prime Minister to try to and straighten this situation.

I merely wish to explain in very broad terms—and I will be careful not to pose as an expert as Senator Martin used to do on farming—the bill now under consideration and which deals, as you have understood, with contagious or infectious diseases affecting animals and the protection of animals.

Obviously, this has nothing to do with man; we would have done it otherwise, because the worst animal is man.

Hon. Mr. Langlois: He is sick.

Hon. Mr. Flynn: He is more liable to catch contagious diseases.

[English]

● (2010)

Honourable senators, I am pleased to see the government using this chamber to introduce some of its legislation. My hope is that it will make greater use of it for that purpose in this session than it did in the last. We reached the lowest point in years in terms of legislation introduced in this chamber during the last session. Of course, we have to understand that we are in a minority government situation, and this minority government does not take risks of any kind.

The first Senate bill of the last session afforded us a rather unhappy experience. It was considered beyond our competence by the Speaker of the other place. Therefore,

it did not go through the other place and did not receive royal assent.

Senator McGrand last week gave us a thorough explanation of the bill presently before us, and I thank him for that. The purpose of the bill, as honourable senators are aware, is to provide authority to regulate the care and treatment of animals while in transport for the purpose of reducing the incidence of sickness and disease. The bill further seeks to clarify and strengthen certain areas of the Animal Contagious Diseases Act in order to assure the necessary authority for the adequate protection of the Canadian livestock population against serious epizootic diseases.

Bill S-2, if passed, will give the Department of Agriculture additional authority to ensure that infectious diseases of the type which affect animals are detected early and prevented from spreading. For example, it provides wider powers of regulation concerning the importation, quarantine, destruction, disinfection or purification of animal products, by-products, fodder, fodder packing and anything else that might serve to spread infectious and contagious diseases.

Also, regulations may be made under this bill to ensure that we do not export disease-bearing animals, animal products, by-products or anything else used in respect of animals which may have been infected. The logic behind this is obvious. We do not want to export disease for the simple reason that we would not want any other country to export it to us. In other words, we are imposing stringent regulations on ourselves in the hope that the various countries which export animals and animal products or by-products to us will do likewise.

The bill provides for the establishment of areas for the inspection, segregation and testing of animals for diseases like tuberculosis and brucellosis. That, I can tell you, is an excellent idea. Brucellosis is a disease which human beings can contract. I know from experience. During a trip to Europe some time ago I contracted the disease, from either the milk I drank or the cheese I ate—it was probably the cheese, because I rarely drink milk! This disease does not kill you but it makes you very sick, and for quite a while.

The bill also authorizes the regulation of the conduct and operation of zoos and game farms to prevent animal diseases. My hope is that these regulations will lead to better protection for the animals from some of the mindless people who visit these places. Also, there is little doubt that there are, in Canada, a large number of private and small public zoos where the accommodation is inadequate, and where the staff charged with the responsibility of caring for the animals are either untrained or, at the very best, ill-trained. Many of them are people who have acquired a working knowledge only at the expense of the animals in their care. I hope the new regulations will alter this situation and render such abuse impossible.

The producers of dairy products will be forced to supply samples of milk and cream to protect human beings from consuming tainted food.

Contagious disease in animals will have to be reported as soon as detected, under pain of penalty for non-compliance. The penalty will be non-compensation when the

disease is finally detected, and the animal or animals destroyed.

All these measures to be instituted to detect and protect against animal contagious diseases are, ultimately, for the benefit of the human population, and we can scarcely be opposed to them.

I am puzzled, however, as to why those responsible for drafting these amendments to the act seem not to have consulted any of the recognized authorities in the field of veterinary medicine with regard to them. My office was in touch with Dean Howell of the College of Veterinary Medicine of the University of Guelph, which is the leading institution of its kind in Canada. We were in touch with Dr. Walcroft, head of that section of Connaught Laboratories dealing with infectious diseases in animals, and also with Dr. McDermott, head of the section of the Ontario Department of Agriculture dealing with veterinary medicine. None of these men knew anything about the bill; none had been in any way consulted.

The provisions in the bill allowing for regulations pertaining to the humane treatment of animals being transported into, out of, or within Canada are welcome indeed. Just recently, the Animal Welfare Foundation of Canada drew our attention to the fact that "exotic" animals are subjected to differing degrees of strain, stress, neglect or outright cruelty while in transit from point of origin to Canada.

[Translation]

Honourable senators, we support in principle this legislation the purpose of which is very commendable. As you have noted, it aims at protecting animals from contagious diseases and, hence, at protecting humans.

Nevertheless, it would be better if some experts would tell us if this legislation is really what is needed and if it does not create more problems than it solves.

Moreover, the quite extensive regulatory powers provided in this bill seem, in my opinion, to open the door to abuse on the part of civil servants.

Because of these two points, that is, the advisability of seeking the advice of experts and the question as to whether this bill may conflict with the basic rights of individuals, I would suggest that it be referred to the Senate Committee on Agriculture where we can satisfy ourselves that this bill really provides the best method to achieve its purpose.

[English]

● (2020)

Hon. Hazen Argue: Honourable senators, I shall be very brief, and I would like the privilege of adjourning the debate so that I may have a little time in which to consider any further remarks. It seems to me that this is a year in which this kind of measure particularly should be considered. There have been many instances of animals being killed in transit in this country in recent weeks and months. These are difficult times on the Prairies today, and many animals have died in peculiar circumstances.

For that reason, among others, I would like this bill referred to the Agriculture Committee, as I believe it will be. In committee there will be opportunity for further and more detailed examination of what the bill proposes. The committee could consider whether the provinces are doing

all they can in this particular field so that the public gets the maximum protection, that the health of animals is secured and maintained and that agriculture generally benefits from the provisions of this legislation.

At this point, honourable senators, I move the adjournment of the debate.

On motion of Senator Argue, debate adjourned.

MOTOR VEHICLE TIRE SAFETY BILL

SECOND READING

The Senate resumed from Thursday, March 21, the adjourned debate on the motion of Senator Neiman for the second reading of Bill S-3, 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, this is the first chance I have had to speak in this chamber since my illness of a year ago. Before I proceed, I wish to thank all the senators and the staff for their good wishes during my illness. As you probably know, I had a stroke on April 13, 1973. With therapy and trying to behave myself, I hope I am regaining my former good health.

I congratulate Senator Robichaud, the mover of the motion for an Address in reply to the Speech from the Throne, and Senator Perrault, the seconder of that motion. I have heard many speeches here in the past, and I can say that both senators made great contributions in the speeches they made.

I express also my best wishes and congratulations to you, Madam Speaker, for the kind, fair and courteous way in which you carry out your duties as presiding officer of this chamber, and the other duties connected with your office. We are proud to have Your Honour as our presiding officer.

Hon. Senators: Hear, hear.

Hon. Mr. Haig: Honourable senators, Bill S-3 was introduced on Thursday last by Senator Neiman, who explained it in an exceptional way. In essence, it is an attempt by the federal authorities, with the approval and consent of the provinces, to regulate the safety and the manufacture of tires, as defined in clause 2(1).

Clause 3 establishes a national trademark, which will belong to Her Majesty in right of Canada.

Needless to say, safety is part and parcel of the Motor Vehicle Safety Act, and in that respect tires for vehicles—whether they be for trucks, automobiles, motorcycles or anything else—must be produced in such manner that they will meet the standards required to provide that safety. I am not entirely certain that this bill will have that desired effect.

As you look through this bill you see various terms defined, such as distributor, importer, inspector, tire, and so on. You see various headings like "National Tire Safety Mark," "Manufacturers and Distributors" and "Importation of Motor Vehicle Tires." But when you analyze the bill you will see that its main principle or main thrust is actually contained in its regulations.

[Hon. Mr. Argue.]

This is not the first time we have had occasion to examine a bill which, in essence, is entirely dependent on its regulations. On the contrary, we have seen in the recent past that regulations form a most important part of much of the legislation being brought forward. With that in mind, it is my opinion that the bill should go to committee and that the regulations should there receive our particular attention.

Under Part II of the bill, which deals with administration, clause 11 outlines the powers of inspectors with respect to search, seizure and forfeiture. Clauses 16 and 17 then set out the offences and the punishments therefor. The clauses to which I have referred deal only with new tires, and that is a most important point. Last Thursday Senator Connolly (Ottawa West) asked Senator Neiman if the expressions "after-market tires" and "replacement tires" were synonymous with "second-hand tires" and "recaps." He wanted to know whether the standards that are to be applied to new tires could in any way "affect the use of after-market replacement or second-hand tires." In reply, Senator Neiman suggested waiting until the bill went to committee at which time any question could be dealt with.

Well, we have had that story before, and quite often, unfortunately, questions are not dealt with in committee because officials simply do not have the answer. I am suggesting that in future when a bill of this type—in other words, one which is so dependent upon regulations for its enforcement—comes before us, the departmental officials should be ready, willing and able to explain the regulations and answer any questions.

Anyone interested in a bill should, through the proper channels, be able to ask questions about it, and judging from my correspondence it is my impression that there are many people interested in this subject. But if questions are raised, will the officials be able to answer them?

Do the regulations regarding the safety of tires apply to second-hand tires, to retreads, to snow tires, and so on? How are these regulations going to be published? Is publication going to be made only through the distribution of the *Canada Gazette*, which a mere couple of hundred lawyers read—or their students read for them?

Leaving aside the question of replacement tires, or second-hand tires, just where is the notice going to be given to the manufacturers and distributors about the new tires? Because that is the key to success for this kind of bill.

Honourable senators, for the various reasons I have stated, I hope that when this bill receives second reading it is sent to the appropriate committee and that at that point the proper officials are brought forward to answer questions. I hope that they will be prepared to answer them quickly and not keep us waiting for two or three years as has been the case in the past.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Neiman, bill referred to the Standing Senate Committee on Transport and Communications.

● (2030)

UNITED NATIONS

TWENTY-EIGHTH MEETING OF GENERAL ASSEMBLY—DEBATE
ADJOURNED

Hon. Henry D. Hicks rose pursuant to notice:

That he will call the attention of the Senate to the Twenty-eighth Meeting of the General Assembly of the United Nations, and in particular to the discussions and proceedings of the Assembly and the participation therein by the Canadian delegation.

He said: Honourable senators, some of you will know that I was included as one of the delegates who represented Canada at the Twenty-eighth General Assembly of the United Nations held in New York from mid-September of last year until the week before Christmas. It is perhaps not inappropriate, therefore, that I give some of my impressions of that session of the General Assembly, and of the part which the delegation from Canada played.

Let me at the outset say that I have no illusions that I have become an expert on the United Nations merely by being included among the Canadian delegation for one session of the General Assembly, though I recall that many years ago, when I was the Premier of Nova Scotia, I spent two or three days as an observer with the Canadian delegation to the United Nations. At that time I believe the present Leader of the Government in this house was Minister of External Affairs and the leader of the Canadian delegation to the United Nations.

Hon. Mr. Flynn: The good old days.

Hon. Mr. Hicks: In any event, the Twenty-eighth session of the General Assembly was an interesting one, by any standards, and for reasons perhaps none of us could have predicted when we went to New York in mid-September.

First, however, I should say that the United Nations in 1973 achieved a total membership of 135 nations, and is now approaching more and more nearly its goal of universality; that is to say, of representing virtually all sections and all political positions of the globe which we inhabit.

Last year we accepted into the membership of the United Nations the two Germanys—West Germany and East Germany. Though they had been observers, they had not been represented at the United Nations before. We also accepted the new independent island of Barbados, from the Caribbean, and these three brought the General Assembly up to 135.

The general debate was of interest to me, and with some exceptions was of a high order. The speech made by Willy Brandt, the Chancellor of West Germany, was regarded by many as a highlight because of the view that he took of world relations and European relations in particular, and for the lucid way in which he explained the position of West Germany in the new Europe and in the comity of nations. He spoke extremely well and extremely forcefully.

The main point, however, which I think impressed everyone in the general debate of the United Nations was the attitude of détente between the United States of America and the Union of Soviet Socialist Republics. The speakers on behalf of both these great nations, as well as

the speakers on behalf of the so-called satellites of the U.S.S.R. and the friends of the U.S.A., adopted more temperate attitudes than they had heretofore. There seemed to be, during the first fortnight of this session of the United Nations, an atmosphere which made possible a better understanding among the great powers of the world, and which, hence, gave more opportunity for the lesser powers to play a constructive part in the securing of world peace.

As opposed to this I think one would have to say that the rudeness and violence of the confrontation between the U.S.S.R. and the People's Republic of China was quite surprising, and it struck a jarring note. I am told by many old U.N. hands, who have attended more sessions of the General Assembly than I, that at no time at the height of the cold war were the exchanges between the U.S.A. and the U.S.S.R. as sharp and as vitriolic as those exchanged in the General Assembly and in the committees of the United Nations between the People's Republic of China and the U.S.S.R. So much for the general debate, and the beginning of the sessions of the General Assembly.

These all seemed to assume a role of secondary importance when on Yom Kippur the war broke out between Egypt and Syria, on the one hand, and Israel, on the other. The U.N., of course, and all its activities, were dominated—indeed, I might say that all activities were overshadowed—by what everyone recognized as the importance of bringing about a speedy resolution of this violent conflict. It seemed to me that the United Nations showed itself at its best, despite unprovable and unproven allegations during this debate that Israel was the aggressor. For many weeks after U.N. observers had clearly shown the aggression on the part of Egypt and Syria by which this war was started, and when it seemed quite ridiculous to maintain the allegations, spokesmen for the Arab nations continued to refer to Israel as having been the originator and the perpetrator of this aggression on the holy day of Yom Kippur.

To me this was wholly unrealistic, because I would have thought that the Arab nations would have gained much more sympathy if they had said flatly, "Of course we attacked Israel in an attempt to regain the lands which Israel took from us in the Six-Day War in 1967." But, no, they maintained this unbelievable fiction that the Israelis had started the war again. In retrospect, I do not suppose this is very important.

In any event, the Security Council went into action. Since Canada is not a member of the Security Council at the present time we were not directly involved in its work, but we were directly involved in the provision of a United Nations Emergency Force. It fell to Canada, after a considerable amount of negotiation, not always with the agreement of all the great powers concerned, to provide the logistics component—that is, transportation, communications and other sophisticated services—of the United Nations Emergency Force, which had to go in and separate the antagonists in this war and attempt to maintain a peaceful relationship, or at least some kind of a non-violent relationship, while the peace talks could be organized and proceeded with.

Here I may say we saw again the ploy of trying to balance off Canada as a Western nation with an equivalent component of the emergency force from the countries

behind the Iron Curtain, Poland being the country put forward by the U.S.S.R. and her allies. Canada, quite properly in my view, maintained that while we were not unwilling to work with Poland or any other country, we did not regard ourselves as representing the Western powers or, indeed, any group of nations, in performing our role in a United Nations Emergency Force; that we supplied men who adopted the colours and the badge of the United Nations; and that we provided soldiers and provided logistic support for a United Nations Emergency Force, not a force which was nicely composed to balance the East against the West, or any other alignment of the nations of the world.

In any event, the Twenty-eighth Meeting of the General Assembly did not prorogue before Christmas 1973, but adjourned because of the likelihood of its having to be recalled if developments in the Middle East, and the very unsettled peace—if peace it can be called—should require the attention of the General Assembly again.

● (2040)

As I say, it seemed to me that Canada played a useful role in adopting an attitude of willingness to be of service—to be of service not in the interests of the Western powers, not as a friend of Israel, and not as a friend or enemy of the Arab states, but as a component of a United Nations force to represent the world authority of the United Nations in endeavouring to maintain a stable peace, and to perpetuate a truce until the peace talks succeeded in making better and more lasting arrangements.

I turn from this, feeling reasonably satisfied that Canada offered to play, and has been playing, a useful role in circumstances which at no time have been easy, and at some times have been extremely difficult, to say it seems to me that perhaps the most important thing that was arranged at the Twenty-eighth Meeting of the General Assembly of the United Nations was the Third United Nations Conference on the Law of the Sea which, in my opinion, is very important for Canada. This conference will be held in 1974, and will attempt to establish a new legal regime which, among other matters, may affect:

- Canada's sovereign rights over the resources of its continental margin, that is, the submerged land mass bordering its coastline;
- Canada's right to manage and receive a preferential share of the living resources found over its entire continental shelf;
- the right of coastal states to take measures to protect their marine environment as Canada did in adopting the Arctic Waters Pollution Prevention Act;
- the right of coastal states to control scientific research within their zones of maritime jurisdiction;
- the disposition of the riches of the seabed beyond the jurisdiction of states so that they can be of benefit to the whole of mankind.

These are but a few of the questions which will be at issue during the Third United Nations Law of the Sea Conference in 1974. Because its decisions are bound to have far-reaching consequences for the

international community as a whole, for individual states, for coastal communities and even for the individual, it is widely recognized that the forthcoming Law of the Sea Conference will be one of the most important diplomatic conferences ever convened under the aegis of the United Nations.

The conference will be held in Venezuela. The important thing is that Canada succeeded in gaining, by an open election, the position of chairman of the drafting committee for this conference, which post will be filled by Ambassador Alan J. Beesley. He is recognized internationally as an authority in this area, and I am sure will discharge his duties in a competent manner. When I was asked in 1964 or 1966 by the then Secretary of State for External Affairs, who is now the Leader of the Government in this house, to lead two Canadian delegations to the general conferences of UNESCO at Paris, one of the junior members of my delegation at that time was the same Alan J. Beesley. I am delighted to note the progress he has made in External Affairs. He is now representing Canada in Vienna which is, as you know, the headquarters of the International Atomic Energy Agency. In any event, I am sure that Canada won a major diplomatic victory in having Ambassador Beesley named to this important post. The chairman of the drafting committee is conceded by all those who are interested in this Law of the Sea Conference as the person in a position to be able to influence, implement, adjudicate and decide upon, and perhaps produce, a document which may carry another step forward our efforts to control the resources of the sea in the interests not only of our own country but of the whole of mankind.

I may say that some of the other events which occurred at this meeting of the United Nations cannot give one so much satisfaction. The efforts to outlaw terrorism and the efforts to deal with the protection of diplomats and other internationally protected persons must, to say the least, be regarded as disappointing, for the simple reason that some of the members of the United Nations do not wish to outlaw terrorism as a political weapon. They attempted to make qualifications that if the terrorism was on behalf of racial minorities, persons who are being subjected to the evil policies of apartheid, colonialism, this sort of thing, it should not be subject to the normal rules. This would make it impossible, I believe, to develop any kind of agreement which would put an end to these practices that have caused so much concern in several parts of the world recently.

I was the Canadian delegate charged with the responsibility of representing Canada on the special political committee, which is really an offshoot of the first committee of the United Nations, which was overloaded with work a number of years ago. The special political committee was created to share its workload. I listened to the general resolutions dealing with the evils of the policy of apartheid in South Africa, the effects of colonialism and neo-colonialism in the states of South Africa, the question of UNRWA, the United Nations Relief and Works Agency, which looks after the Palestinian refugees and also the issue of Israeli practices in the occupied territories where the Arab states contend that Israel is endeavouring to permanently incorporate these territories into the State of

Israel, and to destroy the basis of life and living for the Arab peoples who inhabited these territories before they were occupied by Israel in the various wars that have taken place since the state was created in 1948.

I might mention that one other interesting resolution passed in the General Assembly seems to me to show something of the futility of certain procedures in the United Nations. Our Russian friends proposed that there should be a 10 per cent reduction of the armaments budgets of all the major nations of the world, and that an unspecified portion of that 10 per cent saving should be donated to assist the developing countries. This was debated and carried, with a great many high-sounding speeches, despite the fact that the proposer would not agree to any auditing to determine that there actually was a 10 per cent reduction, and would not agree on any formula which would determine how the moneys were to be disbursed, or anything like that. One cannot help but feel a little frustrated at the number of resolutions that passed with overwhelming majorities in the United Nations, and which have little or no prospect of resulting in any positive action being taken or any problems being solved. I have to say that no one who attends the United Nations can help but be concerned at the repetitiveness and frustration which bedevils the work of the General Assembly and most of the committees. Nothing is ever said three or four times in the United Nations; it is said at least 70 or 80 times and it does not really add to the force of the statement when it is repeated as many times as that.

A factor which concerned me when I led Canadian delegations to UNESCO in Paris in the sixties concerned me also at the United Nations. Many nations, and some of them are exceedingly small, with limited revenues, few resources and small populations, contribute infinitesimal amounts to the budget of the United Nations. Of the 135 member nations, no fewer than 66 contribute the minimum amount, which is 0.02 per cent of the United Nations budget. If honourable senators will do a quick calculation, it means that one can obtain a clear majority in the United Nations General Assembly with the support of nations who together do not contribute 2 per cent of the budget of the United Nations. I assure honourable senators that on occasions the vote is determined in this way.

● (2050)

For example, it was agreed at the Twenty-eighth General Assembly that information offices should be established in several African nations for the dissemination of information on the evils of apartheid in South Africa. One could not help but wonder whether such information offices were needed in those areas where the evils of apartheid were already well known and widely recognized, and whether the decision was taken rather in order to provide positions for functionaries in those small nations which had supported the resolution.

Perhaps even more surprising is the fact that today one can secure a two-thirds majority in the United Nations General Assembly with the support of nations which collectively do not contribute as much as Canada. Canada's contribution at this time is 3.8 per cent of the budget, and one could line up two thirds of the member nations of the United Nations who do not contribute that amount. Perhaps that is not a bad thing.

I do not believe for one moment that the major powers should be allowed to push the smaller powers around in an unreasonable way. Yet at the same time there are occasions when one wonders whether the member states of the United Nations exercise their responsibility in as mature a manner as we would sometimes wish.

As I have said before, the number of resolutions that are passed with no, or very little, chance of ever being implemented or of having any effect whatsoever are rather more than one would like.

Finally, I might say something about Canada's role in the United Nations. I do not believe that our influence is as significant today as it was right after World War II, during the so-called "Pearson era," when Canada, fresh from its good performance in World War II and the helpful role it played in the creation of the United Nations, had a voice in the councils of the nations out of all proportion to the population, size and wealth of our country.

However, generally speaking, we can be pleased that we are well regarded in the United Nations. We tend to vote too often with the so-called responsible establishment, the developed nations. Perhaps I should not use the term "too often," but we tend to vote often with the developed nations. At the same time we seek to be sympathetic with the problems of the developing countries, and to be friendly toward them. I think they recognize this.

Canada needs constantly to reassess its role and attitudes in relation to the aspirations of developing countries. We should never allow ourselves to be regarded, as people sometimes try to regard us, as belonging to the so-called European establishment of Western nations. Of course, we do belong to that group. We have ties of culture and heredity with Europe, with the Anglo-Saxon people, with the people of France and other European nations, and so on.

In a rather peculiar way we have not identified ourselves, in the eyes of the United Nations organization, with the United States of America and with the new world, because we do not belong to the United States bloc, to the Latin American bloc or to the American bloc. In the allocation of positions, membership of committees, and so on, we tend to be classified by United Nations agencies with the countries of Europe.

Canada should try to maintain an independent posture. Perhaps all too often we resolve our dilemma, when it comes to voting in the United Nations, by abstaining. I have used the word "dilemma." Perhaps it is too strong a word, but there have been times—and there were times during the Twenty-eighth Session of the General Assembly—when I felt that Canada abstained when she could have taken a positive or a negative position, as the case might be, and given a forceful explanation of her position which over a reasonable period of time might have enhanced Canada's reputation and increased our influence among the nations.

Honourable senators, those, briefly, are my impressions of the Twenty-eighth General Assembly, and I regarded it a personal privilege and honour to be invited to represent Canada. I am grateful that my membership in this house enabled me to be a member of Canada's delegation to the Twenty-eighth General Assembly of the United Nations.

Hon. Rhéal Bélisle: Honourable senators, before proceeding with my remarks concerning the Twenty-eighth General Assembly of the United Nations, I should first like to join with others in complimenting the government on the appointment of our new Governor General, His Excellency Jules Léger. This learned and distinguished diplomat has all the qualities for continuing this great role of Her Majesty's representative. The sagacity which he has acquired in his many roles around the world undoubtedly assure us that his selection was an excellent one. His cultivated and charming companion will, I am sure, grace Rideau Hall with continued dignity.

May I be permitted also to express my thanks to his predecessor, the Right Honourable Roland Michener. This Ontarian from Alberta has distinguished himself and has made an outstanding contribution toward the unity of our country and the harmony of its people who are working to make Canada one of the finest countries in the world.

Honourable senators, the pleasure of returning to this august assembly following a short recess continues to be appreciated in the knowledge that the session will be chaired by the learned and charming lady who now presides over us. I once read a book in which it said that feminine sagacity is always more appreciated than masculine sagacity because it is enriched by this motherly love that controls the sound of words and puts them through the feeling of the heart before they are permitted to come out. In this context, Madam Speaker, so far you have been unique during your term of office.

Many senators have expressed to me that they are not too fond of listening to travelogues, and so it is not my intention to dwell on that subject. I would be remiss in my duty if I did not express to His Excellency, Doctor Saul F. Rae, our permanent Ambassador to the United Nations, my deep appreciation for the courtesy and attention I received while in New York. Suffice it to say that this well-liked and experienced diplomat is doing an excellent job for Canada at the United Nations. He has surrounded himself with competent and efficient personnel who assisted me and other members of the delegation. I therefore wish to say "thank you" to them.

● (2100)

It gives me a great deal of pleasure to follow such a distinguished orator as Senator Hicks, who has presented the Senate with a very full account of the proceedings of the Twenty-eighth Meeting of the General Assembly of the United Nations, with particular reference to the discussions that took place and the participation therein by the Canadian delegation.

May I be permitted to say that I was extremely honoured and proud to be a member of the Canadian delegation. I was most impressed by our delegation's contribution to the proceedings, both at the parliamentary and official levels, in the General Assembly and in the various working committees of the United Nations. I was extremely proud of my colleagues for the way in which they performed their duties, the questions they asked and the frank discussions we had with the other member delegations.

It is not my intention this evening to present a summary of the conclusions reached by those participating in the

[Hon. Mr. Hicks.]

Twenty-eighth Meeting of the General Assembly. Senator Hicks has ably performed that task. Instead, I should like to address myself to a number of significant observations respecting Canada's contribution to the United Nations and its financial involvement therein. There is no doubt that Canada's substantial and rising contributions to the United Nations' family of organizations reflect its firm support for an active participation in this world organization. The assessed and voluntary payments made by Canada to the United Nations since its inception in 1945 total approximately \$421.8 million. These payments fall into three broad categories: the annual assessments to finance appropriations of the United Nations under its regular budget; peacekeeping contributions; and contributions to the activities of a variety of multilateral economic, social and humanitarian programs. The total Canadian contribution to the United Nations for the fiscal year 1974-75 will amount to approximately \$30 million.

May I draw attention to the second category, namely, peacekeeping contributions. Article 1 of the Charter of the United Nations states that one of the purposes of the United Nations is:

To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression—

Since 1945, the United Nations has been involved in 11 military operations, including Palestine, India and Pakistan, Korea, the Middle East, Lebanon, the Congo, and Cyprus, to name only a few, as well as the most recent UN Emergency Force in the Middle East.

Canada firmly supports UN activities in maintaining international peace and security, and to that end Canadian military personnel have served with the United Nations in all 11 operations. As of May 1972, about 620 Canadian military personnel were serving in Palestine, India and Pakistan, and Cyprus. As of March 1974, a further 1,100 Canadian military personnel had been sent to staff the present UN Emergency Force in the Middle East.

Canadians are proud of the role we have played in the service of the United Nations' peacekeeping missions since 1945. More recently, the Canadian delegation at the United Nations made an active appeal to the member states to keep the peace between Egypt and Israel. In my view, that move has political appeal at home and prestige abroad, but it is prestige bought at the Canadian taxpayers' expense.

Some UN peacekeeping operations have been financed by the assessment of all members, while others have been paid for by way of voluntary contributions. Until 1956, with the exception of Korea, which did not engage the financing machinery of the United Nations, the assessed shares were relatively modest and were paid by virtually all member states. However, with the establishment of the United Nations Emergency Force in 1956 and the United Nations Operations in the Congo in 1960, peacekeeping costs mounted considerably. The total cost of UNEF was \$217 million in United States dollars, and the total cost of UNOC, again in United States dollars, was \$392.8 million. Canada paid its total share of the assessed portion of these expenses, being \$5,910,000 for UNEF and \$9,187,000 for UNOC.

A preliminary estimate for the present UN Emergency Force in the Middle East is \$30 million for a total complement of 7,000 troops, all ranks, for a period of six months. But let us not fool ourselves about this estimated cost of \$30 million. With the escalation of costs nowadays, that \$30 million will be \$40 million or \$50 million for six months, \$90 million to \$100 million for a year, and if the Middle East issue is another Cyprus, only the Good Lord knows how long it will last or how much it will cost.

Please, honourable senators, let's be more realistic about the Middle East problem than we were about Cyprus or Vietnam. Canada and 22 other developed countries will share 34.78 per cent or \$10,434,000 of the total cost of the peacekeeping force. The bill for Canada amounts to \$954,000 for six months, or approximately 3.18 per cent of the total.

Thus, Canada's share of the 23-country contribution of \$10,434,000 represents 9.14 per cent. The average cost for this group, which includes Australia, Italy, Japan, Poland, South Africa, Sweden and West Germany, is \$453,652. According to a recent report of the United Nations Finance Committee, Canada is the fourth largest contributor of the 23 developed countries; that is, she follows Japan with \$2,145,000, West Germany with \$2,130,000, and Italy with \$1,080,000.

The five great powers, the United States, the U.S.S.R., France, China and the United Kingdom, will pay \$18,945,000, or 63.15 per cent of the total cost between them, representing an average of \$3,789,000 for each of the great powers. Thus, Canada's bill of \$954,000 comes to more than 25 per cent of the average paid by the United States, the Soviet Union, France, and the United Kingdom.

Further, it should be noted that the 107 developing countries in the United Nations will pay, as Senator Hicks said a while ago, \$621,000 or approximately 2.07 per cent of the total cost of \$30 million. Some of these developing countries include members of the Organization of Petroleum Exporting Countries, OPEC, who in recent months have seriously affected the economies of the industrialized world through oil embargoes and increased prices for oil. It is ironic to me to see these Arab states, who are accumulating massive revenue reserves from increased oil prices, contribute the least towards the Emergency Force in the Middle East when nations such as Canada, Japan, West Germany, France and Italy, all of whom were hurt by the oil crisis, contribute more proportionately, or expressed in terms of world population, here is Canada with a population of 23 million as compared with 375 million in the oil-producing countries of the world, and those oil-producing countries are contributing less than one-tenth of the cost assessed to Canada. These are only conservative figures.

● (2110)

Canadians reading today's newspapers are shocked by recent world reports that oil-producing countries will be hard pressed to know where to invest their surplus cash. The World Bank has estimated in a recent study that the OPEC countries will control 70 per cent of the world's liquid cash reserves by 1980. If this trend is allowed to continue, you can imagine the impact this will have on the international financial markets, not to mention the distressed international monetary system.

For Canadians the cost is great. Not only do we have to pay our share of the United Nations police force in order to maintain peace in the Middle East, but we also have to pay inflated prices for our imports of oil from the OPEC countries, as well as the high cost of imported goods and services from those countries affected by the oil crisis. Is there any wonder that our cost of living is rising and the average Canadian's purchasing power is diminishing?

No one seriously suggests that Canada should not take part in the United Nations Middle East initiative, but the price to be paid by the Canadian people should be clearly understood. Prestige in the international field does not come free of charge, yet it is a subject seldom discussed in public by the present government. Indeed, it is questionable whether there is any prestige in peacekeeping operations any more.

In our discussions with some of the delegations, countries like Canada were being accused of being tools of the big powers, and as such had lost their credibility, independence and national identity. We have become associated with and, as Senator Hicks said a while ago, coloured by our political respectability. Or, to express it another way, we belong to "the right club". Furthermore, we have incurred heavy financial costs from our peacekeeping operations in India and Pakistan, Palestine and Cyprus, with little return or appreciation for our contribution. Why beg for this effort, when Canada's abundant physical and human resources, skills and energy could be employed more productively elsewhere in the Third World.

It took many lengthy private sessions at the United Nations headquarters before the Canadians and Poles reached an understanding on how they should share their support troop roles in the Middle East. It is one thing to get commitments of so many troops from politically acceptable United Nations members and something else to get them on the scene, ready to work as a team with the command, control and logistics support to make it possible.

How long have we to wait for a settlement in the Middle East at our expense while the world's diplomats continue to negotiate to better their position?

Some countries, including the Soviet Union and France, argue that peacekeeping is the prerogative of the Security Council, and that the General Assembly overstepped its authority by establishing UNEF and UNOC. Accordingly, both countries have refused to pay their assessments for either operation. France paid the UNEF assessments until 1964, but has refused to pay for UNOC.

Canada, along with the United States and Britain, has continuously upheld the Assembly's principle of collective responsibility and supported adoption of resolutions assessing the cost of UNEF and UNOC against the total membership, with reductions to developing countries. Because this support has not been unanimous, the United Nations has been plagued with financial difficulties, to the extent that member states like Canada have, through voluntary contributions, absorbed most of the costs for peacekeeping operations. To date, only 26 countries have contributed or pledged over \$26 million to the United Nations special account. According to one estimate, approximately \$70 million more is needed to liquidate the short-term deficit due to peacekeeping.

Moreover, it is clear that voluntary contributions have proved an unreliable means of financing, and deficits have infested operations like the United Nations force in Cyprus from the beginning. The Secretary General has had to make frequent appeals for additional funds. As of December 15, 1972, about \$127.8 million had been pledged or contributed to meet an estimated cost of about \$147.9 million. These costs do not include amounts that some troop contributors, including Canada, have agreed to absorb without seeking reimbursement from the United Nations. For instance, during the 1971 calendar year Canada absorbed approximately \$1.6 million over and above the normal cost of maintaining the contingent at home. Are we assessing the depth of the Canadian taxpayer's generosity by the width and length of our country?

Therefore, I ask you, honourable senators, to consider very seriously what it costs the Canadian people to maintain a peacekeeping force, bearing in mind the effects of world inflation and the rising cost of money. The Canadian people derive few benefits from peacekeeping. Instead they pay a very high insurance premium for limited coverage.

Since 1965 the Special Committee on Peacekeeping Operations has been reviewing comprehensively the whole question of peacekeeping, including ways to overcome the financial difficulties. So far agreement has not been reached on guidelines for the financing of future peacekeeping operations.

Honourable senators, if the Canadian government is going to act responsibly in this area, then it should ensure that the Canadian contribution is taken earnestly, not only by those nations that participate in the peacekeeping operations but also by those nations for whom it is intended and who threaten international peace and security. Finally in this regard, it is most important that those members who create world disorder should make some serious financial contribution towards financing the United Nations peacekeeping operations.

There is one other important area on which I should like to comment. It is in the realm of education, a subject that is, as you know, close to my heart. As some of you may know, the Twenty-seventh Assembly decided, by Resolution 2951, to establish an international university under the auspices of the United Nations, to be known as the United Nations University. This was the result of a concept study launched by former Secretary General U Thant four years ago. Canada supported the resolution, which was adopted on December 11, 1972. The resolution called for the establishment of a 20-member founding committee, which was to be responsible for the definition of the principles and objectives of this university, and for the drafting of its charter. The results and recommendations of this committee were presented to the Twenty-eighth Assembly by the Secretary General last November.

● (2120)

Although the U Thant concept was one big institution on a single campus, the United Nations University that has developed will be a string of institutions in "a world-wide system of research and training centres and programs." It will link scholars of many nationalities in centres of learning around the world.

[Hon. Mr. Bélisle.]

According to its charter, the UN university "shall be an international community of scholars engaged in research, post-graduate training and dissemination of knowledge in furtherance of the purposes and principles" of the United Nations. Its staff will be picked for competence and "appropriate representation in terms of geography, age and sex." The university is to do research in "the pressing global problems of human survival, development and welfare... with due attention to the social and natural sciences," and disseminate the results to the UN, its agencies, scholars and the public. Japan has been recommended as a possible host country for the university headquarters.

It disturbs me to hear of such grandiose schemes, when so much money has been spent by the developed nations on education. Here we are attempting to build a global super structure on top of the traditional centres of learning in Europe, the United States and Canada. Are we to be brainwashed by such a concept? Have we not succeeded in building and establishing our centres of learning to encompass this global view? Surely, the universities of Oxford, Cambridge, Harvard, Yale, Laval, Toronto, McGill and the Sorbonne, just to mention a few, have established themselves through the centuries as international centres of learning? Have we overlooked the Pearson College concept or the United World College Organization? Do we not have a moral obligation to continue the dream of Lester Pearson? Do we not have the courage of lending some support to our former colleague, John Nichol, who resigned from this chamber last year to preside over the Lester B. Pearson College of the Pacific? Can the existing centres of learning not cope with "the pressing global problems of human survival, development and welfare," or is this passé?

What concerns me is the additional cost involved to erect and maintain such a university in one centre. So far I have not seen any estimates of the total capital cost of the development. At a time when the United Nations is experiencing serious financial problems, it would seem highly undesirable to place further pressure on its funds.

A second concern of mine is the Canadian government's support of such a proposal. How can one level of government in our country be prepared to spend more of its taxpayers' money in a venture of this size, when provincial ceilings for education in Canada are being lowered on our citizens and our own educational system is being impaired? By supporting the UN resolution, Canada is thereby prepared to commit itself to an even larger financial UN assessment.

Let us not overlook the important contribution Canada has made, and continues to make, in assisting developing countries. In 1971, Canada ranked sixth among the industrialized nations as a donor country. In 1973, the Canadian government provided over \$430 million for development assistance through the Canadian International Development Agency and the International Development Research Centre.

I notice in the estimates for 1974-75, that the President of CIDA, Monsieur Gérin-Lajoie, the former Minister of Education in Quebec, will be privileged to spend on our behalf over \$549 million for programs in the underdeveloped countries.

Hon. Mr. Martin: Is it not \$600 million odd?

Hon. Mr. Bélisle: According to the estimates that I have here, it is \$549 million.

Hon. Mr. Martin: I think it is \$672 million.

Hon. Mr. Bélisle: I can give you the figures for 1972-73.

Hon. Mr. Martin: Je pense que c'est \$672 millions.

Hon. Mr. Bélisle: If you say it is \$600 million odd, that is even more. This will take the form of multilateral and bilateral aid which includes the allocation of funds for the various UN programs.

The International Development Research Centre is another very worthwhile program, founded on Canadian initiative, where we contribute towards solving the problems of the developing regions of the world. As many of you know, the International Development Research Centre is not a crown corporation but an international public corporation, created by an act of the Canadian Parliament in 1970 to support research designed to adapt science and technology to the specific needs of developing countries. The centre is unique in that, while it is financed by the Canadian Parliament, it is governed by an international board of governors who independently set its policies and priorities. The headquarters of the centre is in Ottawa. District offices are located in Quebec, Montreal, Guelph, Edmonton and Vancouver, and regional offices in Bogota, Columbia and Singapore.

In 1973, the Canadian Parliament granted \$8 million to this international agency for the establishment and advancement of scientific and technical research programs in those regions. In 1974-75, our contribution to this worthy cause will increase to about \$14 million. How much more can we afford to spread our resources around the globe without losing our effectiveness in this field? A UN university will only duplicate what we already have.

To summarize: Canada contributes its fair share to the United Nations and its affiliated agencies for peacekeeping and development aid:

	1972-73 (\$ millions)	Estimated 1973-74 (\$ millions)
Peacekeeping	\$ 21.4	\$ 23.9
United Nations	5.7	6.0
Affiliated agencies of UN	9.2	12.0
Other international agencies	6.0	6.5
Canadian International Development Agency	422.6	557.0
International Development Research Centre	8.0	14.0
CUSO (from CIDA)	6.7	7.3
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	\$479.6	\$626.7

That represents an increase of \$147 million for one year alone, and it does not count our generous contribution to the Colombo Plan.

Hon. Mr. Martin: The increase for total aid this year was \$73 million.

Hon. Mr. Bélisle: I have checked and no figures were available for what we have spent and what we will be spending on the Colombo Plan.

It should be remembered that these contributions are over and above those given by Canada for OXFAM, CARE, and other worthy religious and private agencies.

From my many discussions with members of other delegations, I consider that Canada's major contribution to the United Nations and world problems in general is in the field of foreign aid. We should be concentrating our energies in the 15 intergovernmental agencies which study the problems of and assist developing nations in the fields of agriculture and food, labour, world health, education and technical assistance, communications, tariffs and trade, international finance and atomic energy.

Hon. Mr. Martin: Would my honourable friend permit me to point out that the increase in the total aid budget this year is about \$73 million over 1973-74.

Hon. Mr. Bélisle: I was quoting 1972-73.

Hon. Mr. Martin: But I said that it is an increase of about \$73 million this year, 1974-75.

Hon. Mr. Bélisle: And I was excluding all our cost of operation. The cost figures that I have given are only for our foreign aid.

Hon. Mr. Martin: That is what I am talking about.

Hon. Mr. Bélisle: This is not the cost of staffing our embassies. It has nothing to do with it; in other words, it is nearly a billion dollar price.

Hon. Mr. Martin: It is \$670 million odd.

• (2130)

Hon. Mr. Bélisle: If you include all other costs from all other departments pertaining to federal external affairs, it is nearly a billion dollars.

The time has come, honourable senators, when we must sit down and count the costs of world government. We must examine our own physical, human and financial resources. We must establish our needs and priorities in relation to basic world needs. We must concentrate on improving what we have by solving our own urgent problems first, before supporting the building of castles in the air and pursuing grandiose world dreams.

Hon. Miss Lapointe: May I ask a question of the Honourable Senator Hicks?

Senator, you said that Barbados was accepted as a new member of the United Nations last year. Did you mean, rather, the Bahamas? Barbados has been a member of the United Nations for quite some time.

Hon. Mr. Hicks: That is correct. I had it written correctly in my notes, which I was not looking at, and I suppose I must have used the wrong reference.

Hon. Mr. Martin: They are both good places in which to sit in the sun, anyway.

[Translation]

Hon. Mr. Langlois: Honourable senators, I have a question for Senator Bélisle. I did not want to interrupt him because I agree with most of his remarks tonight.

Still, when he mentioned the tax burden on Canadian taxpayers for our contribution to the security forces in countries where conflicts are possible or exist I wondered, and would like to ask him, whether in his figures he excluded the pay to our troops which otherwise would have been a burden for Canada, for the Canadian taxpayers, had these troops stayed in Canada instead of going to Cyprus or elsewhere?

I believe that when figures are quoted such as those we were given this evening, this very important distinction should be made because, in fact, the troops' pay which would otherwise have been paid are included in the figures he mentioned, when in fact the difference in tax burden includes only the cost of logistics, transportation and other special costs borne by our troops in foreign countries. I would ask therefore whether he made that distinction in his figures.

Hon. Mr. Bélisle: I am happy to notice that my honourable colleague did follow my speech a bit.

I did not include the figures related to our forces because it is almost impossible to compile those figures at the Secretary of State Department. Moreover, and my honourable friend knows it as well as I do, they are included as a whole and do not give any detail to the effect that those forces have been paid in this country or that they have been employed in this country or elsewhere.

Moreover, about CUSO, I agree that our help has been well used. Unfortunately, we are spending too much and without planning.

Hon. Mr. Langlois: I think that we are misunderstanding each other or maybe that we do not understand each other at all.

I was not at all speaking about CUSO. I alluded to those expenses which are a burden to the Canadian taxpayer for the maintenance of security forces outside the country, for instance, in Vietnam or elsewhere. I think you mentioned the Congo, the Middle East, and when you said that this was costing money to the Canadian taxpayers, I think that the subtraction should be made of what this would have cost if our soldiers had remained in this country, or the maintenance of those forces in Canada, the only difference in the additional burden for the Canadian taxpayer being the transport and logistics expenses overseas which, I understand, must be higher than if those expenses had been incurred by troops based in Canada.

Hon. Mr. Asselin: In other words it would be more costly to keep them in Canada?

Hon. Mr. Langlois: Less costly.

Hon. Mr. Bélisle: I mentioned in my speech not only that we have paid our contribution to the United Nations, but I think that I quoted an increase of \$1,600,000. It is therefore impossible for me to say whether that money was spent for the maintenance of Canadian forces in Canada or abroad, because no figure is available.

Hon. Mr. Langlois: You do answer exactly my question. You did not make the deduction which should have been made, in my opinion, if those forces had remained in Canada instead of going abroad. I think that you have answered my question quite directly.

[Hon. Mr. Langlois.]

[English]

Hon. Mr. Hicks: Honourable senators, may I interject here, too? I follow the point Senator Langlois has been making, and it is quite true that the additional cost to Canada of using regular troops is comprised of transporting the troops and maintaining them outside Canada. But Canada has heretofore suffered unfair treatment in its contribution to United Nations peacekeeping forces in that the United Nations has offered to pay to Canada, and has paid to Canada, sums of money approximating only these extra costs, whereas the United Nations has at the same time paid the full cost, including the total salaries, of troops from other countries of the world who simply make the argument that they do not have enough regular troops and have, therefore, to call up reservists to do the work. So, Canada has not been getting the same treatment as other member states who have contributed to peacekeeping forces.

One of the points Canada was making in respect to the United Nations Emergency Force in the Near East was that this time we were going to demand the same treatment for our forces as that accorded to the forces of other member states. This question had not been resolved when I left the United Nations, and I am not sure whether it has been resolved to Canada's satisfaction yet. Perhaps the Leader of the Government in the Senate knows.

Hon. Mr. Martin: I do not want to intervene in the debate, because I should like to say something later. But I will intervene to the extent of putting a question to both senators. Is it not a fact that if Canada's proportion in a number of these peacekeeping operations has been far and above that of some other members of the United Nations, it is simply because Canada wanted that situation to obtain in order to bring into being peacekeeping forces in particular situations? That certainly was true in at least four operations, including Cyprus.

Hon. Mr. Hicks: Yes, I agree.

Hon. Mr. Bélisle: May I answer the Leader of the Government by saying that we do not know what took place in the past, because the figures are not available. It may be true that the government was paying extra money to be part of the delegation. But this time why beg, when we are not wanted? And why do we have to pay 25 per cent more than any other country in order to have a peacekeeping force? Why?

Hon. Mr. Martin: If I were to answer that question now, I would incur the everlasting enmity of Senator Aird, and that I do not propose to do.

[Translation]

Hon. Mr. Langlois: One last question. I should like Senator Bélisle to understand that I agree perfectly with everything he says. I only want him to clarify the matter of the insurance premiums that we are paying.

Before concluding, if the premium were too high, would the cost of a disaster have to be determined if it had happened?

Hon. Mr. Bélisle: As concerns the insurance premiums, if we are farther from the Middle East and pay the oil-producing countries ten times as much, would not the insurance premium be excessive since we are far from the

conflict and especially since these countries are making billions and billions of dollars? Should they not at least contribute an equal amount since they have a population of 375 million, while ours is only 23 million? I could give you the income figures or the gross national product of oil-producing countries, but it is ridiculous for us to remain the milch cow of other countries.

Hon. Mr. Langlois: But the conflict is far away.

● (2140)

[English]

On motion of Senator Buckwold, debate adjourned.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO EXAMINE AND REPORT ON CANADIAN RELATIONS WITH THE UNITED STATES

Hon. John B. Aird moved pursuant to notice:

That the Standing Senate Committee on Foreign Affairs be authorized to examine and report upon Canadian relations with the United States; and

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.

He said: Honourable senators, in the most simple language, your committee is asking for authorization to examine and report upon Canadian relations with the United States. I happen to believe that very often simple words cover a most complicated subject, and this was never more true than in this particular instance.

For me, two questions immediately arise: First, is the Standing Senate Committee on Foreign Affairs a proper forum, and capable of performing such a formidable and challenging task? Secondly, if it is capable, and if it is an appropriate forum, how does your committee propose to go about programming such an encyclopedic undertaking?

If the answer to my first question is in the affirmative, and I believe it is, then the answer to the second question has to be: Constructively and very carefully.

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.

In the same vein, and not by way of a digression, on November 1 last a delegation of 16 members from the

Community's Parliament visited the Canadian Parliament. This was the first formal visit between the two Parliaments, and it came about as a direct result of the Senate committee's initiative in meeting informally a group of European parliamentarians in Brussels earlier in the year. The Ottawa meeting, organized jointly by the committees of the House of Commons and Senate dealing with foreign affairs, proved to be a useful one. Several senators have already spoken about this meeting and the joint communiqué resulting from it, so I will not go into details.

However, I do think that two recommendations of the European Community report should be reiterated, largely because they have not yet come to pass.

First, your committee has continued to press for the most desirable objective of the opening of a Community information office, or the establishment of a Community delegation office in Ottawa. Secondly, the committee recommended and urged a head-of-government visit to Brussels. In my view it is regrettable that circumstances have not yet enabled a basis for a visit by the Prime Minister to the European Community headquarters. I am sure that the committee continues to consider that this is a necessary policy step, valuable in Europe to alert them to Canada's interest, and important in Canada in order to focus Canadian public attention on the Community.

In addition, of course, world events—the outbreak of the Arab-Israeli war, the global energy crisis, and mounting problems in the international monetary system—have focused world attention on the role of the European Community. In fact, the recent unilateral actions of some of its member countries have clearly demonstrated the delicate nature of its very existence, and its present apparent disarray has discouraged many of its advocates.

But to return to my original point and question, it seems clear that our report, our European "handbook," did matter, did have a useful function and, therefore, was an appropriate use of the Senate's time. More important, I believe that it demonstrated the professional competence of the committee, which encourages me to conclude positively that the committee is an appropriate forum, and that it can effectively carry out an inquiry into Canada's relations with the United States.

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.

There may well be some among you who will say we are brave indeed to undertake such a vast, complicated and sensitive project. I would agree that in the whole picture of Canadian external relations there is a no more complex subject. But I would also submit that there is for Canada a no more important subject. This relationship matters tremendously to us as a country.

I hardly need recite to the members of this chamber the relevant trade statistics. In 1973, 68 per cent of our exports went to the United States, 70 per cent of our imports came from them, for a total trade between Canada and the United States valued at \$33 billion. For even the United States Canada is its most important trading partner,

taking more than 20 per cent of its exports—roughly as much as the United States exports to Japan, West Germany, the United Kingdom and The Netherlands combined. We are each other's best customer. The difference is in Canadian vulnerability and heavy dependence on export trade. As an export-oriented country—20 per cent of the Canadian GNP depends on exports as compared to 4 per cent in the U.S.—we can hardly survive as a nation without the United States market.

And I need not remind you that trade is only one aspect of a multi-faceted relationship. There is a continuous intermeshing in almost every field of endeavour. In transportation, energy, cultural relations, communications, international trade unions, business corporations, defence arrangements, fisheries, finance and investments, environmental concerns and trans-border tourism, Canada has a constant and complex relationship with its southern neighbour. One cannot overstress the implications for Canada of this situation.

Why, you may ask, should we undertake this task at this time? My response is that there is a gap, a need for a thorough examination of this subject which is on nearly every thinking Canadian's mind, and about which nearly every Canadian has an opinion or a strong point of view. In 1970, when the government produced its "Foreign Policy for Canadians" booklets, you will recall there was a significant omission, a "missing booklet". Although there were separate booklets on Europe, on the Pacific countries, on Latin America, on international development and on the United Nations, presumably by design there was no study of Canada's relationship with the United States. Whether the subject proved too unwidely or too sensitive, or simply just too difficult, the government chose not to tackle specifically the Canadian-American relationship. The House of Commons Committee on External Affairs and National Defence subsequently noted the omission and chose to examine certain aspects of the Canada-United States relationship, but it dealt mainly with the increasingly topical issue of foreign (United States) ownership and investment in Canada, with some attention focused on trade union links and cultural influences.

● (2150)

Partly as a result of public criticism and partly due to a realization of the need for an overall strategy in dealing with the United States after the events of August 1971, the Department of External Affairs did present in October 1972 its policy paper on Canada-United States relations entitled *Options for the Future*. This paper outlined, for the long term, the chosen direction of government policy from among possible alternatives. It is the committee's view that there has never been a more appropriate time than right now for full discussion and continuing examination of the general issues involved in the Canadian-United States relationship, as well as a study of the most important specific issues in the relationship.

Honourable senators, what we propose to do is begin with a general examination and assessment of the *Options for the Future* policy paper in order to gain an initial overview of the directions Canadian policies should be taking. We also hope to look at any significant shift in the Canada-United States relationship in the past several years, and to reassess the strengths and weaknesses of Canada's negotiating position. To this end the Secretary of

State for External Affairs, the Honourable Mitchell Sharp, will be our first witness on Thursday night, March 28 at 8 p.m. This is the only time that is mutually convenient, and in view of the importance of the first meeting and the fact that the minister will be present it is to be hoped that there will be a full turnout by the committee and, of course, all other interested senators will be most cordially welcomed.

Hon. Mr. Martin: That is next Thursday night?

Hon. Mr. Aird: Yes, senator.

Hon. Mr. Martin: That means that we must have this resolution adopted before then.

Hon. Mr. Aird: That is right. On a personal note, I must say that although it is flattering to know that there is a quite long waiting list of applicants for places on the committee, I am sorry that a few senators have been disappointed that they have not been named to the committee. I say to them that they are always welcome at any and all hearings.

Hon. Mr. Martin: And to participate.

Hon. Mr. Aird: Then, before getting into a more specific bilateral policy area such as Canadian trade relations with the United States, we propose to examine an element in the relationship which is often taken for granted or overlooked, but which is absolutely fundamental. I refer to the institutional links, or, as I prefer, the bilateral machinery, governmental as well as non-governmental, through which the two countries and their citizens maintain contact, conduct business, handle negotiations, et cetera.

These institutional arrangements between Canada and the United States are basic and myriad. Federal, provincial and state governmental departments and agencies are involved in a constant and complex intermeshing on a daily, often hourly, basis at all levels. All these components bring Americans and Canadians into contact with each other in almost every possible field of endeavour.

The committee would like to assess the extent and effectiveness of these institutional elements, probably beginning with the governmental and intergovernmental machinery on the Canadian side. We wish to look at the degree of co-ordination of Canadian policies toward the United States achieved among various departmental components, and between federal and provincial institutions; to examine, possibly with the help of a subcommittee, the functioning and effectiveness of joint machinery such as the International Joint Commission, and to assess the extent and importance of non-governmental institutional arrangements in the relationship. Finally, we hope to make some assessment of the relative merits of negotiating with the United States in a multilateral, as opposed to a bilateral, context.

The committee hopes to complete these two preliminary examinations—that is, the general look at the government's policy direction, and the study of the functioning of the bilateral machinery in the conduct of Canada-United States relations—by the autumn. We then propose to take, one at a time, specific issue areas which would form the basis for a series of reports on Canada-United States relations. The first area, because of its overriding importance, would be bilateral trade relations. At that stage we

[Hon. Mr. Aird]

could reassess our position and decide whether to take up any further topics.

In conclusion, honourable senators, may I make it clear that the committee is well aware of what a complicated and difficult study it proposes to undertake. It is aware of the responsibility it has to produce first-class reports. With your support I think we can do that. I commend the motion to your favourable consideration.

Hon. Allister Grosart: Honourable senators, as the seconder of the motion perhaps I may be permitted a few brief remarks, the first being that it is doubtful that the committee would have had the courage to undertake this inquiry had it not been for the fact that its chairman is Senator Aird, whose background and experience is such that no member of any committee of Parliament tackling a subject like this could hope to have. As honourable senators are aware, Senator Aird is co-chairman of the Canada-United States Defence Committee. He took the place of the late Mr. Pearson on the Committee of Nine, and he has devoted a great deal of careful consideration to the very important question of Canada-United States relations.

Those of us who are members of the committee will remember the way in which he directed our inquiry into the Canada-EEC relations to the broader context of not only Canada-Europe-United States relations, but also our relations with other countries of the world, particularly Japan and Latin America.

I am sure honourable senators will know that the committee's decision to embark on this important study was not an easy one. As Senator Aird has said, it sounds simple for the committee to ask to be "authorized to examine and report upon Canadian relations with the United States." The committee is well aware that there are other similar examinations presently under way, one, of course, being that of the study group of the Canada-United States Committee, which met this afternoon and which will be presenting its report to the members of that committee tomorrow—a report dealing with how to do a better job in the future than has been done in the past in its contacts in this area of Canada-United States relations.

Hon. Mr. Martin: Will that be tomorrow afternoon?

Hon. Mr. Aird: Perhaps I might be permitted to interject here to say that that meeting has been postponed to a week hence.

Hon. Mr. Grosart: Thank you very much for that information. I had a notice about an hour ago saying that it was going to be held tomorrow evening. In view of the shake-up that the commonalty gave the study group a week ago, I am not surprised that the study group has decided to take a little more time before facing the commonalty of that group again. The very fact that such problems arose in that more or less simple exercise indicates the complexity of the problems that will be before the committee if this request for authorization to make this study of Canada-United States relations is granted.

The most important thing that occurs to me about this and other activities of our own committee, and the matching committee in the other place, is that they indicate that there has been a great change in the official approach of Canadians to our relations with the other nations of the world.

● (2200)

For far too long these relations were conducted almost in secret. When I raise this matter occasionally the Leader of the Government gives me his annual or semi-annual lecture on the prerogative of the Crown in respect to international relations. I am glad to say that while that prerogative is still part of our constitutional law, it is being widely ignored by parliamentarians who are now insisting on having a voice in the examination of the manner in which our relations with other countries of the world are conducted.

The committee has gone about this project with extreme care. I know that Senator Aird has spent long hours discussing the advantages and disadvantages, and the dangers and prospects of such an inquiry. I know that he has recommended to the committee that we enter upon it with great caution, and I am glad to hear him report to the Senate that this will be done in stages; that having looked at the one aspect, trade relations between Canada and the United States, we will see how well we have done, what we can contribute in that area, before we go on, perhaps, to other areas. An obviously difficult one, of course, would be that of defence.

We are entering into this inquiry at a time when I think it is quite factual to say that relations between Canada and the United States are abnormal. At the present time we have confrontations, and there are irritants between us that have not been usual in the long history of our relations with the United States. Many of us are aware that in that long history the United States has been more than generous to Canada in the development of some of its international policies. If in recent years some of us feel that that country has been less than generous, then I think we have the responsibility to develop a basis of understanding of that change in attitude.

We are all aware of the great problem that has developed quite recently in United States-European relationships. The famous "Year of Europe" has gone with the wind. I read only today a statement by a prominent international commentator that relations between the United States and Europe are at such a critical stage that democracy itself in Europe may be in danger; that it may not be possible for Europe, if it is not able to resolve its difficulties with the United States, to maintain its present kind of democracy over the next two decades.

We, fortunately, have not reached that point in our relations with the United States. We do tend to stress the irritants, forgetting that the real problem here is the problem of two neighbours living together. We cannot take the easy way out that sometimes dissatisfied neighbours can. We cannot move away; we are here. We cannot call in the cops, we cannot go to city council, we cannot form irate ratepayers' associations. We simply have to face the fact that we are living together, that we have more mutual interests, perhaps, than any two nations anywhere in the world, and, in my view, it is in the activities, the contacts and the discussions between parliamentarians of both nations that we are most likely to come up with solutions that will be mutually acceptable.

I am quite sure that the committee, under the chairmanship of Senator Aird, is capable of making an important contribution. It is a real tribute to Senator Aird that for

the first time in the history of the Standing Senate Committee on Foreign Affairs, there is a queue of senators wanting to join him in the great work he is doing.

Hon. Mr. Martin: Honourable senators, even at this late hour I would have preferred, really, to have adjourned the debate. We are anxious, of course, as Senator Aird has said, that this matter be disposed of so that the committee can be set up to begin its first session on Thursday after dinner, when the Secretary of State for External Affairs appears. However, as no one else seems to wish to make any observation, I would simply like to say that Senator Aird need not apologize for the decision of the members of the committee to take on this subject. It is not the first time that a parliamentary body has examined Canada-United States relations, but perhaps there never was such a time in the history of both countries when those relations deserved to be examined in an in-depth study, as is contemplated by the committee.

Senator Grosart has said that many bodies, voluntary bodies outside the parliamentary precinct, year after year, examine some aspect of our relations with the United States—political aspects, cultural aspects, social aspects, and so on. If there is any body in Canada that should not hesitate to examine our relations with our neighbour, the most powerful country in the world, it is the Parliament of Canada. And if there is any one house in these two houses that has the time and, consequently, the responsibility of making such a study, it is this chamber. I therefore strongly commend Senator Aird's initiative and that of the members of the committee who have decided to give this matter the study which it deserves. I do not believe that Senator Aird should in any way feel inhibited or apologetic. This is something that is long overdue and deserves to receive our full support.

It is important to take into consideration the observation just made by Senator Grosart, namely, that this committee has a long queue of members who would like to participate in the work of the committee as members of it. Unfortunately, they cannot all be members of the committee, but all members of the Senate can attend and put questions. They can participate short of exercising the right to vote, and I sincerely hope that this will be done. If the queue is as Senator Grosart indicated, I am sure it will be very much in evidence when the Senate committee sits Thursday evening. I congratulate Senator Aird on his speech. He well knows that I am always anxious to hear him, and the occasions are all too rare when his wisdom, experience and good nature are given an opportunity to be demonstrated in this house.

● (2210)

Hon. Mr. Aird: Honourable senators, I understand that I have the privilege of making a few remarks in closing. I am likely to be embarrassed by the way in which the record will read as it relates to me in my capacity as chairman. The strength of the committee lies in its members. Over the past five years the membership of this committee has gone from strength to strength. When the committee held its organizational meeting the other day, 16 of its 20 members were present, which indicates the high degree of interest shown by the committee members. I would not like the debate to close without my putting

[Hon. Mr. Grosart.]

the record straight. It is the membership that makes the committee function so effectively.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Martin: Honourable senators, before we adjourn, Senator Buckwold wishes to make some announcements.

Hon. Mr. Buckwold: Honourable senators, a certain amount of confusion might arise because of the number of committee meetings to be held tomorrow and on Thursday. Most of the meetings are organizational. Tomorrow, March 27, at 9.30 a.m., the organization meeting of the Standing Senate Committee on Legal and Constitutional Affairs will be held in room 263-S. At 10 a.m., the organization meeting of the Standing Senate Committee on Transport and Communications will be held in room 256-S. Also at 10 a.m., the Standing Senate Committee on National Finance will be dealing with supplementary estimates (B) in room 356-S. That committee has already held its organization meeting.

At 10.30 a.m., the organization meeting of the Standing Senate Committee on Banking, Trade and Commerce will be held in room 256-S, following the meeting of the Standing Senate Committee on Transport and Communications.

Hon. Mr. Martin: Is the honourable senator in a position to say whether any consideration has been given to problems arising from committee meetings held on Wednesday mornings? Many senators have other obligations, and I have received complaints about meetings being held on Wednesday mornings. Has that been taken into consideration?

Hon. Mr. Buckwold: There has not yet been any serious consideration of that matter. We all agree that this problem does exist. The meetings tomorrow morning will be brief. Hopefully at an early date I shall be able to discuss with the Leader of the Government and the Leader of the Opposition the matter of committee meetings conflicting with our other obligations.

Hon. Mr. Asselin: Will notice be given to committee members tomorrow morning?

Hon. Mr. Buckwold: Yes. Some notices will not be in the mail until tomorrow morning. On Thursday, March 28, at 9.30 a.m., an organization meeting of the Internal Economy Committee will be held in room 263-S. As we have heard from Senator Aird, the Standing Senate Committee on Foreign Affairs will meet in the evening, when the witness will be the Minister for External Affairs.

I hope that as many senators as possible will attend the organization meetings of the committees on which they serve and will notify those of their colleagues who are not at present in the chamber.

Hon. Mr. Lamontagne: What about the Standing Senate Committee on Health, Welfare and Science? It had been suggested that it meet at 9.30 a.m. on Thursday.

Hon. Mr. Buckwold: I appreciate having that matter drawn to my attention. I suggest that the committee hold

its organization meeting at 10.30 a.m. on Thursday, March 28, in room 263-S.

Hon. Mr. Martin: Senator Langlois has pointed out that tomorrow's meeting of the Finance Committee will not be a short one. The President of the Treasury Board will be in attendance.

Hon. Mr. Buckwold: It is understandable that there may be some conflict. However, some of the organization meetings will be brief. For instance, the meeting of the Standing Senate Committee on Transport and Communications may last only 10 minutes.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, March 27, 1974

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

THE SENATE

REQUEST TO PHOTOGRAPH CHAMBER FOR CBC DOCUMENTARY

The Hon. the Speaker: Honourable senators, a request has been received from the CBC in Edmonton for permission to photograph the Senate chamber when vacant.

I inquired as to the reason for this request and was informed that the CBC wishes to use the photograph as part of a documentary film being produced about Premier Lougheed of Alberta. As honourable senators know, Premier Lougheed's grandfather, Sir James Alexander Lougheed, was a member of this chamber from 1889 to 1925. He was a well-known member of the Senate and made many speeches. I understand that in a speech he made here on July 13, 1905, he referred in part to the Northwest Territories, which is a subject of interest at the present time. The CBC wishes to take a photograph of this chamber to be incorporated in the documentary. When the documentary is shown, an unidentified voice will read Senator Lougheed's speech.

Honourable senators, is it agreed that the CBC be permitted to photograph the Senate Chamber?

Hon. Mr. Asselin: When will they do this?

The Hon. the Speaker: As I understand it, they will make arrangements with a photographer here in Ottawa to take the photograph when the chamber is vacant. They will, of course, ask permission of the Clerk of the Senate before doing so.

Hon. Mr. Martin: Will the "unidentified voice" be Senator Flynn's?

Hon. Mr. Flynn: I doubt it very much. My French accent would not fit the occasion.

The Hon. the Speaker: Is it agreed, honourable senators, that the CBC have permission to do this?

Hon. Senators: Agreed.

APPROPRIATION BILL NO. 1, 1974

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-15, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1974.

Bill read first time.

Senator Langlois 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.

APPROPRIATION BILL NO. 2, 1974

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-16, 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.

Senator Langlois 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.

● (1410)

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Capital Budget of Northern Canada Power 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. 1974-596, dated March 14, 1974, approving same.

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. 1974-506, dated March 8, 1974, approving same.

Report of the Department of Energy, Mines and Resources for the fiscal year ended March 31, 1973, pursuant to section 5 of the *Department of Energy, Mines and Resources Act*, Chapter E-6, R.S.C., 1970.

Report of the Canadian Transport Commission for the year ended December 31, 1973, pursuant to section 28(2) of the *National Transportation Act*, Chapter N-17, R.S.C., 1970.

BANKING, TRADE AND COMMERCE

BUDGET RESOLUTIONS—REPORT OF COMMITTEE EXPENSES TABLED

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, pursuant to rule 84, tabled the special expenses incurred by

the committee in connection with its examination of bills based on the budget resolutions relating to income tax.

FOREIGN DIRECT INVESTMENT IN CANADA—REPORT OF COMMITTEE EXPENSES TABLED

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, pursuant to rule 84, tabled the special expenses incurred by the committee in connection with its examination of the document entitled, "Foreign Direct Investment in Canada."

LEGAL AND CONSTITUTIONAL AFFAIRS

REPORT OF COMMITTEE EXPENSES TABLED

Hon. H. Carl Goldenberg, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, pursuant to rule 84, tabled a report of the expenses of the committee incurred in connection with the examination of the parole system during the First Session of the Twenty-ninth Parliament.

AGRICULTURE

REPORT OF COMMITTEE EXPENSES TABLED

Hon. Hazen Argue, Chairman of the Standing Senate Committee on Agriculture, pursuant to rule 84, tabled a report of the special expenses of the committee incurred in connection with the examination of the agricultural industry in Canada during the First Session of the Twenty-ninth Parliament.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (B) PRESENTED AND ADOPTED

Hon. Douglas D. Everett, Chairman of the Standing Senate Committee on National Finance, to which was referred the supplementary estimates (B) laid before Parliament for the fiscal year ending March 31, 1974, presented the following report:

1. Your Committee was authorized by the Senate, as recorded in the *Minutes of the Proceedings* of the Senate of the 19th March, 1974 "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, 1974 and tabled in the Senate on Tuesday, 12th March, 1974."

2. This is an interim report to be followed by additional hearings on the said Supplementary Estimates (B) for the fiscal year ending March 31, 1974, leading to a final report.

3. In obedience to the foregoing, your Committee made a general examination of the Supplementary Estimates (B) and heard evidence from The Honourable C. M. Drury, President of the Treasury Board, and Mr. B. A. MacDonald, Assistant Secretary, Program Branch, Treasury Board.

4. These Supplementary Estimates total \$1,120 million and bring the total Estimates tabled for the fiscal

year ending March 31, 1974 to \$21,411 million. It is to be noted that the Supplementary Estimates (A) and (B) total \$2,124 million increasing the original Main Estimates from \$19,286 million, which, in percentage terms, is an increase of 11 per cent. This increase in the size of Supplementary Estimates in relation to the original Main Estimates has been growing over the past few years and is a matter of concern to your Committee.

5. The largest items in these Supplementary Estimates are as follows:

(a) A payment to the Old Age Security Fund to make up the deficiency in the fund, which has arisen out of the increase in the basic pension and the introduction of quarterly indexing—\$235 million

(b) Higher Family Allowance payments reflecting the increase in the average payment from \$12 to \$20 for each child, following the increase last October from the \$6 and \$8 rates which then prevailed—\$190 million

(c) Subsidies to hold down the price of petroleum products to Canadian consumers despite the steep rise in world prices—\$240 million

(d) Equalization payments to certain provinces reflecting the recent amendments to the relevant statute so as to include education property taxes as a revenue to be equalized—\$146 million

(e) Another payment to the provinces under revenue guarantees that accompanied tax reform—\$50 million

(f) Payments to Alberta and Saskatchewan as provided under the Oil Export Tax Act—\$76 million

(g) Payments to the railways to compensate them for the freezing of freight rates—\$41 million

(h) Additional subsidies to producers of manufactured milk—\$31 million

6. The Treasury Board has supplied your committee with a list explaining the \$1 items in Supplementary Estimates (B).

7. Your Committee expressed concern about the lack of detail that is available in the Supplementary Estimates on the source of funds that constitute a transfer from a vote in previous Estimates to the new Supplementary Estimates. Your Committee recommends that in the case where funds are transferred that full detail be given on the sources of these funds, especially if the source is due to a reduction in a capital project.

8. In continuing its examination on Supplementary Estimates (B), your Committee proposes to consider the following items:

(a) The growth in the personnel establishment in the Public Service of the Federal Government. In this connection the following figures indicate the man years in each of 3 years from 1971-1974 for departments, departmental corporations, departmental agencies and certain Crown Corporations whose man years are subject to Treasury Board control:

Year	Total Personnel
1971-72	256,000 man years

1972-73 265,000 man years
 1973-74 292,000 man years
 These figures indicate an average increase of employment over the last 3 years of 6 per cent per year.

(b) The auditing procedures that are to be employed in ensuring that the \$240 million paid to oil importers for the restraint of prices of petroleum products to consumers during the period commencing January 1, 1974 and ending March 31, 1974, are fully adequate.

(c) At March 31, 1971 the Old Age Security Fund had a cash balance of \$728.4 million. As at March 31, 1974 it is forecast that the fund will have a cash deficit of \$235 million. Your Committee proposes to enquire into the reasons for this situation and what steps are being taken to correct them.

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

Hon. Mr. Everett: Honourable senators, with leave of the Senate, I move that this report be now adopted.

I may say by way of explanation that the committee did not conclude its examination of supplementary estimates (B), but in view of the fact that a supply bill is now before us it was concluded that the right and proper thing to do was to issue an interim report. This report has just been presented, and the committee will continue its examination of supplementary estimates (B) next week and, in due course, make a final report to the Senate.

I might only mention that there are three areas where the committee wishes to obtain further background. First of all, your committee is concerned about the growth in the personnel establishment in the federal Public Service. In 1971-72 it totalled 256,000 man years; in 1972-73, 265,000 man years; in 1973-74, 292,000 man years. This is an increase in the total personnel man years of 6 per cent per year.

The other area that your committee is interested in is the sufficiency of the auditing procedures to be employed in the payment of the \$240 million in respect of petroleum products to restrain the prices of these petroleum products to consumers between January 1, 1974, and March 31, 1974. Preliminary examination by the committee would indicate that at this stage there are no adequate auditing procedures to ensure that the Government of Canada does not pay out more than the required amount to the major oil importers in order to maintain the price freeze in effect from January 1, 1974, to March 31, 1974.

The third area that your committee is interested in is the fact that the old age security fund at March 31, 1971, had a cash balance of \$728 million, and it is estimated that by the end of this month that cash balance—that is, three years later—will drop to a deficit of \$235 million. That is a turnaround of close to a billion dollars. Your committee would like more details as to how this situation occurred and what steps are being taken to put the fund back into balance.

Hon. Allister Grosart: Honourable senators, we in this group concur with this rather unusual method of discharging the duties of the National Finance Committee to the Senate. As honourable senators are aware, the Senate

[Hon. Mr. Everett.]

requires that the supplementary estimates, the subject of any appropriation bill, be referred to and reported on by the committee before the Senate will consider the bill itself.

This morning we discovered what has been becoming more and more evident, that a mere single sitting of the committee is not sufficient to satisfy the inquiries that senators wish to direct towards the minister or ministers and the officials. Senator Everett has mentioned that a number of matters had to be left over this morning for further consideration. I happen to know that there are a good many more that would have been inquired into this morning had we had time. So the situation is that the committee now discharges its duty by making an interim report to the Senate and will then carry on its inquiry and, I presume, will later on make a final and complete report on the matters that Senator Everett has mentioned and on some others.

It does indicate increasing interest of members of the Senate in the work of the National Finance Committee under Senator Everett. It is becoming more important each time we examine a bill to realize that the estimates on which that bill is based are not adequately examined in the other place. That is not a criticism of the other place, because the approach there is quite different from ours. I welcome the fact that the committee is making now a much more detailed and closer examination of the estimates than we have done in the past.

● (1420)

Hon. Mr. Buckwold: Honourable senators, may I address myself to the Chairman of the Standing Senate Committee on National Finance? I wonder if the committee could add one more subject which would be of interest to senators. The answer may not be forthcoming now, but I feel an attempt should be made to know just where we are going so far as the \$240 million is concerned which is being budgeted by the Department of Energy, Mines and Resources for payments for the stabilization of petroleum product prices in Canada. As we are aware, this represents the maintenance of a lower, subsidized price across the country.

Hon. Mr. Grosart: That is what Senator Everett said.

Hon. Mr. Buckwold: I am sorry. I did not hear that as being one of the questions under further review. Perhaps that could be clarified before I go on.

Hon. Mr. Everett: You have raised a good point, Senator Buckwold, and, indeed, on page 3 of our report, with respect to one of the areas we propose to examine, we state:

The auditing procedures that are to be employed in ensuring that the \$240 million paid to oil importers for the restraint of prices of petroleum products to consumers during the period commencing January 1, 1974, and ending March 31, 1974, are fully adequate.

I appreciate the senator's bringing this to my attention.

Hon. Mr. Buckwold: I am aware of the auditing. However, in view of the state of flux at the present time, my concern is with regard to where the money is going to come from, who is going to get what out of higher prices for oil, and from whom are they going to get it? I gather

that, basically, this is to be financed from the revenue from the oil export tax. Perhaps "oil export surcharge" would be a better way of putting it.

I know that many of us are confused on this issue, but it depends on just how much the oil-producing provinces are going to get of the higher prices as to what is left in the difference between that price for export and the export tax received. In the light of the current situation I certainly hope some attempt will be made to get information on how all of this is going to be financed.

Hon. Mr. Everett: I think, Senator Buckwold, you must understand that we are dealing here with supplementary estimates (B), which is where our authority lies. As I understand it, the \$240 million is out of the general revenues. However, I understand further that a bill will be submitted in April to appropriate moneys received from the oil export tax in order to make the subsidy payments. Obviously, this is going to be the subject of intense discussions between the heads of government, and I doubt very much if our authority would permit us to go into the matter in much detail. What we would really be dealing with would be the \$240 million that is being appropriated here by way of supplementary estimates for the period January 1 to March 31.

Motion agreed to and report adopted.

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; and

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.

He said: Honourable senators, this is the first time that I am addressing this chamber in the course of this session, and although I would not like to repeat what has been said before, and much more eloquently by others, I certainly want to express to you, Madam Speaker, the hope that you will be with us in this Chair for long years to come.

Hon. Mr. Asselin: You might be on this side!

[Translation]

Hon. Mr. Lamontagne: Honourable senators, my motion today has already been discussed in substance and approved in this house on July 19, 1973. I have therefore no intention of justifying it in detail again. However I should like to point out that I am more convinced than ever of the need for establishing a Commission on the

Future, the feasibility of which would be determined by the special conference suggested in this motion.

If we do not take care, through reflection and collective planning, our society and the whole of humanity will face ever more numerous and more serious crises while the exponential era of quantitative growth will go on during the next few decades. The Special Committee of the Senate on Science Policy warned us about this in the first chapter of its second volume published in January 1972, before the collective awareness brought about by the energy and food crises and the chronic state of inflation.

I should like to renew this warning today by referring briefly and singly to the population explosion. In 1970, the world population was estimated at about 3.6 billion people. United Nations experts recently stated that this population would reach the 6.8 billion mark by the year 2000. The implications of such a population explosion are almost beyond understanding. Humanity has never had to meet such a challenge. It is not ready to do so at the present time, and yet if it does not face up to it with some measure of success, it will inevitably meet with disaster. Above all, let us not imagine that we have 25 years to get ready for it. The population explosion is a continuous phenomenon, which is unfolding under our very eyes. In ten years, we will have to support one billion more inhabitants on our planet.

If humanity is to meet this challenge, and others that are related to this basic phenomenon, Canada will, to my mind, have to play a great role, and our persistent concern with daily problems, and all the sterile quarrels it entails, is not preparing us very well to play it. Canadians should, most urgently, get into the habit of thinking collectively and rationally on the future, and use this thinking to guide their present action. That would be, precisely, the main task the Commission on the Future would be requested to assume.

● (1430)

[English]

I do not intend today to justify the substance of this motion, which was already approved by this chamber last July. I should like, however, to present a progress report on our activities.

From July 1973 to mid-September we were engaged exclusively, with our small staff, in the preparation of the third volume of our report on science policy. As honourable senators already know, this volume attracted a good deal of attention; since its publication we have had to devote a substantial portion of our time to what I describe as follow-up activities. Private organizations have sent us briefs and have requested interviews to discuss their reaction to our recommendations. This dialogue is still going on, and SCITEC, the Canadian Association of Scientists, Engineers and Technologists, will hold a two-day meeting in Ottawa at the beginning of May to discuss Volume 3. A number of foreign experts, including representatives of foreign governments, have come to Ottawa to consult with us, or have invited individual members of the committee to visit them and to discuss science policy issues. For instance, Senator Grosart was invited last December to attend as a special guest a science policy seminar held by the Caribbean countries in Barbados. Various departments and agencies of the Canadian government have asked to

meet with us for the purpose of getting more background information on our specific recommendations. As a result of this exchange of views, the government has already implemented in substance many of our proposals. The Speech from the Throne indicates that others, among the most important contained in our report, will soon be acted upon. We sincerely hope that this process will continue and that by 1975 the substance of our whole report will have become government policy. Honourable senators will realize, I am sure, that all these follow-up activities are important, and that we cannot refuse to be consulted when people seek our advice. However, it must be recognized that such activities require a good deal of time and patience.

When our special committee prepared its report, it fully realized that futures research and futures information are complementary. Futures information naturally flows from futures research, and is designed to bring an improved knowledge of the future into the decision-making process of individual organizations, public or private. We proposed, therefore, the establishment of a Commission on the Future to act as a network of information and to assist Canadian decision-makers, but we also recommended the creation of a multidisciplinary centre of futures studies within the Economic Council.

The council has accepted this responsibility, but came to the conclusion that it would be wise to invite to Ottawa a small group of leading futurists to help launch this new research operation. We intended as a committee to do precisely the same thing and to organize a dialogue between Canadian decision-makers and futures researchers on the feasibility of the commission.

Since the two operations are complementary and will involve more or less the same experts, our steering committee and I have discussed on several occasions with the Chairman of the Economic Council, Dr. André Raynauld, and his associates, the possibility of launching the two operations together, and of a co-sponsorship of the proposed conference. I am glad to announce that the council accepted this co-sponsorship in January. For the steering committee, this proposal seems to have a great deal of merit, but it will belong to this chamber and eventually, I presume, the full committee, of course, to reach a decision on this matter. Personally, I believe that it would be a better guarantee of success for the conference if the Senate committee were associated with the Economic Council as its co-sponsors.

Incidentally, I would like to point out that the Chairman of the Economic Council has already stated publicly that he agreed with at least one function that could be performed by the commission proposed by our committee. He said:

The Commission on the Future recommended in the Lamontagne Report, is, in my opinion, one of the best instruments for the co-ordination of efforts concerning the development and diffusion of technological forecasting methods in both the private and public sectors.

This agreement, in my view, augurs well for a fruitful collaboration, and it shows that our committee was neither too naive nor too impractical when it proposed the estab-

[Hon. Mr. Lamontagne.]

lishment of the commission and the organization of a conference for that purpose.

● (1440)

During the preliminary steps that we took for the preparation of the conference, we were surprised by the underdeveloped state of futures studies in Canada, and the almost total lack of information in our country on what goes on in this area of research in the world. In our view, this regrettable situation in itself, justifies the setting up of the commission envisaged by our committee, but it means also that we have to start from scratch.

At our request the Economic Council undertook a survey of major Canadian private and public organizations to see if they were interested and involved in futures studies. In the private sector, 140 major companies were contacted. Of the 93 firms which agreed to participate in the survey, 58 per cent indicated that they had no knowledge and no activity in the area of long-term futures studies, 24 per cent claimed they had some knowledge but no practice, and only 18 per cent, or 17 firms, indicated both knowledge and practice of such research.

In the public sector, 34 federal agencies and seven provincial and municipal organizations were included in the survey because they seemed the most likely to be doing research in this area. Fifteen per cent of those organizations reported no knowledge and no practice, 39 per cent indicated some knowledge but no practice, and 46 per cent, or 19 organizations, claimed both knowledge and practice.

The fact that only 36 Canadian public and private organizations claimed knowledge and practice of futures studies might reveal that there is little interest in Canada in this kind of research. However, the authors of the report produced by the Economic Council arrived at a quite different conclusion. They state:

Certainly the great majority of persons contacted during the survey indicated strong interest in attempting to probe the future beyond the usual five-year medium term. It was generally felt that efforts devoted to such futures forecasting would be useful and would justify the application of increased efforts in this direction. However, it was agreed that improvements in methodologies and wider diffusion of information on futures forecasting should be encouraged.

Thus, while the survey conducted by the Economic Council revealed that the Canadian research effort devoted to futures studies was weak, it also detected a clearly perceived need among major private and public organizations for more and better Canadian studies in this area, and for a wider diffusion of information in our country on such studies being carried out in the world. What seems to be needed is a catalyst, an information clearing house. This is precisely one of the major roles envisaged by our committee for the proposed Commission on the Future.

On the basis of that conclusion, the obvious next step was to establish contacts with those federal agencies which had been included in the survey conducted by the Economic Council. Our Director of Research, Mr. Philip Pocock, has had detailed discussions with the staff involved in futures studies in the Ministry of State for Science and Technology, the Department of the Environ-

ment, the Department of Industry, Trade and Commerce, the Ministry of State for Urban Affairs, the Department of Supply and Services, the Canada Post Office, the Economic Council and the Public Service Commission.

At a recent meeting of the Ad Hoc Interdepartmental Committee on Technological Forecasting, Mr. Pocock presented our preliminary views on the proposed Commission on the Future and the conference, while representatives of each department and agency attending the meeting gave a brief account of futures studies being conducted within their respective organizations. Those contacts indicated the following situation:

1. Government departments and agencies are giving increasing attention to futures studies. Specifically there is a growing interest in using the Delphi method for finding consensus views regarding the probability of future events and trends.

2. There is not a readily available and comprehensive list of Canadian organizations and individuals conducting futures studies.

3. There is not a readily available Canadian survey of the type of futures studies being conducted abroad and of the foreign organizations actively involved in this area.

Obviously, some of these gaps have to be filled before the conference, if it is to be a success and achieve its important objective. For instance, it is essential for the conference to identify Canadians who have been doing serious work in this field.

Various steps have been taken to fill this gap:

1. An analysis has been made of the three most recent international conferences on the future, held in Oslo, Kyoto and Bucharest. The Canadian participants were identified as well as those of other countries.

2. We learned that Dr. R. J. Doyle, Chairman of the Department of Biology at one of Canada's most dynamic universities, the University of Windsor, was making a survey of Canadian publications on futures studies. He will be forwarding to us the paper which he has been preparing on this topic.

Hon. Mr. Martin: Who called this conference? What is the name of the body that called that conference? You referred to a conference in Oslo.

Hon. Mr. Lamontagne: The World Federation Society.

Hon. Mr. Croll: Do you mean, no one from Windsor? I am disappointed in your answer.

Hon. Mr. Lamontagne: I continue:

3. The most thorough study of futures researchers in the North American academic community is being conducted by Professor H. Wentworth Eldredge, of Dartmouth College, on behalf of the World Institute Council, which is an international organization monitoring futures studies. Professor Eldredge has agreed to have his staff go through his card catalogue and supply us with the list of Canadian academics who reported to him their activities in this area.

4. An approach has been made to Dr. Peter Meyboom, Director General of Sciences Procurement in the Department of Supply and Services, suggesting that the department invite Canadians with expertise in the field of futures studies to identify themselves. This suggestion, which has been accepted, will improve the application of

the contracting-out policy in this area, but it will also assist the work of our committee.

As honourable senators can see, we will soon have a good picture of the current state of Canadian studies and expertise on the future. The approach that we followed has not been costly, since most of the work has been done for us by others on a free basis, but it has been roundabout and time-consuming. It would have been more rapid, but much more expensive, to undertake an overall survey of our own.

It is also essential for the conference to have a data base on futures studies being conducted throughout the world and on the type of organization involved. A Rome-based institution called IRADES publishes a handbook on this topic. Mr. Pocock has analyzed this survey and prepared on that basis a memorandum entitled "A Brief Review of the Growing World-Wide Interest in Futures Studies," giving a short description of the most typical organizations conducting futures studies, and of projects and publications having special relevance to the role foreseen for the proposed commission.

● (1450)

Other international handbooks, such as *Exploratory Planning Briefs* have been published or are under preparation, including the book which will soon be published by the Futures Group in Connecticut, and which has been commissioned by the National Science Foundation in the United States. These surveys of international activity indicate the widespread and rapidly growing interest in futures studies in governments, in the academic sector and in private organizations. It is reported, for instance, that about 800 organizations in the world carry out futures research, either on a part-time or a full-time basis.

Hon. Mr. Martin: Eight hundred organizations in the private sector?

Hon. Mr. Lamontagne: No, overall. The World Futures Society, comprised of various experts on the future, has grown from 200 members at the time it was founded in 1966 to approximately 13,000 members today.

In fact, the proposed Commission on the Future could play a most useful role in Canada, if it did nothing other than monitor the world's output of futures studies and supply a synthesis, in a useful form, to Canadian decision-makers.

Japan has been devoting increasing attention to futures studies. The following major research projects are presently being carried out in that country: Global Constraints and New Vision for Development; Japan in the Changing World; Ecological Studies for MITI; Value System and Social Dynamics; and Policy Studies on World Problematique. Mr. Pocock has established contact with Professor Yujiro Hayashi, who is currently the President of the Japan Institute for Future Technology and professor of social technology at the Tokyo Institute of Technology. Professor Hayashi, who was previously the president of the Japan Future Association, has been most helpful to us in supplying information and papers. Contacts have also been established with other individuals and organizations, mainly in the United States.

As a result of the work done by our staff, it would be relatively easy and most useful to produce the first

Canadian handbook on international activity in the field of futures studies, before the proposed conference. We are now seeking a government agency which would be able and willing to undertake this project for us. That agency, I hope, will be the Economic Council.

In consultation with a few experienced public servants, consideration has been given to the structure of the conference for the purpose of identifying the various means which would allow Canadian decision-makers and leading futurists to most effectively determine the feasibility of the commission. Some exploration has been made of new conference techniques that might be used. Also, a draft list of leading futurists who might be considered as useful participants has been prepared.

On the basis of this consideration, Mr. Pocock has written a memorandum entitled, "A Canadian Commission on the Future," which is helping me in preparing a position paper containing the following sections: the breakdown of the traditional decision-making process; the need for a future-oriented consensus; the state of futures studies in the world and in Canada; the need for a Canadian network of futures studies; futures studies and management; the need for a national information network on the future; organizing a future-oriented consensus; the foundation of a new organizational culture and of anticipatory democracy; the structure and activities of a Commission on the Future, called Futures Canada; and, finally, the Conference on the Future, its format, participants and program.

I expect to be able to submit the first draft of this position paper to the committee early in April. When it is in its final form, I hope that it will constitute a useful handbook for the conference, and that it will be made available to the participants of that conference well in advance so that we can go to the conference with a common background and common motivation. We will then have reached the final stage in the preparation of the meeting.

In conclusion, I should like to say that, in spite of our involvement with follow-up activities related to our report on science policy, a great deal of preparatory work for the conference has been accomplished with a small but highly dedicated staff. However, a lot more remains to be done. In consultation with the Economic Council, the conference has been tentatively scheduled for next fall. Again the committee will have to pass judgment on this matter. As far as I am concerned, while I certainly do not envisage with great enthusiasm another summer of heavy work, I am not particularly worried by unavoidable delays. I am more interested in making sure that the conference will be a great success than in determining a date now which might prove premature and mean failure later. I have seen too many meetings fail because of a lack of adequate preparation to accept, at this stage of our work, becoming the prisoner of a rigid time schedule.

The Senate can be proud to have been the prime mover in launching the process which will lead to the formulation and implementation of a coherent Canadian science policy, an area which the government itself has since recognized as vitally affecting "the well-being of Canadians and the future of Canadian society as a whole."

We now have the unique opportunity to launch good futures studies in Canada and an effective national net-

[Hon. Mr. Lamontagne.]

work of information on the future. Dante, the famous Italian poet, almost seven centuries ago, wrote:

You may understand, therefore,
That all our knowledge shall be a dead thing,
From that moment on,
When the door of the future is shut.

The responsibility that we will accept in approving this motion will be to open the door to Canada's future, and to keep it open. Let us face this new challenge as wisely, but also with as much imagination, as we have assumed other major responsibilities in the past.

● (1500)

[Translation]

Hon. Mr. Deschatelets: Would the honourable Senator Lamontagne be kind enough to answer this question?

Will the conference, the organization of which is the main objective of your special committee, be restricted to Canadian participation alone or will it be opened to all scientists who could be interested?

Hon. Mr. Lamontagne: In the first place, the committee must take a decision on that point. Moreover, since, as stated in the motion, we will be considering the feasibility of such a Commission on the Future, I think that the number of participants to the meeting or conference should be relatively restricted. We would like to have an appreciable number, let us say from 100 to 125 Canadians entrusted with decision-making in their respective fields. I would like those 125 decision-makers to represent the various sectors of Canadian society, namely, industry, labour, cities, governments as well as churches and other voluntary organizations.

On the other hand, I would like that this dialogue be held between Canadians and experts from the entire world, including Canadians who have developed the best expertise possible in the fields related to studies on the future.

Hon. Mr. Asselin: I should like to ask Senator Lamontagne another question. Is private industry ready to support financially the organization of such a conference or has it indicated that it would be prepared to provide financial assistance?

Hon. Mr. Lamontagne: I have not approached private industry for financing the conference. Personally, I think it would be somewhat shameful for the Senate and the Economic Council if we were to beg for support to finance a venture which, in my opinion, would not be that expensive.

I have therefore not taken any steps to obtain such support. I know that some Canadian companies, like Bell Canada and others would be very interested in taking part by displaying exhibits on future developments in their respective fields. I think that this is perfectly acceptable. But if we were to start accepting financial contributions from insurance companies, for instance, as was offered to me, we would risk becoming or seeming to be a lobby, which we would certainly not want.

However, I have received assurances that when the commission is established, if this is collectively thought to be feasible, many Canadian industries will be interested in becoming members and contributing to its success.

Hon. Leopold Langlois: Honourable senators, I would like to say a few words about this motion, particularly after the speech of Senator Asselin about the possible cost of this Commission on the Future. I would remind all honourable senators who do not belong to our Internal Economy, Budgets and Administration Committee that last fall Senator Lamontagne submitted for approval a budget of \$109,475 covering the cost of this special conference to study the feasibility of a conference on the future. Besides approval by our committee there was one condition of the effect that on or before November 30, 1973, the Special Committee of the Senate on Science Policy was to tell us whether \$109,475 were adequate for the preliminary work of this conference and should it be considered to exceed this amount the committee would completely review the financing approval of such a project.

I understand that in November 1973, we had no progress report from the committee chairman but that during a subsequent meeting, in December 1973, Senator Lamontagne outlined the progress made to date, insisting on the intention of the Economic Council of Canada to participate in the preparation of such a conference. I am glad to notice that this afternoon Senator Lamontagne reconfirmed this intention of the Economic Council to participate with the Special Committee of the Senate on Science Policy in this conference.

However, this will not affect the decision already taken by the Internal Economy, Budgets and Administration Committee which was to request Senator Lamontagne and his committee to appear again before the committee to seek reconfirmation of the budget we had decided to approve last year and under this condition—and I should not anticipate the decision of the Internal Economy Committee—I think the project might be relaunched with success.

During my intervention in the debate on the Address in reply to the Speech from the Throne I had the opportunity to review briefly the main aspects of the enormous work accomplished to date by the Special Committee of the Senate on Science Policy, and particularly to point out the decisions which resulted directly from this tremendous task undertaken by Senator Lamontagne and his colleagues of the Special Committee on Science Policy. I spoke mostly of the new structures set up, in the other place, by the department of the Honourable Mrs. Sauvé to implement some of the major recommendations of Senator Lamontagne's committee, especially the revision of the financial aid system to scientific research at university and other levels for a better co-ordination of scientific research in Canada. As was mentioned with such authority by Senator Lamontagne a moment ago, it is absolutely essential for the future of this country—not to mention the future of the whole humanity—that present generations consider the development of technology and establish a detailed scientific policy to meet the challenges of the future.

He also emphasized the challenge the human race will have to meet because of the astounding growth of the Earth population and the necessity to feed that many more people. It is indeed quite a challenge. As he suggested, we must take up this challenge immediately and look at the future in a way quite different from the one we looked last

year at the energy crisis, when we were taken by surprise, not having even thought such an occurrence possible.

I hope that we will cease moving ahead blindfolded and that the work our committee is carrying out will bear fruit. This project started in a magnificent way. I hope that, in future, our work will benefit our country and the whole of mankind.

[English]

Hon. Ernest C. Manning: Honourable senators, I would like to join with others in commending Senator Lamontagne for the motion he has put on the Order Paper, and discussed so clearly this afternoon.

We are all aware that in the increasingly complex society of our times, events in so many cases are running ahead of the decision-makers. In both the private and the public sectors, a great amount of time is now taken up by decision-makers in trying to find solutions to problems that have already developed, rather than anticipating these developments and attempting to chart a course ahead of time in the hope of resolving serious situations before they reach crisis proportions.

● (1510)

I am impressed by the procedure that is proposed. While it is obvious that a Commission on the Future may have tremendous potential—I personally think it has—it would be most unwise to commit ourselves to something of this magnitude without adequate examination and preparation in advance.

If I understand what is proposed, there are really two major preliminary steps, in addition to the work that already has been done by the Senate Committee on Science Policy.

The preparation of the position paper to which Senator Lamontagne referred is an important step. I hope that when that paper is available we shall all have an opportunity to examine it in detail. It should produce valuable information and answers to many of the questions which need to be resolved in deciding whether a Commission on the Future would be a practical and worthwhile permanent institution.

Following the position paper, the proposal is that a conference be held which will afford an opportunity to assess thoroughly the data from the position paper and any additional pertinent information and, in the light of that assessment, reach a decision as to the practical value of a Commission on the Future.

I commend Senator Lamontagne for that procedure because as far as it is possible to do so it protects us from making mistakes and going ahead without fully appreciating all the implications and problems that may be involved. If, after going through the position paper and the conference, a judgment is made that a Commission on the Future is feasible and desirable, we all at that stage will know that it is made in the light of very complete information and we can have confidence in the commission's future success.

I am pleased to add this word of commendation of what is proposed by Senator Lamontagne.

Hon. Donald Cameron: Honourable senators, I expected to follow Senator Grosart, as I thought that he was going

to speak next, but he signalled that the ball is in my park for a moment or two.

I am rising to support the motion of Senator Lamontagne with a great deal of enthusiasm. As he says, the repercussions from Volume 3 of the Report of the Senate Committee on Science Policy are continuing to come in almost every day. In my 18 years in the Senate I have never before experienced the kind of response from business organizations that has been generated by that report. Institutions like the Association of Professional Engineers of Canada, and that of Ontario, the geophysical groups from the West, and some other organizations, have put committees of their organizations to work in analyzing the report. They have not endorsed all of the recommendations, by any means, and this is one of the strengths of a report of this kind. They have made counter proposals in some cases, and those counter proposals are an enriching response, so that the dialogue that has arisen has been a very profitable one for Canada and all concerned.

Honourable senators, we have reached the stage where we are considering the next and logical outflow of that committee, that is, the setting up, or the contemplation of the establishment, of a Commission on the Future.

I like to think of the work of the Senate as being divided into two general types. For simplicity, we might call one the Senate's role in dealing with housekeeping problems—the question of day to day finance, and dealing with legislation in the various fields. That is work which must be done, and the Senate committees deal with it very effectively. In its second type of work the Senate has a special responsibility in what I might call global activities. In other words, if we accept the thesis that we are part of one world, a shrinking world, then it follows that we cannot escape the impact of what is happening in other countries. And it is important that we should feel that impact, in order that we may be able to predicate our thinking on the basis of what is being done in other countries.

Honourable senators, I have used a quotation from the famous architect Blackburn—who designed the greenbelt around Washington, D.C.—so much that many of my colleagues say that it should be my monogram. But it is a quotation that should apply to some phases of the Senate's activities. Blackburn said:

Make no small plans, they hold no magic to stir men's blood.

I like to think of some of the activities of the Senate as being conceived in that concept. We are not thinking in terms of small plans that hold no magic to stir men's blood. So, in approaching this proposal, I should like to think it is being conceived in the terms of "no small plans." I think of it as being conceived in terms of a concept that would stir men's blood, and excite them. There is a place in our Canadian system for such a concept, and I hope we develop it.

About two years ago—in 1972, I think—there was a report entitled "The Limits to Growth," by Mr. Denis L. Meadows and three other members of an M.I.T. project team. To me, it was the first time that a group of scientists dealt with this problem of finite resources in a semipublic manner. Some people said that this was just a group of

[Hon. Mr. Cameron.]

gloom-and-doom sayers, and tried to write it off. However there has been quite a debate, certainly in Academe, as to whether these people had gone too far; whether they were away off base or not.

As far as the ordinary man on the street is concerned he had never read "The Limits to Growth." He was not concerned. He wanted to go his own quiet way undisturbed with his head buried in the sand as far as the impact of these global problems was concerned. This went along until last fall, when all of a sudden out of the blue sky came the curtailment of the oil supplies from the Middle East. This had a tremendous impact on the ordinary man on the street because when he went to fill his gas tank he was met with the legend "Sorry, no gas" at one gas station after another. I was in California and Oregon in late December and January and saw that happen. This brought it home to the ordinary citizen with a terrific impact, and he became aware that there is something about this "limitation of our resources." The same thing is going to happen in the next few years with respect to copper and various other metals. So it is time that people became concerned with the limitation of our rich resources.

Honourable senators, the timing of this work is right. I would particularly emphasize the importance of Senator Lamontagne's suggestion that we take as much time as is necessary to do an adequate job of preparation. The need for preparation on an important conference of this kind was emphasized by the recent Vienna conference which was attended by the Prime Minister. If I read the newspapers correctly, he was rather disappointed with the result of that conference. There were many talented scientists and public figures participating in it but it was a partial failure, because the time was not taken to do adequate preparation and organization.

We cannot afford to have such a result in this case. The fact that a conference like the Vienna conference could leave a less than satisfactory feeling of accomplishment arose strictly out of the fact that there was inadequate preparation.

● (1520)

For these reasons I hope we will accept these procedures which, to me, comprise an exciting challenge which I know the Senate can meet, and meet most effectively.

Hon. Allister Grosart: Honourable senators, I need hardly say I support Senator Lamontagne's motion. May I also say I welcome the opportunity to add mine to the tributes that have been paid to him for the indefatigable way and the courage with which he has carried through the work of the Senate committee so far.

I am glad that Senator Cameron spoke, because I know that as vice-chairman he has throughout been the strong right arm of Senator Lamontagne.

Many of us who have been active in the committee will remember times when the atmosphere was far less cordial, both outside the Senate and to some extent in the Senate than it seems to be on this happy afternoon. I welcome the complete support, for example, of Senator Langlois, who had his doubts at one time—and quite properly so. I welcome also the support of Senator Manning and others, because the task that Senator Lamontagne launched us on

was something novel in Canada—indeed almost novel in the world—and the end result, in which the Senate can take some pride, is the verdict of Dr. Alexander King of the OECD, which has been accepted around the world, that this is the most complete survey of national science policy ever made anywhere at any time.

Many of us know that for that reason our reports and proceedings are used almost as a text here and there around the world. You find them referred to when people wish to compare what they are trying to do in national science policy with the conclusions we reached in examining our own.

It is very much to the credit of the Senate that it permitted Senator Lamontagne's committee to carry on its bridge activities between the end of its science policy investigation and the beginning of the investigation into the field of futures, because, as Senator Cameron pointed out, the number of briefs that are still coming in, addressed to the government and to others about the recommendations made by the committee, is amazing.

Another aspect of the work of the committee is the impact which its staff—Mr. Pocock, Mr. Ostiguy, and two young ladies—have had at all levels upon those who are concerned with science policy in Canada. Working together with Senator Lamontagne they have been in constant contact with the government, and I think the Speech from the Throne is the reason why the atmosphere in respect to the work of the committee today is as generally harmonious as it is. There is clear evidence that so many of the recommendations of the committee, which were opposed strongly by some, are now officially government policies. It is somewhat difficult to go through our major recommendations and find one which has not in one way or another now been accepted by the government, if not immediately implemented.

Perhaps because Senator Lamontagne referred to my attendance at a conference in Barbados, I might take just a minute to report to the Senate on that conference. It will be more convenient than giving the usual notice of my intention to call the attention of the Senate to the conference.

The conference, which was called by the Organization of American States, involved a number of countries in the Caribbean proper and in Latin America. Our committee was invited to send a representative to attend. It is significant that we were the only outside organization invited by the Organization of American States to be represented there, and I found myself, as the representative of the committee, the only non-Caribbean or non-Latin American there.

I recall that in the early days of the work of our committee, when we had reached certain conclusions, we decided to go to Europe and “bounce off”—that was the phrase we used—our conclusions on experts in different countries. When I was in Barbados I found myself in the opposite position, because those very bright people who were there—about 30 science advisers to various governments, 20 of whom were Ph.Ds (and *working* Ph.Ds)—were “bouncing off” their science policies on the recommendations that we had made. They were well aware of them, and of the work we had done. So I found myself continually saying, “Well, we saw it this way.”

The conference lasted five days. During the first three days we heard a complete report from each of the different countries on the state of the art and the health of their own science policies. The countries represented were Haiti, Santo Domingo, Trinidad and Tobago, Jamaica, Barbados, Brazil, Venezuela, Peru and Colombia.

Much of the discussion was based on the OECD reports on the state of science policy in different countries, including Canada, and our own reports. One of the final conclusions of this five-day meeting was to set up what is called a “Science and Technological Regional Co-operating Committee”—very much the same kind of philosophy that we adopted in looking at our own diverse and diffuse science policies which we called at one time “Canada's Science Policy by Accident”.

They suggested, and I have had some correspondence along these lines, that they are most anxious to have some of their people come up to Canada to meet with our ministry and our committee, and this, as a matter of course, we will be taking up with the committee. They are, incidentally, quite prepared to pay their own way.

Finally, perhaps I should say that there has been an amazing breakthrough in the sugarcane technology down there. It has been described as the greatest breakthrough in the whole history of the sugarcane business. Strangely enough, it is a technique developed by a Canadian firm from Alberta called Canadian Cane Consultants, which started to examine the possibilities of using the outer layer of the cane for fertilizer, and finally developed a machine which greatly improves the efficiency of the business of extracting the sugar. The company has also discovered that there is an inner layer which makes excellent animal fodder.

It was a proud moment for me to be taken out to see these machines working, and to be informed of the tremendous lift that this Canadian invention is going to give to this most important resource in these countries.

Honourable senators, again I commend the motion to you. I need hardly say I shall be voting in favour of it.

Motion agreed to.

● (1530)

COMPETITION POLICY

MOTION TO AUTHORIZE BANKING, TRADE AND COMMERCE COMMITTEE TO EXAMINE AND REPORT UPON COMPETITION LEGISLATION—DEBATE ADJOURNED

Hon. Salter A. Hayden moved pursuant to notice:

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; 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, I think I should add a few words of explanation. The subject matter of this motion has to do with the new competition policy for Canada, and

the history of that is a very brief one. During the last session a bill was introduced in the House of Commons dealing with the subject matter of a new competition policy. At about that time there was issued by the Department of Consumer and Corporate Affairs a book—I was going to say “a booklet,” but it is more a book because it is of such volume—entitled “Proposals for a New Competition Policy for Canada.”

There were many representations made in connection with the proposals contained in the draft bill as outlined in this book, and as contained in the bill which was introduced. However, the session terminated before the bill was passed.

In this present session Bill C-7 has been introduced in the other place. Whether that bill reflects and incorporates the representations that were made to the other place in the last session is a matter which should be considered. However, it is interesting to note that the Minister of Consumer and Corporate Affairs has made several speeches. I intend to quote just a few lines from a speech that he made in Winnipeg to the Canadian Institute of Management on March 12 on this year, Bill C-7 having been read the first time in the House of Commons on March 11, to indicate why I think a study should be made at this time, and before any bill dealing with a new competition policy comes to us. To describe the bill, I can use no more definite language than that of the minister himself. He said:

Even speaking about only this piece of proposed legislation I must be selective—

Meaning that he had to pick topics for discussion on that occasion.

—because of its sheer extensiveness and complexity and so I will attempt to distill what you may consider to be some of its most important provisions.

Now, the minister used that description of the bill, “its sheer extensiveness and complexity.” I would not attempt to rate myself higher than the minister, who had the opportunity of sitting in on the formulation of the proposals, the preparation of the legislation, and considering the submissions made by the public. So I would think that if we want to be well educated we should study this bill, even before it comes before us formally. We have had experience before of bills coming to us, in the normal course of events, towards the beginning of the summer recess, when we have the old difficulty of pressure of time. Therefore, I think in this case, before that pressure can develop, we should learn as much as we can about the “sheer extensiveness” of this bill and its “complexity”. As

a matter of fact, I think that that is what the minister would like us to do, because when he was closing his speech in Winnipeg on March 12 he said:

I would be happy to try to provide further information or clarification and also to receive your views on any or all of these proposals for stage 1 of the government's new competition policy.

I would take that statement as being an invitation which includes the members of the Senate, and a committee of the Senate, to seek as much clarification and education as possible. This is a method by which we can examine the legislation in the light of all the material that is available, come to our conclusions, and make our submissions to this chamber, so that by the time the bill reaches us we shall be in a position to give informed consideration to it.

On motion of Senator Grosart, for Senator Flynn, debate adjourned.

RIGHT HONOURABLE ARTHUR MEIGHEN

PORTRAIT—QUESTION ANSWERED

Hon. Paul Martin: Honourable senators, Senator Forsey asked me a question regarding the parliamentary portrait of a former Prime Minister of Canada, who was at one time a Leader of the Government in this house, as well as Leader of the Opposition. I refer, of course, to the Right Honourable Arthur Meighen, for whom Senator Forsey has a special affection, and for whom I am sure we all have great respect.

Senator Forsey asked if I could give any information about the prolonged absence from the corridor outside the other place of the portrait of the former leader of this house, the Right Honourable Arthur Meighen.

I made some inquiries about the portrait. I noticed today, for the first time, that it is not in its usual place right opposite the elevator at the entrance to the House of Commons. The explanation given is that both the portrait and the frame were damaged, and it has taken some time to find an expert craftsman to repair the portrait. This is a highly specialized field and all competent people have a backlog of work. I do not know who damaged it, or under what circumstances. I am sure that Senator Forsey would not have had anything to do with that, nor, indeed, would anyone from either house. However, I hope that the repairs will be carried out quickly so that the portrait of this distinguished Canadian can resume its place on the walls of the House of Commons.

● (1540)

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 28, 1974

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

DOCUMENTS TABLED

Hon. Paul Martin tabled:

List of Commissions issued under authority of section 3 of the *Public Officers Act* during the year ended December 31, 1973, pursuant to section 4 of the said Act, Chapter P-30, R.S.C., 1970.

Report of the Custodian of Enemy Property for the year ended December 31, 1973, pursuant to section 3 of the *Trading with the Enemy (Transitional Powers) Act*, Chapter 24, Statutes of Canada, 1947.

Copies of nine contracts between the Government of Canada and various municipalities in the Provinces of Alberta and Manitoba for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the *Royal Canadian Mounted Police Act*, Chapter R-9, R.S.C., 1970 (English text).

Report on the administration of the *Public Service Superannuation Act*, Parts I and II, for the fiscal year ended March 31, 1973, 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, 1973, pursuant to section 11 of the said Act, Chapter 43 (1st Supplement), 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, 1973, pursuant to section 134(2) of the said Act, Chapter S-9, R.S.C., 1970.

Report on the operations of the *Shipping Conferences Exemption Act* for the year ended December 31, 1973, pursuant to section 12 of the said Act, Chapter 39 (1st Supplement), 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, 1973, 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.

NATIONAL FINANCE

INFORMATION CANADA—AUTHORITY TO PUBLISH AND
DISTRIBUTE REPORT OF COMMITTEE WHEN AVAILABLE

Hon. Douglas D. Everett, Chairman of the Standing Senate Committee on National Finance, with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the Standing Senate Committee on National Finance which was authorized on Tuesday, 19th March 1974, to continue its examination of Information Canada and table its report thereon in the present session, be authorized to publish and distribute its report as soon as it becomes available, even though the Senate may not then be sitting.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: Honourable senators, I understand that this is a routine motion and that is why I agree to give leave, but why is Senator Everett worried about having to publish the report while the Senate is not sitting?

Hon. Mr. Everett: Because it is possible the report might become available while the Senate is in Easter recess. I would give the Senate the same undertaking that I did before: if it is merely a temporary recess from week to week we will publish the report when the Senate is sitting. This motion is in order to be able to publish the report if the Senate is in recess for more than a week.

Hon. Mr. Flynn: If we are going to adjourn for the same period of time as the House of Commons adjourns, I do not think the report should be published in the absence of the Senate.

Hon. Mr. Martin: Honourable senators, Senator Everett will recall that when this matter was discussed last spring I suggested that an effort be made to wait until the Senate was in session. That would be far better than having the report printed when we could not possibly have it tabled here and give it the attention that I think it warrants. In the meantime, the report has not come out. I hope we will have a recess, but that has not been decided. It cannot be for much more than a week, so I think the suggestion of the Leader of the Opposition is sound. The recess may be 12 days, or even two weeks. I would hope Senator Everett would find it desirable to accede to the suggestion of the Leader of the Opposition. When the Senate is sitting this is the place where a parliamentary report should be introduced, unless there are very exceptional circumstances, as there were last spring.

● (1410)

Hon. Mr. Flynn: May I suggest a practical solution to the problem? Would the honourable chairman of the committee agree to consult the Leader of the Government and the Leader of the Opposition before releasing the report?

Hon. Mr. Everett: Honourable senators, I would be most pleased to do so, if that satisfies the Leader of the Government and the Leader of the Opposition. Indeed, it is at the option of the Senate whether or not this motion goes through, because I have asked for leave.

I just want to point out to the Leader of the Government that he was right the first time. The motion passed

last year involved the Christmas recess and the conditions then were very much different from those that could obtain—I am not saying that will, but that could obtain—in respect of the Easter recess. This motion is purely and simply to ensure that if those conditions do arise we would not be in a position where we would not have the power to do what we want to do. But I will indeed consult the Leader of the Opposition and the Leader of the Government.

Motion agreed to.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT

Hon. Leopold Langlois, with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That, for the duration of the present Session of Parliament, should any 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: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: Honourable senators, I have no objection to the motion, but I would hope that Your Honour would not consult only one source, when deciding.

Hon. Mr. Langlois: You need not name the other source that you have in mind.

Motion agreed to.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

MOTION FOR SECOND READING—ORDER STANDS

On the Order:

Second reading of the Bill S-4, intituled: "An Act to amend the Criminal Code (control of weapons and firearms)".—(*Honourable Senator Cameron*).

Hon. Mr. Martin: Stand.

Hon. Mr. Phillips: Why?

Hon. Mr. Martin: Senator Cameron is not here.

Hon. Mr. Langlois: The sponsor is not here.
Order stands.

APPROPRIATION BILL NO. 1, 1974

SECOND READING

Hon. Leopold Langlois moved second reading of Bill C-15, for granting to Her Majesty certain sums of money

[*Hon. Mr. Everett*.]

for the public service for the financial year ending 31st March, 1974.

The Hon. the Speaker: Honourable senators, it is moved by Honourable Senator Langlois, seconded by Honourable Senator Martin—

Hon. Mr. Phillips: Pardon me, Madam Speaker, again may I ask my question. Why?

The Hon. the Speaker: Why what?

Hon. Mr. Phillips: Why dispense?

I only asked you why once. I simply want to know why these things are on the Order Paper and then stood. If they are on the Order Paper they should be dealt with and dealt with here and now.

The Hon. the Speaker: Are you referring to Order No. 1 in the name of the Honourable Senator Cameron?

Hon. Mr. Phillips: No.

The Hon. the Speaker: Which order are you referring to?

Hon. Mr. Phillips: Pardon me, Madam Speaker, I am referring to Orders No. 1 and No. 2. I cannot understand why these items on the Order Paper are referred back and back again. Perhaps it is out of order for me to say this, but I suspect that—

Some Hon. Senators: Order!

Hon. Mr. Phillips: I suspect that it is for the convenience of the government side—

Hon. Mr. Flynn: No, no.

Some Hon. Senators: Order!

Hon. Mr. Phillips: I would like to know, honourable senators, and through honourable senators to Madam Speaker, why we find these items referred back at the convenience of the government side.

The Hon. the Speaker: Honourable senators, at the moment the only order which has been stood is Order No. 1, which is for the second reading of Bill S-4, sponsored by Senator Cameron. I am not aware of why it is not going forward, but I understand that Honourable Senator Cameron could not be here today.

Hon. Mr. Martin: That is right.

Hon. Mr. Flynn: In any event, it is a private bill.

Hon. Mr. Langlois: That is right. It is a private bill, anyway.

Hon. Mr. Martin: It is Senator Cameron's bill.

Some Hon. Senators: Stand.

The Hon. the Speaker: The first order has already been stood. We are now dealing with the second order, and it has been moved by Senator Langlois, seconded by Senator Martin, that this bill be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Langlois: Honourable senators, as you will recall, royal assent has already been given to three supply bills covering estimates for the current fiscal year. The first supply bill provided interim supply for the months of April, May and June. In the previous session this bill was

known as Appropriation Act No. 3 and provided supplies for the total of \$2,722,427,083.92.

The second such bill, agreed to on June 28, 1973, provided full supply for the balance of the main estimates for 1973-74 and was known in the previous session as Appropriation Act No. 4, covering supply for the total amount of \$7,383,985,885.08.

Finally, the third bill, agreed to on December 21, 1973, provided full supply for the whole of the supplementary estimates (A), 1973-74, and was known in the previous session as Appropriation Act No. 5, and was for a total of \$477,053,928.

Hon. Mr. Flynn: Would the honourable senator permit a question at this stage? He has been referring to the title of the bill and to the number of the bill. I have already mentioned that it is a source of confusion that the bills are numbered by the calendar year instead of by the fiscal year. This is a good example of such confusion. Here you have bill No. 1 for 1974, whereas it is the last bill for the fiscal year ending the 31st March 1974.

Hon. Mr. Langlois: They number the bills by the session in the course of which they have been presented, and even if I agree that this might create confusion I cannot change the situation.

Hon. Mr. Flynn: But you could suggest that it be changed.

Hon. Mr. Langlois: I will make my suggestion later on, and I hope my honourable friend will do so himself. He has done so in the past.

To continue, the bill introduced today provides for full supply of supplementary estimates (B), 1973-74, which total \$1,120 million. These estimates consist of approximately \$396 million in statutory items and \$724 million in voted items, the latter figure including \$35 million in loans. The total estimates tabled today for 1973-74 consist of budgetary expenditures of \$20,473,700,000, and non-budgetary expenditures of \$937.6 million, giving a grand total of \$21,411,300,000. Supplementary estimates (B) were referred to the Standing Senate Committee on National Finance on March 19, 1974, and these estimates were discussed in committee on March 27, with the President of the Treasury Board and his officials. As was pointed out yesterday by the Chairman of the National Finance Committee in presenting his interim report, this study of the estimates now before honourable senators will be carried on starting next week. There are two additional sittings of the committee scheduled for next week, and they will be carried on as long as the members of this committee are satisfied that they have given the fullest consideration to these estimates.

● (1420)

The form of the present supply bill is the same as that of supply bills in previous years. No additional borrowing authority is requested, since the first supply bill for the current fiscal year provided sufficient borrowing authority in the amount of \$3 billion. These supplementary estimates are made up almost entirely of a few large transfer payments, some directed to the relief of inflationary pressures on certain groups, others to the provinces, and still others, in the form of subsidies, to the agriculture and transportation industries.

I will briefly mention now the latter ones, which made up almost 90 per cent of the total. Firstly, payments to the old age security fund, to make up deficiencies in the fund which have arisen out of the increase in the basic pension and the introduction of the quarterly indexing, in the amount of \$235 million; secondly, higher family allowance payments in the amount of \$190 million; thirdly, subsidies on the price of petroleum products to Canadian consumers in the amount of \$240 million, as a result of the decision taken at the first minister's conference of January, 1974. As it was explained yesterday, this amount of \$240 million covers a period from the first of January, 1974, to the thirty-first day of the present month.

Has the honourable senator a question?

Hon. Mr. Phillips: Yes.

Hon. Mr. Langlois: I am sorry. I could not stop in the middle of giving these figures.

Hon. Mr. Phillips: With the great respect that I have for the honourable senator, he is reading his notes—

Hon. Mr. Martin: Order.

Hon. Mr. Phillips:—much too fast for my interpretation in either of the official languages—

Hon. Mr. Martin: Order.

The Hon. the Speaker: Honourable senators, I must call your attention to the fact that when a senator has the floor he cannot be interrupted unless with his permission, and only to ask him a question. If he gives permission to have a question asked, of course it is quite all right, but if he does not, the senator who is speaking has the floor.

Hon. Mr. Phillips: Honourable senators—

Hon. Mr. Langlois: Madam Speaker, may I have the floor, please?

The Hon. the Speaker: I shall have to ask honourable senators to permit Senator Langlois to speak, as he is in the midst of a speech and has the floor until he wants to permit someone to ask him a question.

Hon. Mr. Phillips: I ask, honourable senators, that Senator Langlois yield for a question.

Hon. Mr. Langlois: For a question, yes.

Hon. Mr. Phillips: The Honourable Senator Langlois, perhaps due to his superb intelligence—

Some Hon. Senators: Question! Question!

Hon. Mr. Phillips: Who is asking for the question? I am not quite sure. Is the Senate asking for the question? I was confused, as I am sure any honourable senator who was listening to his remarks—

Hon. Senators: Question! Question!

The Hon. the Speaker: If Honourable Senator Phillips has a question, then I do not think he should give an introduction. He should simply ask his question.

Hon. Mr. Phillips: The Honourable Senator Langlois referred to \$1.9 million and then within the same sentence seemed to transfer that sum to \$1.9 billion. Would the Honourable Senator Langlois show us now the courtesy of clarifying the amount of money involved. After all, there is a considerable amount involved. I hope I am not offend-

ing honourable senators opposite or the occupant of the Chair, but I feel I am entitled to clarification on that point.

Hon. Mr. Langlois: Honourable senators, I am sorry if I have not made myself clear, and I shall endeavour to speak more slowly. I hope my honourable friend will be able to follow what I have to say.

The fourth category covers expenditures mentioned for the equalization payments.

Hon. Mr. Phillips: What about my question?

Hon. Mr. Langlois: It includes equalization payments to include education property taxes as a revenue to be equalized at \$146 million; revenue guarantees to the provinces, \$50 million; payments to Alberta and Saskatchewan as provided under the Oil Export Tax Act, \$76 million; payments to the railways to compensate them for the freezing of freight rates, \$41 million; and lastly, additional subsidies to producers of manufactured milk, \$31 million.

These estimates, as in previous fiscal years, seek authority to finance new items through complete or partial offsets in other votes in the same program or other programs of the ministry where funds can be made available through the exercise of restraint or where changing circumstances permit lower expenditures. These offsets are treated as \$1 votes in order to bring them before Parliament for authorization.

Thirty-three \$1 items are included in these supplementary estimates. Yesterday your committee on National Finance was given a summary by the President of the Treasury Board of these \$1 items in detail, and each such item was explained as to the transfer and source of funds.

● (1430)

I know that these \$1 items have in the past generated a good deal of discussion in this chamber. If honourable senators who are not members of the Standing Senate Committee on National Finance are interested in having this summary, together with the explanations, I am ready to provide them with it. I had given thought earlier to having the summary printed in a sufficient number of copies for distribution to each senator present today. However, I am in the hands of the Senate. Should any senator wish to have the summary printed as an appendix to today's proceedings, that could be done; otherwise, I will give an example of each category of such items, and if further information is required I will be pleased to provide it in one way or another.

I will commence with the \$1 items which authorize amendments to previous appropriation acts, of which there are six items. An example of such items is to be found under External Affairs, the Canadian International Development Agency, vote 25b, to authorize an extension to the vote wording in order to provide parliamentary authority to certain sections of the Technical and Educational Assistance Regulations. The explanation of this is the following: It was agreed in 1973 to amend the regulations governing the Agency's Technical and Educational Assistance Plan by increasing the allowances paid to foreign trainees and revising the schedule of expenses into more specific categories. However, before these revisions can be implemented, parliamentary authority is required for the payment of medical expenses and expenses for

[Hon. Mr. Phillips.]

dependants. This vote wording amendment will provide that authority when approved by Parliament.

The second category of these \$1 items is that authorizing grants, of which there are eight items. One example is Consumer and Corporate Affairs, vote 5b, totalling \$150,000. The explanation is that it is proposed to provide additional assistance to consumer organizations such as the Consumers Association of Canada so that they may expand their consumer advocacy role. The source of the funds is vote 5. Funds are available due to delays in the commencement of the Consumer Help Office Project.

The next category of such \$1 items is that authorizing transfers from one vote to another, of which there are 15. One example of these is under Industry, Trade and Commerce, vote 1b. The amount of transfer to this vote is \$299,999. The explanation is that the additional amount is required to cover the cost of scientific and engineering services provided by the Department of Supply and Services to this department with respect to two major contracts not included in the original estimates. The source of the funds is vote 25. Funds are available, due to the provinces' inability to identify programs and make available financial resources to meet the criteria of the Travel Industry Program.

The next category of \$1 items cover those authorizing the deletion of debts due to the Crown. There are three such items. One is found under Public Works, vote 10b. Authority is requested to delete certain debts and claims totalling \$136,771.31, the explanation being that it is proposed to write off the Crown's claim against the W. C. Clarke Memorial Centre of \$136,771.31.

The next category of \$1 items cover those items which authorize a guarantee for a loan. There is only one item in this class, and it is found under Transport, National Harbours Board, vote 88b. It authorizes the Government of Canada to guarantee a bank loan of \$1,200,000 to the Maritime Employers' Association.

The explanation given is that in order to assist the Maritime Employers' Association in coping with its financial responsibilities in connection with the labour management agreement, it is proposed that the Government of Canada guarantee a bank loan of \$1,200,000 to the association.

This loan is required by the association to help meet its obligations under the Job Security Program and to meet operating expenses.

Changing cargo patterns, including a swing from break bulk to containers, do not insure sufficient revenue from the special cargo surcharges introduced to finance the Job Security Plan. In view of this, the bank now requires a guarantee before making any more loans to the Maritime Employers' Association.

Honourable senators, that concludes the categories and explanation of the \$1 items. As I said previously, I am in the hands of honourable senators and will provide any additional information which may be required. I hope I have covered the important features of the bill. I repeat that I will be only too pleased to supply further information.

Hon. Mr. Phillips: May I ask a question of the sponsor of the bill? What were the important features which the

honourable senator hopes he has dealt with? The honourable senator can number them one, two, three and four. In doing so, it will allow me to respond to his remarks.

Hon. Mr. Langlois: Honourable senators, I do not think I am permitted, more than any other senator, to speak twice on the same subject. I have concluded my remarks and I am sorry that my honourable friend has not understood what I said. I gave the main points of the bill and I am sorry that he was unable to follow them or is not satisfied with my explanation. If there is any further specific information that he requires, I shall be only too pleased to reply to a specific question.

Hon. Mr. Phillips: I thank the honourable senator. May I have the main point of his remarks—the main point dealing with the pros and cons of the financial aspects of this bill? Just give me the main point, please. You can give it in anglophone or in francophone. Just give me the main point.

● (1440)

Hon. Mr. Flynn: That is enough!

Hon. Senators: Order!

Hon. Mr. Langlois: Honourable senators, I think the main point in this bill is that we are providing supplementary supply in a total amount of \$1,120,000,000. These estimates consist of approximately \$396 million in statutory items and \$724 million in voted items. The last figure includes, as I mentioned a while ago, \$35 million in loans. I think those are the main points of the bill.

Hon. Mr. Phillips: Honourable senators, it may come as somewhat of a surprise to those who are not listed as being "artificial seals" of the government and, indeed, it came as somewhat of a surprise to me that the Leader of the Opposition automatically assumed that I was somewhat of an artificial seal, a walrus. Honourable senators, I am not, and I would be damn well disappointed in the Senate if that were the situation today.

I am accustomed to the fact that honourable senators opposite are expected and, indeed, almost demand direction, Martinization. But let me put this clearly on the record: I do not expect, nor do I want—and God help him if he ever attempts to turn around and give me direction again—the Honourable Senator Flynn to give me direction. I resent it.

Hon. Senators: Order, order!

Hon. Mr. Flynn: You can make a fool of yourself if you want.

Hon. Mr. Phillips: I am not making a fool of myself. I am a senator and I have a right to my views. Don't you ever again attempt—

Hon. Senators: Order, order.

Hon. Mr. Flynn: Sit down.

An Hon. Senator: You are not in caucus.

The Hon. the Speaker: Honourable senators, we have a motion before the house. It does not appear to me that the comments that have been made by Senator Phillips are relevant to the motion.

Hon. Senators: Hear, hear.

The Hon. the Speaker: In the Fourth Edition of *Beauchesne's Parliamentary Rules and Forms* it says that the debates are to be free, but the comments also have to be relevant. I do not think the comments just made by Senator Phillips are relevant to the motion before this house. I would therefore ask the honourable senator to conclude with something that brings him within this order of relevancy.

Hon. Mr. Phillips: Thank you for your direction, Madam Speaker. I would honestly like to reply to you, but were I to do so, the question of an argument between myself and the Chair and, indeed, yourself, might come into it, and I would not wish that.

Honourable senators, we are dealing in this bill with what are supposed to be the final government estimates for the fiscal year past. They are not final. I will deal with that in a moment. I would ask honourable senators to consider several factors, and I am presenting them percentage-wise. It is easy to say 5, 10, 30 per cent and get them mixed up. But, honourable senators, today I am asking you to forget your petty little senatorial cliques; forget your petty little party politics; forget your prejudices. Look at the facts. The facts are that we are told that in this supply bill we are providing the final estimates for the fiscal year past. I doubt that very much. Every time a Cabinet minister sees a microphone, every time he sees a TV camera, he starts off in a new ministerial atmosphere shouting, "Millions, millions, who will listen to me?" He is somewhat in the position of a broker offering so much stock, so many cattle, and coming to the final multi-million dollar figure.

● (1450)

Let us just look at the final estimates of \$214 billion for last year. This is a shocking figure, but the public has become accustomed to accepting such figures and saying, "Oh well, what can we do about it?" Perhaps the best thing the general public can do is to consider this matter seriously. Why do we not in our educational system teach our high school students about the expenditure of public money?

We have recently concluded the debate on the Address in reply to the Speech from the Throne, during which we listened, perhaps *ad nauseam* at times, to various people talking about the increased cost of living, increased taxation and so on, yet no one thought of suggesting that these things should be put in ordinary terms that the ordinary labouring man, the ordinary employed person, would understand; we did not achieve that in the debate.

Let us consider certain figures in the Public Accounts. In the three years from March 31, 1971, public expenditure increased 60 per cent. I know you are all accustomed to hearing percentage figures; you just listen to them and let them pass. The increase over last year's expenditures will, in the next year, be 30 per cent. I repeat, in the last three years expenditures have increased 60 per cent. Compare that with the 30 per cent increase projected for next year, which does not include supplementary estimates.

We are faced with, not an unfortunate but a disastrous situation whereby in three years the federal government's expenditure has tripled. It is all very well to react by saying, "Expenditure has tripled in three years. So what?" Where does the revenue come from? There is only one

source of revenue, and that is taxation. Consider, honourable senators, that you, as members of this chamber, will in the next three years give the final approval to supply bills which will double the present taxation revenue. Are you willing to do that?

● (1500)

During the recent debate on the Speech from the Throne, we had the opportunity, or the misfortune, of listening to various senators present their ideas and their viewpoints concerning the cost of living index, the rate of inflation, the housing problem—you can go on and name them. This government has been successful in creating so many problems that it would take at least two hours to enumerate them. So I am going to say just “you have heard it all before”.

It is an endless chain, a chain of rising costs, rising wages, rising taxation. At this time of year those of us who are a little delinquent, slow, perhaps, to file our income tax return—to be truthful, we hate to—have come to realize that in that chain, an unbroken chain, taxation is the strongest link. Indeed, we think of it not as being taxation, but as being confiscation.

Honourable senators, you may think I place the blame on the federal government only. I do not. Much as I love to criticize the federal government, the federal government is not the only culprit. Indeed, it is a bit of a shock to the average Canadian to realize that the federal government, the provincial governments, the municipal governments, those three levels of government, have spent an amount equal to one-half our total income—that of the average Canadian and the average Canadian business firm. I could go into great detail and inform you that from the average Canadian sitting in this chamber—and I presume this chamber is made up of average Canadians—the federal government has collected one thousand dollars; it has collected it from you, your wife, your children.

Let us proceed to the provincial level of government and you will find almost the same figure, and this is repeated for the third level of government.

Honourable senators, again I say, we have passed the taxation level, we are now at the confiscation level. Perhaps I should refer more to the estimates before us. I will, for a moment, and in doing so perhaps I will transgress into next year's estimates.

This is a point that really annoys me; in fact, it annoys me to the extent that I wonder what the hell has happened to the good old principle of being a Canadian. I refer to the vote under External Affairs dealing with CIDA, the Canadian International Development Association. Honourable senators, we as Canadians have always enjoyed a particular respect in the international field, yet we find the government, through a \$1 item, authorizing the Governor in Council to make their regulations, and to make them as they see fit. It does not matter a damn what Parliament thinks three months from now. We have given the Governor in Council authority to make those regulations. And the regulations cover a multitude of sins or a multitude of reports.

The vote authorizes the Governor in Council to do everything from burying an individual to flying his family to join him. But, honourable senators, there is nothing in

[Hon. Mr. Phillips.]

the \$1 vote that says we as Canadians will pay for the individual's being sponsored under CIDA to attend a university or a technical school in Canada or in his native country. Indeed, it allows CIDA to send students, sponsored by the Canadian government, to Russia, Communist China or Algeria.

● (1510)

Honourable senators, the last damn thing I want my tax money to go to is paying for a revolutionary Marxist student in Africa to go to a technical school in Algeria. Perhaps you think it is perfectly right that the student selected for scholarship or for future training should have the opportunity to go to the university of his choice. But, honourable senators, at the present time we are one of the few nations that can take a black student—and by “black” I don't mean anything discriminatory—and put him into any university in Rhodesia, South Africa, and all of these countries which we condemn. We as Canadians can place that student in a mixed university, and I want to emphasize that, and in case you do not understand what I mean, I mean black and white.

Let us consider, then, the consequence of our becoming the Algeria of North America. Honourable senators, I don't give a damn what the World Council of Churches says, or Oxfam or any other group; I do not want Canada to become the Algeria of North America.

Let us consider for a moment the effect on a student who has been given a grant from either a Canadian government agency or voluntary agency. What happens to him or to her if we become the Algeria of North America? Right now at this moment, we can sponsor any student, black or white, in any university—Rhodesia, South Africa—and that student is accepted, receives the same training as the white or Caucasian race receives. But let us get political through CIDA. What happens then? Not one of those students will be accepted.

My concern in this regard is further deepened by the fact that the Secretary of State for External Affairs, Mr. Sharp, stated that we were not getting involved with anything too political; we were dealing with the humanitarian aspect; we were being humanitarians.

Honourable senators are familiar with the severe drought that has occurred throughout Central Africa. Honourable senators will also recognize the fact that we were damned miserly in giving donations to those people. And if we are going to be humanitarian and give grants to freedom fighters, why do we not turn to Estonia? Why do we not turn to Hungary? Why do we not go to Tibet? There is not a suggestion in this regulation that we would do that.

● (1520)

Honourable senators, let us not be suckers for the Algerian tactical schools. Perhaps we should consider the situation in North America and Africa, and here I deliberately attempt to restrict my remarks and, as honourable senators know, it is difficult. There is, throughout America, a prevalent idea that the whites are in Africa to suppress the black race. Honourable senators, stop and consider this fact, that people of our age in Africa were born there, and that their ancestors went to Africa for the same reason as our ancestors came to this country—that is, looking for land, land to be developed. Let us look at the

total black population in Africa today, and then let us look at the total native population in North America. I think if we compare those populations, honourable senators, we will find that there are an awful lot more blacks in Africa who have survived the white man's desire for land than there are natives in North America who have survived the white man's desire for land. When honourable senators opposite support Mr. Sharp in his political dealings—and I am going so far as to say “communistic dealings,” and I ask any of you to challenge me on that—I ask them to compare the survival rate of the blacks in Africa with that of the North American Indian. You will have a new look at the situation.

Now, it is interesting, honourable senators, that the Secretary of State for External Affairs stated that we were dealing with this matter for humanitarian purposes. Apparently, someone who has been trained in revolution in China, Russia, or Algeria is entitled to these benefits we are granting by this motion. What about the freedom fighters in countries such as Estonia, Hungary and Tibet? Have we contributed one nickel, one iota, to them? Not only have we not considered those daily massacres, but instead we find this government describing communist guerillas, white or black, who descend upon farms and murder the husbands, wives and children, as freedom fighters. You, honourable senators, are contributing to that. I hope you enjoy reading reports of the murder of innocent people. I do not enjoy it, but that seems to be the attitude of this government.

Honourable senators, the next item I want to deal with is the stabilization of petroleum product prices. Everyone in Canada is aware of the differing prices, whether it be at the gas pumps of a service station, or in the bill received from the local fuel dealer.

● (1530)

Honourable senators, I realize that I have taken far longer than I had intended on the previous issue, but I would point out that it is one that is very personal to me. From here on I shall attempt to condense my notes. As you are aware I do not commit the cardinal sin of standing up and reading a speech verbatim. Perhaps sometimes you wish I did, but that really does not matter. From here on, as I say, I will attempt to abbreviate my remarks.

One of the items included in this bill is vote 11b at \$240 million. I raised a question on this in the Standing Senate Committee on National Finance yesterday, and there is a great deal of confusion about it. I shall not add to that confusion, but shall simply say that I respected the attitude of the President of the Treasury Board when he stated that he was looking for an outside auditor—an auditor who was not associated with an oil company. At that time the chairman of the National Finance Committee said, as I recall it, “Good luck.” I would go further than the chairman of the committee and add just one criterion, and that is that the auditing firm must be one closely associated with the Liberal Party.

Honourable senators, I am sure you are all aware—and both Senator Benidickson and I pointed this out in the committee yesterday—we are dealing here with a sum in excess of \$1 billion. Indeed, according to my calculation, we are dealing with a sum of \$1.5 billion. Now I am not going to comment on the chairman's report; it is not

necessary. However, I want to say this, that I am at times amazed by the stupidity of the government, on the one hand, and the facility with which they can manipulate the NDP, on the other. A billion and a half dollars to the oil companies, and the NDP does not raise a whisper! It completely ignores it. This must have been the ultimate in what I believe the Leader of the Opposition calls “the washroom conference.”

Honourable senators, the Minister of Finance in dealing with Bill C-245 stated that as a result of the transfer of \$76 million to Alberta and Saskatchewan, the other provinces would qualify under the Federal-Provincial Fiscal Arrangements Act for something in the vicinity of \$25 million, and this bill is deficient in that the statement, indeed, the commitment, of the Minister of Finance is completely missing.

The Minister of Finance further went on to say—and here I am condensing my remarks—that if this procedure was followed throughout the year there would be something like \$800 million due in fiscal transfers to the provinces, and there would have to be some new arrangement. I suggest to you very strongly, honourable senators, that the reason why this money was paid not to the provinces, as the Minister of Finance indicated, but to the international oil companies was simply that the federal government did not wish to pay the provinces east of the Ottawa Valley line.

Honourable senators, despite the fact that no one listens and no one pays any attention, I enjoy speaking to the Senate. However, from here on I will really condense my remarks.

● (1540)

I would ask honourable senators to look at vote 40b, Cape Breton Development Corporation, of approximately \$5 million. When we consider that the Cape Breton Development Corporation was established to revitalize the coal mines of Cape Breton, we must ask why we are approving this vote when on January 1, 1974 the Cape Breton Development Corporation signed a contract to import American coal into Nova Scotia?

Honourable senators would think that I was somewhat remiss if I did not put the knife in and turn it a little, but the projects that have caused some concern and publicity, during my time here anyhow, have always been those of Liberal governments. The St. Laurent government had the Printing Bureau, the Pearson Government had the National Arts Centre, and I presume that this government is looking for something by which they can equal their predecessors. Apparently, they have found it in the Ste. Scholastique or the Mirabel airport. We are perhaps taking a chance, in that we envisaged huge aircraft flying from Europe to North America. Since that time certain events have taken place in the international oil supply situation, and we now find that the North American airlines are putting their 747s, their huge aircraft, in reserve. They are storing them in the desert area of the United States, and in the meantime we proceed with not one international airport to receive them, but two airports. We should consider the estimates in these regards, and give them that special little touch that the Senate is known for—that second, sober look. Perhaps that money may have been better used in inter-urban transportation.

Honourable senators, while we are dealing with this bill I would point out that the facts and figures given are not complete for this year. Since the supplementary estimates were tabled we have had the Minister of State for Urban Affairs announce a \$100 million housing project. Then we have had the Minister of Agriculture announce initially \$2.5 million per week to reduce beef prices, but he was not satisfied with the publicity he achieved in that regard and returned to offer something approximating \$3 million or \$3.5 million. I am deeply concerned about parliamentary control over expenditures. Expenditures cannot be controlled by Parliament if every time a cabinet minister sees a TV camera and a microphone he starts off shouting, "Millions, millions; publicity."

We must attempt to control this expenditure by TV, and insist upon strict economy. We cannot have the Minister of Agriculture walk out from a question period in the House of Commons and announce to the TV cameras grants of \$2.5 million or \$3 million a week. We cannot have him return later, because he is not satisfied with the publicity he achieved, and say, "I will up the ante to \$3.5 million." He must be responsible to the taxpayer, to the beef producer and to Parliament. In dealing with this bill, honourable senators, I ask you to be responsible to yourselves, to the taxpayer and to Parliament.

● (1550)

Hon. W. M. Benidickson: Honourable senators, inasmuch as the previous speaker made some reference to me and to our joint participation in discussions on some of the estimates in the bill before us at a meeting of the National Finance Committee yesterday, I should like to say a few words. I do not want honourable senators or the public at large to think that there is any intention to deal with a bill which involves \$1.02 billion in any cavalier fashion. That is not so.

Those who want information can look at yesterday's *Hansard*, where they will see that Senator Everett, as Chairman of the National Finance Committee, reported upon the sitting that was held yesterday, which was by no means the final consideration of the items of the dollar immensity indicated by the figures in the bill before us.

There was an unusual suggestion made by Senator Grosart that notwithstanding the approach of the end of this fiscal year we ask the President of the Treasury Board if he would be willing to appear next week and have further discussion on these matters. We asked the chairman if he could give assurances that we would have his permission to do so.

The official report of those commitments in committee, of course, is not yet available in printed form, but it will be available to those interested in due course. I commend in particular Senator Phillips who yesterday drew attention to one item in the estimates of considerable size and to which he again referred today, namely, the item of \$240 million, the details of which appear on page 5 of the bill, and is item 116 of supplementary estimates (B) for the fiscal year ending March 31, 1974. Senator Phillips yesterday calculated that while this sum was simply for three months of the fiscal year that ends on March 31, if the same plan was to be continued for another year it would next year involve \$1 billion. A newspaper indicated this morning that as a result of yesterday's meeting of first

[Hon. Mr. Phillips.]

ministers it is probable that some comparable arrangement will continue for a year and a half.

Hon. Mr. Langlois: For a year, 12 months.

Hon. Mr. Benidickson: Senator Phillips today used the figure \$1.5 billion. I understood that to be the projection for more than one year, but perhaps the \$1.5 billion was for 15 months, which my neighbour Senator Laing whispers he read about in a morning newspaper. In any event, it is a large sum. We should put briefly on the record of today's *Debates of the Senate* part of a description of the purposes of this vote, which reads:

Payments in accordance with and subject to regulations made by the Governor in Council, to refiners and other persons who import crude oil and petroleum products, as prescribed in the regulations—\$240,000,000.

It indicates that payments must be to persons from outside Canada and for consumption within Canada. It goes on to say—and I particularly want this to appear in the record of today's proceedings:

such payments being for the restraint of prices of petroleum products to consumers during the period commencing on January 1, 1974, and ending on March 31, 1974, primarily in the Atlantic provinces, Quebec and that part of Ontario east of the line known as the Ottawa Valley line.

I refer now to the report submitted yesterday, which again is not in printed form as an appendix to yesterday's *Minutes of the Proceedings of the Senate*, although it is available for perusal by members of the Senate or the public from the records of the Clerk of the Senate. It indicates that in the supplementary and further consideration of the estimates to be given next week, and if necessary on further sittings, one of the recommendations is that which appears in paragraph 8(b), which refers to investigation to assure that:

The auditing procedures that are to be employed in ensuring that the \$240 million paid to oil importers for the restraint of prices of petroleum products to consumers during the period commencing January 1, 1974, and ending March 31, 1974, are fully adequate.

That refers only to auditing procedures that are fully adequate. When the record of yesterday's meeting of the National Finance Committee appears in printed form, it will be clearly seen that our purpose in having additional meetings was to ascertain if in the three months which have now expired and for which these payments are being made, the committee can satisfy itself that the payments were adequately audited. Indeed, I recall that that question was raised in a commendable speech by Senator Laing in the recent debate on the Address in reply to the Speech from the Throne, during the course of which I asked the honourable senator whether he personally had made any investigation, as former Minister of Northern Affairs and Natural Resources, of the effectiveness of the proposed audit.

My interest lies not only in ascertaining that the audit procedures are good—whether conducted by an outside auditor who is not compromised by association with those who benefit directly from receipt of this subsidy, or in another manner—but that retrospectively the committee

can be satisfied that the benefits adequately restrained prices to consumers.

Hon. Mr. Laing: Could we not use the Auditor General?

Hon. Mr. Benidickson: The President of the Treasury Board said yesterday that the method of auditing had not been determined. The Auditor General's office was one of the instruments that might be used. Another was a consortium of auditors, because it is not too easy today to find an auditor in national firms familiar with the industry who has not had some association with some of the companies to whom payments under this vote might be made directly, et cetera.

I wish to emphasize that there is scope for members of the committee, not only to assure themselves about the efficiency of the audit procedures but also to look backward and see if, in fact, consumers have adequately benefited from this expenditure of taxpayers' money. So that if something similar is required for the ensuing period, whether it be 12 months, 15 months or a year and a half, as Senator Phillips said this afternoon, the committee as authorized by the chairman and agreed to by the President of the Treasury Board will have authority to continue its examinations.

Hon. Charles McElman: Honourable senators, I shall be brief. It is not my wish to debate all the points that Senator Phillips has placed upon the record. However, in the course of his derogatory remarks relative to the Honourable Mitchell Sharp, if I understood him correctly, which I think I did, he referred to Mr. Sharp as being "communitic," and he challenged any honourable senator to refute that.

● (1600)

Hon. Mr. Choquette: Do you take that seriously? Do you think it is worthwhile refuting it?

Hon. Mr. McElman: Your question is well taken. The circumstances of today have to be considered. However, I do think that when a respected Canadian is maligned on the floor of this house, or in any other place, and a challenge is issued concerning such derogatory statements, we are responsible to clear the record of that day. That is my only intent at this moment.

The Honourable Mitchell Sharp represents our nation throughout the world today. He is not a communist, nor is he communitic. He is a very fine Canadian, deserving of high respect.

Hon. Senators: Hear, hear.

Hon. Mr. McElman: I think the record should stand clear that the challenge that was issued has been answered. I hope all honourable senators share my respect for this fine Canadian.

Hon. Senators: Hear, hear.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Langlois: Honourable senators, with leave, and notwithstanding Rule 45(1)(b), I move that the bill be read a third time now.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 2, 1974

SECOND READING

Hon. Leopold Langlois moved the second reading of Bill C-16, 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, the main estimates for 1974-75 on which this bill is based were tabled in the Senate and referred to the Standing Senate Committee on National Finance on March 19, 1974. These estimates have not as yet been discussed in committee. However, before we are called upon to give final approval to the 1974-75 estimates, our National Finance Committee will have ample opportunity to discuss them and report to the Senate thereon in the usual manner.

The 1974-75 estimates total \$23,297 million, consisting of budgetary expenditures of \$22,023 million and non-budgetary expenditures of \$1,274 million. The bill now before us is the first interim supply bill for the 1974-75 fiscal year and will release a general proportion of three-twelfths of the votes in these estimates. There are, however, additional proportions for 26 special items to which I will refer later. The total expenditure proposed by this bill is \$3,138,241,654.50.

The proportions requested in this bill are intended to provide for all necessary requirements of the public service to June 30, 1974. 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 26 votes which require additional proportions may be grouped as follows:

(a) Votes in which it is customary to pay grants early in the fiscal year:

Energy, Mines and Resources—Vote 25

Finance—Vote 10

National Health and Welfare—Vote 65

(b) Votes for which additional sums are required to finance programs until forecast revenues are received later in the fiscal year:

Finance—Vote 25

Supply and Services—Vote 1 and 10

Transport—Votes 60, 80, 85 and 110

(c) Votes which provide payments required to cover accounts maintained on a calendar rather than fiscal year basis:

Transport—Votes 35 and 45

Urban Affairs—Vote 10

(d) Votes for which additional portions are required for other specific purposes:

Consumer and Corporate Affairs—Vote 30

Environment—Vote 15

External Affairs—Vote 20

Indian Affairs and Northern Development—Votes L75 and 90

Industry, Trade and Commerce—Vote L20

Manpower and Immigration—Vote 10

Secretary of State—Votes 50 and 65

Transport—Votes 40 and L105

Treasury Board—Votes 5 and 10

Clause 5 of this bill would grant borrowing authority for \$3 billion, and provide for the cancellation of all outstanding and unused borrowing authority from previous appropriation acts for the fiscal year 1973-74. This borrowing authority has been included in the bill, as usual, to authorize the issuance of Treasury bills, marketable bonds and unmarketable 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.

I might add some further explanation on the borrowing authority to which I referred. As honourable senators are aware, 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 comes under section 38 of the Financial Administration Act. This section provides that the Governor in Council may authorize the minister—that being the Minister of Finance—to borrow such sums of money as are required for the payment of any securities that were issued under the authority of Parliament and which are maturing or have been called for redemption.

Section 39 of the Financial Administration Act provides for authorization by the Governor in Council of temporary short-term borrowing by the minister in special circumstances.

● (1610)

The authority for the government to raise new money through the issue of securities is usually obtained annually. About the beginning of each fiscal year an appropriation bill, such as the one we are dealing with today, seeks new authority for the Minister of Finance to raise new money by the issue of securities, and 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 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.

[Hon. Mr. Langlois.]

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.

The total borrowing authority authorized annually by Parliament in the last few years has been as follows:

1964-65	\$1,750 million
1965-66	\$1,750 million
1966-67	\$1,750 million
1967-68	\$1,750 million
1968-69	\$2,000 million
1969-70	\$2,000 million
1970-71	\$3,000 million
1971-72	\$3,000 million
1972-73	\$3,000 million
1973-74	\$3,000 million

It is proposed to have the same authority for the new fiscal year. By the end of the fiscal year 1973-74 authority to borrow \$3,000 million will have to be used to the extent of an estimated \$200 million. The major portion of cash requirements for 1973-74 were met through a run-down of government cash balances and sales of foreign exchange reserves.

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 change 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, equal to the amount requested in the last four years, of \$3,000 million.

The wording of this bill provides that the coming into force of this new act 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.

Honourable senators, that concludes my remarks on this bill. I am at your disposal to supply any further information you may wish in connection thereto.

Hon. W. M. Benidickson: Honourable senators, I assure you that I shall be brief. I spoke to the preceding bill, but this one is different in that it relates to the forthcoming fiscal year, 1974-75, whereas our immediately preceding discussion on the other bill related to the fiscal year that will expire on March 31, 1974.

I simply want to point out to the Senate that the total of expenditures for 1973-74—made up of the main estimates

and the supplementary estimates (A), plus the supplementary estimates (B), which were passed today—amount, for the fiscal year now expiring, to \$21.4 billion.

Basically, this bill asks simply for three months's supply, into the next fiscal year, commencing April 1. It relates only to the main estimates, which we received a few weeks ago. Those main estimates totalled \$22.02 billion. If later we have, in addition to the main estimates, a request for supplementary estimates and only equal to what was asked in supplementaries for the fiscal year 1973-74, the total would be \$24.66 billion, a very substantial increase indeed.

As was intimated in the previous debate, that sum could be realistic, and indeed the supplementary estimates could exceed those of last year, as they usually do, but all the more so if we are to continue for a year or 15 months in the ensuing fiscal year with these substantial votes to restrain the prices of petroleum products aimed at aid to the consumer. That is a very ominous figure to all of us, but it is a trend.

Yesterday in the Standing Senate Committee on National Finance I suggested that we should not only examine the size of the expenditures, but should look upon similar expenditures and taxes demanded in other comparable countries. I indicated to the committee the existence of a useful OECD report, and got approval for consideration of this too at a future date. It is a bit back-dated and refers to figures in 1971, but I hope the Treasury Board will have something comparable for a later year.

The information given in committee yesterday comes from an article in the *Financial Times of Canada* dated January 28, 1974. The heading of the article is, "Ottawa's bite not the worst." In the article there appears the following table:

WHAT GOVERNMENTS TAKE

1971 TAX REVENUES AS A PERCENTAGE OF GNP

	Total tax revenue	Taxes on goods and services	Taxes on income and profits	Social sec. contrib.	Other taxes
Denmark.....	43.99	16.17	21.22	3.80	2.80
Sweden.....	41.80	13.27	19.55	7.52	1.46
U.K.....	35.65	10.31	14.61	5.02	5.71
France.....	35.62	12.86	5.67	14.91	2.38
Germany.....	34.46	10.24	10.80	11.65	1.77
Canada.....	32.26	10.65	14.24	2.64	4.73
U.S.....	27.77	5.61	12.22	5.74	4.20
Japan.....	20.06	4.47	8.58	4.02	2.99

● (1620)

Hon. Mr. Langlois: What was the date of this OECD report?

Hon. Mr. Benidickson: It was 1971. Yesterday I said to the President of the Treasury Board and his officials that I hoped they might update that into more current figures.

Honourable senators, my previous few remarks are not enough. The table must be looked at because it also adds, to the take for direct taxes at all levels of government in those respective countries, another column which deals with direct social security contributions that are taken in a way other than out of general taxation.

For those of you who might immediately judge from my preceding remarks that the percentage of taxes related to gross national product taken in the United States is substantially less than in Canada, I want to emphasize that when it comes to those payments that are taken separately and directly for social security in the United States, the United States governments receive revenues in the form of special contributions of that nature to the extent of 5.74 per cent of their GNP, whereas in Canada that form of what I would describe as regressive "take" by government comes to only 2.64 per cent.

Hon. Mr. Langlois: Honourable senators—

The Hon. the Speaker: Honourable senators, I have to inform the Senate that if the Honourable Senator Langlois speaks now, his speech will have the effect of closing the debate on second reading of this bill.

Hon. Mr. Langlois: Honourable senators, I have only a few words to add to the comment just made by Senator Benidickson. He referred to the total of the main estimates on which the bill is based. He gave a figure of \$23,297,427,837. I think the Senate will be interested in having a breakdown of that figure, which is as follows: budgetary items, \$22,022,903,837; non-budgetary items, \$1,274,524,000.

The honourable senator has also referred to the supplementary estimates, which would likely add to those figures that I have given. I think it is worth noting that yesterday we were informed by the President of the Treasury Board that over the years, for some years back, these supplementary estimates represent roughly between 1 and 2 per cent of the main estimates, as a rule. There is no reason to feel that this percentage would be increased in the coming fiscal year.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Langlois: Honourable senators, with leave, and notwithstanding rule 45(1)(b), I move that this bill be read a third time now.

Hon. Arthur Laing: Honourable senators, this bill provides for a prodigious increase in expenditure in one year. I would hope there will be more things said in this house than have been said so far.

I should like to review briefly the immense increase in taxation. I am not directing my criticism particularly

against the national government, because taxation at all levels of government—federal, provincial and municipal—has been increasing at a very great rate. Cumulatively, taxes in Canada are now reaching a point where serious consideration must be given, at all levels, to economizing, and making sure that we are not wasting money.

A very good point was made yesterday by the Minister of Finance, that an increasing proportion of the requirements of government nationally in recent years is in fixed amounts, outside government control. I agree with him, and I sympathize with him in that problem.

We have had a wide spectrum of social security measures. The government, in the light of inflationary pressures within Canada and around the world, has done its best for the Canadian people. By supplementing social security payments in various ways, and by increasing them, it has minimized the effects of inflation on those people who receive them. A very large proportion of the total budget of Canada has been earmarked for this purpose. But there remain other areas—investment in the country and encouragement to industry—which should be carefully surveyed.

In the field of employment there is one section which causes me a great deal of worry, and that is the increase in the last five years in the number of people within the service industry. It has been the most rapidly expanding source of employment, rising from 27 per cent five years ago to 31 per cent of total employment at the present time. These service industries, unless backed by a strong financial structure of more permanent employment, probably residing upon the firm foundations of the resources of Canada, would be the first to suffer if we had a recession, and the employees would be the first to lose their jobs or be displaced.

I would not like to see the government restricted to these programs—and I know that is within the management competence of the government—which most Canadians approve. The balance should be used to create conditions within industry, for the encouragement of industry. That will mean, over a great period of years, permanent jobs for very many people.

● (1630)

We had an election in the province of British Columbia many years ago—I think it was in the thirties when we had come out of the depression—and our great Liberal champion at that time was none other than Duff Pattullo who was, I think, probably the best premier British Columbia ever had.

Hon. Mr. Martin: Who was that?

Hon. Mr. Laing: Dufferin Pattullo. His campaign was “work and wages”, and we needed work and wages at that time in British Columbia.

Today our greatest labour union in British Columbia is the International Woodworkers of America. It is a very powerful and responsible union which has been good to its members and has been, I think, good to the concept of unionized employment in this country. Today there are 29,000 members in that union with a basic pay of \$32 a day. If you were working in the sawmills in British Columbia in 1933 you were paid 35 cents an hour if you were white, and 25 cents an hour if you were an Oriental. I remember

[Hon. Mr. Laing.]

one of the first things that Pattullo did was to set a minimum wage within those mills of 40 cents an hour. From then on we gradually improved ourselves. But attention was paid at that time to the basic encouragement of industries which could be expected to create in future years jobs that would last.

I have been talking in recent months about the change in Canada, and the transfer of power in Canada. I am not trying to rub it in to my central Canadian colleagues when I remind them that a great new power is moving in Western Canada. This is partly because of the fact that two-thirds of the people of the world live around the Pacific Rim, and the fact that their standard of living is rising at a rate of 9 per cent annually—a little higher than ours, but from a very low base, of course. When you multiply that huge population by that percentage you get an enormous multiplicand.

We have a port in Vancouver which last year handled 42½ million tons of freight. This year we are expecting 45 million tons of freight through that port. This is almost as much as is shipped through all of the other ports of Canada combined, and there are new great sales being made.

As a result of the kind invitation of the Minister of External Affairs, and the concurrence of our own leader here, I paid a short visit to Brazil. I found that we are going to move a million tons of potash to Brazil out of the port of Vancouver on a contract just consummated there. There is a committee from Alberta at the present time visiting Brazil with the intention of selling a great deal of sulphur. You know, in Alberta alone today they are producing 5½ million tons of sulphur annually—and sulphur is the core of all industry, because sulphuric acid starts every other industry.

And they intend to sell coal there. I think that is a little venturesome owing to the freight costs down to the coast first and then the long water haul to Brazil, but there is some hope that at least coking coal will go in there because there are enormous steel plants being built in Brazil. Indeed, one of them is a 12-million-ton per year plant which is an investment by the Japanese. It is near a port called Vitoria, which is about as close to Europe as you can possibly get in Brazil. Out of there last year they shipped 37 million tons of iron ore.

Travel, I suppose, helps one a great deal. I did not know until recently that Brazil last year produced 7 million tons of soya beans. They are just now beginning to get into this and other agricultural production at a tremendous rate.

Fortunately, we are selling to Brazil an increasing quantity of wheat. This year it is expected that our wheat sales to Brazil alone will be in the order of \$300 million. I stand to be corrected by our colleague who was on the Wheat Board, but that is my understanding.

There are areas of new, fantastic growth possible within this country. The mining industry in this country is being maligned today by people who do not know what they are talking about. About the best job that Canadians have done in their history is mining. We are the best miners in the world. If you go to South Africa you will find that even today the mines there are being operated by Canadians, by people educated in Canada. We are doing a won-

derful job of promotion in all of the mining countries of the world, and we are extremely competent in Canada.

People say, "Oh, yes, you've got an open-pit mine out there, but you only employ a very small number of men and you use great big trucks." And all of that is true. Kaiser's coal operations in the province of British Columbia are using 200-ton trucks, which cost \$276,000 apiece. They are operated by one man who has to climb a ladder to get into the cab. I asked the boss what he had to pay those men, and he replied "Those fellows won't join the union." I said, "I'm not surprised, but what do you pay them?" He told me that they were paid \$100 for eight hours' work.

But behind that operation and those pits, that mining company today—like all mining companies in Canada—is using every single yellow page in the telephone book, from "food" to "rope" and everything else. That is an aspect which is entirely missed by those who are criticizing the mining companies for making unsightly holes in the ground, and then dumping their labour back on the government to look after in welfare. Surely, that is an improper and a ridiculous view to take of the thing we do best in Canada, and one of our greatest industries.

We should focus more of our attention on this matter. I would like to see more of the funds that the government still has under control addressed to the development of that kind of thing, and to the betterment of transportation in this country.

I was not being facetious when I said that we could build a new railway from the Head of the Lakes to Calgary. Not at all. I said Calgary but probably it should go to Edmonton, bearing in mind the comparable grades on those two railroads. The grade on the CP is very heavy, while the grade on the CN is one of the lightest in the world having regard to the extent to which it has to rise to get through the Rockies. It is a well known fact that pulling a train on a one degree grade costs twice as much as pulling it on the level. But I think that we could build a fast rail service between the Rocky Mountains and the Head of the Lakes. I think that we could move unit trains, 100 cars in a train, at 80 to 100 miles an hour, and we could compress the economic geography of Canada by as much as 30 or 40 per cent.

There is a great row over boxcars at the present time. There are 27,000 Canadian boxcars in the United States, and I suppose we have about the same number of theirs in Canada. If you send a boxcar to British Columbia today, it gets lost for two or three weeks. If we could move the freight traffic speedily, and control it, between those two important points in Canada, a distance of about 2,400 miles, we would compress the economy of Canada and accomplish a very great deal.

These are things which I hope the Government of Canada will address itself to. We need some great new economic thrust in the nation at this time in order to produce new hope, new dreams and new jobs—jobs which we know are going to last and which we will have two, three, five, ten or even fifteen years from now.

We have to pay some attention to offshore mining, honourable senators, because I would expect that in the next ten or fifteen years we will have offshore mining

developed to the point where it is probably going to be producing one-third of all the metal in the world. Fortunately for us, one Canadian company, Noranda, has gone into this field with American counterparts and is taking about 25 per cent of that investment. The Soviets are sea mining it, and the Japanese have perfected it. With the coastline that Canada has, the longest coastline of any country in the world—163,000 miles—the opportunity for us to investigate this new field of what could be extremely productive mining is a blessing given to very few countries in the world. This is the kind of thing to which our government should extend its full effort. We should advance as far as we possibly can with modern technology in the production and development of jobs that are currently needed.

● (1640)

I make this only criticism, that we seem to be distributing funds to ventures that are not particularly productive. We have great inquiries going. We study everything nowadays, and we study it to death. I have in my office studies by the Government of Canada across the years, from the time I first came to Ottawa in 1949, that have cost—I added it up the other day—\$124 million. When you mention to the present people in charge a report that was made in respect of transportation, for example, in this country—in fact, there are three or four major reports—you find they have never heard of it. They pay no attention to history. They say, "That is bygone. Start all over again."

You know, you can study yourself to death, and you can involve so many people, and, of course, it is a popular thing to bring everyone in and ask what they think. Well, when you throw all that chaff in the air, you are going to get no result at all—none at all. It is a great mistake for governments—and they are all doing it today, in part, at least—to govern by Gallup poll. It will not work.

I think our democratic system is a wonderful system. It is a lot nearer perfection than other systems of which assessments have been made by other people across the years. If a government is elected for a period of time, at the end of which it must meet the people again, then it is imperative that the people have trust in that government during that period and give it an opportunity to perform, to put into effect the things that it said it stands for. At the end of that time the people can deal with it in any way they like, considering its performance. But with this constant cry of, "Bring somebody in; get a study going; get everybody going," we are getting everybody standing on everybody else's feet, and when we do that we get no results at all. So I just make this observation, that I hope, when this section of our budget comes up in the future, that it is within the competence of the government to vary, to control, or to pay some attention to it.

I mentioned agriculture in the province of Alberta the other day. They have a plan in Alberta to build 20 small dams to irrigate about four or five million additional acres of land in that province. The soil there will hold water, and it is an area where growing conditions are superb, due to the climate. It is an area that could feed the entire population of Canada, and some other countries as well. These are the things that our national government should give attention to, instead of dissipating money in a great

variety of studies which, in the long term, will not stand us in very good stead.

Hon. Allister Grosart: Honourable senators, it is usual to hear some comment from this side of the house on a bill such as this. I ask, first of all, to be excused for rising to speak from a seat which is not normally my own. On instruction of the deputy leader on this side, I have moved to this position, and so for the moment I am speaking from my place, as required by the rules. It will cease to be my place after I have spoken.

Hon. Mr. Lamontagne: You are coming closer to us.

Hon. Mr. Grosart: We will then return to the more normal and expert management of the affairs of this group.

Honourable senators, this, of course, is the first interim supply bill dealing with the requirements of the government for the fiscal year which will start at the beginning of next week. It appropriates a fairly modest amount—a mere \$3 billion—compared with the fantastic indications of government spending this year that we have from the main estimates, and from the expectation of supplementaries. Some of us have attempted to discover what might be the real spending plans of the government for the coming year, but this is still, as has been indicated, a deep, dark secret.

As was indicated in a speech, part of which I heard, announcements have been made from time to time outside the House of Commons of new spending intentions, and, as was indicated, particularly under the influence of television cameras. My guess is that government spending this year will total something like \$25 billion. This is not, of course, the amount indicated in the main estimates, but if we add merely supplementary estimates (A) and supplementary estimates (B) of last year we arrive at a total of about \$23 billion, and I anticipate there might very easily be another \$2 billion in (A) and (B) supplementaries, or in (C), (D) and (E) supplementaries, which we could very well have this year, if the government intends to keep on spending as it has been spending.

I mention that because in other debates that we have had here it has been pointed out that most of this spending is directed toward the consequences, rather than the causes, of inflation. I need hardly say that in the opinion of the financial press, and in the opinion of many economists, and so on, there is little doubt that government spending, particularly the high level of government spending by the present administration, is one of the major causes of inflation in Canada.

In spite of the many warnings that have been given, and the evidence that has been placed before it, the government steadfastly refuses to accept the validity of those arguments, and continues to tell us that our inflation is externally caused. On another occasion I pointed out that as important an organization as the OECD has stated categorically that the rate of domestic inflation—domestically created and caused inflation—is greater than the rate of external inflation as it applies to inflation in Canada.

However, I say that the amount that we are asked to approve in interim supply at this time, in those terms, is comparatively modest—\$3,138 million.

[Hon. Mr. Laing.]

I am sorry I was not in the chamber when Senator Langlois introduced the bill and made, I am quite sure, his usual excellent explanation as to why this money is required, and required in the rather uneven proportions that we find. In some schedules it is eight-twelfths, in others six-twelfths, five-twelfths, four-twelfths, three-twelfths, two-twelfths and one-twelfth. I am informed that Senator Langlois has explained the reasons for this. As I say, I regret that I was not in the chamber when he did so.

● (1650)

Hon. Mr. Langlois: That applied to some 25 votes.

Hon. Mr. Grosart: I hope honourable senators will accept my statement that I was absent, if not on public business, at least on what I consider to be urgent Senate business at that particular time.

Hon. Mr. Martin: And we all recognize the great public service rendered.

Hon. Mr. Grosart: I shall not take very much credit until the bell rings at 6 o'clock.

Honourable senators, I would particularly draw your attention to clause 3 of the bill which states, as usual:

3. The amount authorized by this Act to be paid or applied in respect of an item may be paid or applied only for the purposes and subject to any terms and conditions specified in the item, and the payment or application of any amount pursuant to the item has such operation and effect as may be stated or described therein.

I take the opportunity provided by this clause to point out the growing tendency, perhaps at a departmental level and perhaps at Cabinet level, to keep on transferring funds from one vote to another. This practice is very greatly on the increase. In examining supplementary estimates (B) for last year, for example, we found a substantial number of items, perhaps 10 or a dozen, under Schedule B of the explanation of the \$1 votes which deals with these transfers. Of course, what happens when clause 3 is not strictly adhered to is that votes of Parliament—and we must keep in mind that these votes are instructions from Parliament to proceed with certain expenditures—are not carried out.

Obviously, there can be very good reasons why everything in the main estimates, or everything voted by Parliament, is not proceeded with in the particular year. There may be delays, and so on. Nevertheless, we find that this tendency on the part of departments to say, "Well, now, we have not proceeded with this, but we want to spend the money on something else," and so, we are presented with these changes of intention on the part of the government and contraventions—perhaps I should say "amendments," because they are not really contraventions since these are done by an act of Parliament—of clause 3. It is only right to point out that it would be much better if this trend were slowed up rather than quickened.

We are trying in the National Finance Committee, when we receive supplementary estimates, to obtain explanations of the particular capital works because they are mainly capital works that are not proceeded with, and I hope that Senator Everett, as chairman, will be successful within the year in persuading the government to list those

capital works not proceeded with. I say this because it is very important that we should know what changes have been made, particularly if some of the capital works previously indicated have been abandoned. Perhaps not too many are abandoned—it is generally a question of delay—but it seems to me that we should be told in much more detail than is presently the case that the instructions of Parliament to do certain things are not going to be followed in that year. I raise this point because it does arise directly out of the very useful general instructions in clause 3.

Honourable senators, I know we are, to some extent, getting close to a deadline—there is always a deadline—and I will say no more on that at the moment. I appreciate the fact that Senator Langlois has given the usual undertaking that the passing of this interim supply bill will not in any way preclude or limit our right to inquire in detail into the spending involved in any of the items that will be authorized when this bill is passed.

Hon. Mr. Langlois: I have done so.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Mr. Langlois: Honourable senators, may I be permitted at this stage to state that I am very grateful to all honourable senators for having so courteously agreed to allow me to proceed with the two appropriation bills this afternoon. I should like to announce that arrangements are being made now to have royal assent given to this legislation at approximately 5.45 this afternoon. I was also informed only a few moments ago that there is a possibility that we might be getting—

Hon. Mr. Martin: We will not be getting it now.

Hon. Mr. Langlois: I am referring to the Veterans Land Act amending bill, and I am told that we will not be getting it now. Therefore, we will not be dealing with it today.

Hon. Mr. Grosart: I wonder if I might ask what will be the effect if we do not deal with it today, because I understand the present legislation runs out at the end of this month.

Hon. Mr. Langlois: On Sunday.

Hon. Mr. Grosart: My understanding is that the general effect of this legislation is to extend the period of certain privileges now enjoyed by veterans. I suppose, if we cannot deal with it until Monday or Tuesday, there will be an assurance on the part of the government that no veteran will suffer any disability because of that fact.

Hon. Mr. Buckwold: Honourable senators, I have had an opportunity to discuss this matter with the proposer of the bill in the House of Commons and I indicated that we would be ready, with your co-operation, to sit here to try to pass this bill having regard to the time requirement. However, as of a few minutes ago, that bill had not passed the House of Commons. Consequently, our position is rather difficult so far as trying to get it passed here now is concerned. I indicated to him that we would be available to deal with the bill on Tuesday evening, and assured him on your behalf of our full co-operation. He seemed to be

well satisfied that there would be no hardship inflicted upon any veteran as a result of this one-day delay.

Hon. Mr. Langlois: They won't apply for a loan on Monday.

● (1700)

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that she had received the following communication:

GOVERNMENT HOUSE
OTTAWA

28 March 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 today, March 28th, 1974, 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.

ANIMAL CONTAGIOUS DISEASES ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Tuesday, March 26, the adjourned debate on the motion of Senator McGrand for second reading of Bill S-2, to amend the Animal Contagious Diseases Act.

Hon. Hazen Argue: Honourable senators, this bill was well explained by Senator McGrand when he introduced it. Last Tuesday evening I had the opportunity of saying a few words with respect to this legislation. It has been quite a long time coming. It is to bring the Animal Contagious Diseases Act up to date by providing some very comprehensive amendments.

I noticed in the Senate gallery that evening Dr. Kenneth Wells, the Director General of the Health of Animals Branch of the Department of Agriculture. I have personally known Dr. Wells for many years. I first met him, in a public way, in the Agriculture Committee of the House of Commons back in 1952, when we were considering the circumstances surrounding an outbreak of foot-and-mouth disease in the province of Saskatchewan. The deliberations then were very vigorous. That particular outbreak

was eventually cleaned up, and the farmers were paid compensation. Dr. Wells has in the meantime advanced from his position at that time of Chief Veterinarian to the very important position of Director General which he holds today.

This legislation is administered by the Department of Agriculture, under a new Minister of Agriculture, the Honourable Eugene Whelan. I believe that Mr. Whelan is making an important impact in Canada by the manner in which he is handling the Department of Agriculture, in the many measures that he is introducing, and in his showing that he is an authentic voice of the farmer in government. I am pleased to see that he has placed before us this comprehensive amendment to an important act.

I now wish to bring to the attention of the Senate a matter which I believe to be of great urgency. If it is not directly connected with the administration of this act, in my opinion it can be associated with the type of administration that should take place, and I am convinced that the present Minister of Agriculture, when reading the *Debates of the Senate* for today, will give careful consideration to what I am about to say. I believe also, if he finds the facts as I outline them, that some action will be taken.

Western Canada is experiencing probably the most severe winter on record. As far as Saskatchewan is concerned, this is a year of a fall of snow that has broken all previous records. Last Saturday morning I was in the city of Moose Jaw, and the temperature was 25 degrees below zero. I have been out on my farm in the last couple of weeks, and there were blizzards for at least 50 per cent of the time—blizzards of a kind that blocked for some time all the country roads; indeed, all roads except the main highways, which the provincial government was able to keep open.

During this very severe winter, which may continue for almost another month—the snow is still there, and it is still cold—thousands of head of livestock have died, if not from starvation, then from malnutrition, brought about by a shortage of feed caused by this unusually severe winter. When cattle die from malnutrition, from lack of adequate feed, we reach the very type of situation in which disease could become rampant.

I notice that there is authority in the present measure for the government to take whatever steps it feels necessary by way of regulation to prevent the occurrence and spread of contagious diseases amongst livestock.

This is a critical situation. When it has been mentioned, some have pooh-poohed it and said "Well, it is a normal thing, and all the farmer has to do is get a little better feed for his livestock and the disease will go away." I do not believe that to be the case. Governments have paid very little attention to this situation up to now. When I was in Saskatchewan, I heard Mr. Boyd Anderson, who is vice-president of the Canadian Cattlemen's Association, explaining on the radio what was happening. Farmers were endeavouring to ration the available feed supplies for their livestock and feeding an inordinate amount of straw, with the result that with many of the livestock impaction developed. The cattle went down and, after a few days, died. He pointed out that it was necessary to improve the diet of these animals by giving them better

[Hon. Mr. Argue.]

quality roughage, providing a certain proportion of hay and grain to the animals in this condition.

I am sorry to say that there are small farmers, wintering a number of cattle, who have become so short of feed that they have suffered severe losses. When the newspapers report the losses they publish headlines to the effect that cattle are being starved, and it is then suggested that the police should lay charges. I do not think those really are the facts at all. The livestock producer, the farmer, wants to do the best he can, but because of a very severe shortage of feed the cattle are suffering malnutrition and some have died.

This has happened to new farmers and small farmers who, above all, cannot afford the severe economic losses occasioned by this situation. I know personally a young farmer who has lost nine cows. This represents a very severe blow to him. His road has been blocked for many weeks, and he is hauling by skidoo, on a daily basis, a few bales of feed to his cattle.

I suggest that an emergency situation exists on the prairies. It has existed for some time, and will continue, according to the weather forecasts, for another few weeks.

● (1710)

I would also suggest that there are things that should be done. The livestock industry is passing through a crisis, for a number of reasons. One is the situation concerning the United States and the importation of large quantities of cattle into Canada, and the other is the very low price brought about in part by the severity of the weather.

For the information of honourable senators, I should like to relate something that I learned today from an auctioneer who operates a livestock auction at Assiniboia, Saskatchewan. Two or three weeks ago good cattle passing through his auction were sold at about 44 cents per pound. The federal government announced a seven-cent subsidy on beef to packers, to be passed on to livestock producers. Donald Beaton, the auctioneer, informed me today that good cattle passed through his auction market yesterday at 35 cents per pound; that he did everything he could to improve the price, and was able to get it up to 37 cents per pound.

The situation has been brought about by an emergency, caused partly by action stemming from the United States and partly because of the severity of the winter, complicated by those factors to which I have just referred. Because of malnutrition, some hundreds of animals have been sold through this particular auction.

I suggest to the Minister of Agriculture—whose authority is adequate under this bill and under the general function of his department to promote and improve the production of livestock—that he immediately send experts to the Prairies to survey the situation and find out to what extent livestock are dying through lack of good feed. Thousands of cattle have been so dying and thousands more will continue to die. It is not the fault of the farmer.

The provincial government has taken no action. I have six suggestions to make:

1. That federal and provincial authorities should bring to the attention of farmers the percentage of high quality roughage required to maintain an animal in reasonable

health. The minimum may be 25 per cent. I am not certain of the figure, but there certainly is a minimum.

2. That farmers should be informed that they should discontinue providing only straw as roughage, that there must be a certain quantity of grain in the ration, or a certain quantity of prepared livestock feed, in order to maintain these animals in good condition.

3. That provincial governments should make available lists of those who have roughage for sale, in order that farmers might know where roughage can be obtained. The average general price of baled hay on the Prairies in the last few years has been around 40 cents per bale. I am told that fodder is in such short supply, that hay—not of the best quality—is selling from \$2 to \$3 per bale, which is far more per hundredweight than the best quality wheat in the world sold for just 18 months ago. Therefore, there is a crisis. I suggest that lists of fodder suppliers should be made available to those farmers who require hay and roughage.

4. That the Canadian Wheat Board, an agency of the federal government, should make available to producers information on where oats, barley and other livestock feed can be obtained within the elevator system.

5. That it should be made clear by both the federal and provincial governments that loans should be made through our regular institutions under the Farm Improvement Loans Act. Such loans should be made very quickly, because they are urgently needed.

6. That the provincial government make available, or ensure that there is available, snow removal equipment in order that a farmer who has a herd of livestock in need of additional feed can have his road cleared of snow to enable him to feed his livestock.

Honourable senators, I do not think that adequate attention has been given to these matters. There are farmers today whose livestock are in a very bad way. Many animals could be saved if action were taken along the lines I have suggested. This matter is pertinent to the whole question of animal diseases and animal health because, after all, in the prevention of disease nothing is better than healthy livestock.

Hon. Sidney L. Buckwold: I wish to compliment my colleague from Saskatchewan on his drawing attention to the very serious problem which exists in the cattle industry in Saskatchewan. I agree with him that real problems exist, due particularly to a very severe winter and a shortage of feed. There was a time when if one said he was making hay it meant that he was doing very well. At 40 cents per bale one was not doing very well, but at \$40 per bale one is making hay in the fullest sense of the term.

The honourable senator said that the provincial government had done nothing, that it should provide snow removal equipment, and so on. I should like to suggest that the Government of Saskatchewan has been remiss in not coming to the rescue of farmers. It is basically a local problem. It is not a situation that is prevalent in all parts of Saskatchewan. It might be argued by the federal minister that it is not a national problem. The provincial government has kept its head in the sand.

An Hon. Senator: In the snow.

Hon. Mr. Buckwold: The provincial government has so much money that it does not know what to do with it. Saskatchewan is not longer a have-not province—although when one looks at the equalization payments one might think it still is. The new budget is unbelievable having regard to the way the government is spending money. Yet, as to rescuing those in the area of southern Saskatchewan to which Senator Argue referred, one hears not a peep out of the provincial government. I suggest that the real responsibility is theirs, but that does not minimize the responsibility of the federal Minister of Agriculture to become involved in the situation.

My second point is that I believe the prices indicated by Senator Argue in no way represent failure of the federal government's program in granting a seven-cent premium payment as a subsidy to cattle owners and feeders. This matter has not yet been discussed in the House, and I thought that Senator Argue might touch upon it. On a national scale it is a much broader problem than the localized problem concerning shortage of feed.

The cattle industry is in real trouble. The federal government has not had enough good marks given it. It has received nothing but criticism. The fact is that the government acted quickly in response to a real emergency. The fact is that the cattle industry was being bankrupted by low-price imports from the United States. That situation, I am told, is now levelling off.

● (1720)

The price of cattle in Canada, we should know, is basically set in Omaha, Nebraska. If they have a surplus of cattle which their own market cannot absorb, that surplus is shipped to Canada. That is where the price of cattle in Canada is being set. It has been a very soft market. We have a good many overweight cattle coming into Canada and we are buying them here at relatively low prices. The drop in price to 35 or 37 cents a pound on the hoof, to which Senator Argue referred earlier, could represent, I suppose, a local situation resulting from cattle being fairly lean because of the feed shortage. I would not want the impression left that the bottom has suddenly dropped out of the market simply because the price has dropped 7 cents per pound, and that the government has seen fit to subsidize the industry.

We have a long way to go in settling this problem. I feel that the attention of this house should be drawn to the prompt action taken by the Minister of Agriculture, thereby relieving a difficult situation facing cattle raisers and cattle feeders in this country.

Hon. Mr. Argue: Honourable senators, I do not intend to make a further speech at this time, but I would like an opportunity to make a few remarks in response to the points raised by Senator Buckwold. I agree with him that the Government of Saskatchewan has not done a damn thing. You cannot get them moving at all. The primary jurisdiction is theirs. However, from what I read in the newspapers, precisely the same situation applies in the province of Manitoba. If Mr. Whelan takes the leadership, I think he can smoke them out and get them to start exercising their responsibilities. It is for that reason that I brought it forward in the manner I did.

Senator Buckwold has said that he does not want it felt that the bottom has suddenly dropped out of the market. Well, that is exactly what has happened. Suddenly the bottom has dropped out. On the Assiniboia market two weeks ago cattle were selling at 44 cents per pound; now the price is 37 cents per pound.

My view—and I have voiced this publicly—is that this payment should not go to the packers. The packers are gobbling it up; they are stealing it; they have failed to pass it on to the producers. In my view, the payments should go directly to the producer himself outside the market, and separate from the market. If that were done, I do not think it would have this depressing effect.

The shocking thing to me—and I must admit, I do not understand the economics of it—is that when the federal government announced that it would pay the farmer 7 cents per pound more, the market went down. The only reason anyone can figure out as to why it went down is that the packers said, “If the market goes down 4 cents a pound we will split the 7 cents; we will take 4 cents ourselves and pass on only 3 cents to the producers.”

Honourable senators, that is precisely what they have been doing, or something very close to it. The Assiniboia market demonstrates that at least in that market the packers want it all. That is one hell of a situation. The minister well knows about it; he understands it. He is getting pretty desperate. He does not know whether to keep on fighting in an effort to get these payments to the producers, or throw up his hands. I hope he keeps on fighting. Perhaps he should take a leaf out of the Honourable Jean Marchand's book and tell the packers that if they do not pass the payment to the producers he will nationalize them. That position got some action in moving grain. The CPR says now that it can move grain. All of a sudden they had a conversion. I would suggest that if the packers do not pass on the subsidy to the producers, public money put there for the producers, then the government would be justified in suggesting that the packing industry be nationalized.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator McGrand, bill referred to the Standing Senate Committee on Agriculture.

AGRICULTURE

COMMITTEE AUTHORIZED TO EXAMINE ANY ASPECT OF AGRICULTURAL INDUSTRY

Hon. Hazen Argue, Chairman of the Standing Senate Committee on Agriculture, with leave of the Senate and notwithstanding rule 45(1)(e), moved:

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.

[Hon. Mr. Argue.]

He said: Honourable senators, if the Senate adopts this motion it will enable the committee to hear the Minister of Agriculture at a meeting which we have tentatively scheduled for Tuesday next at 10 a.m.

Motion agreed to.

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, April 2, at 8 o'clock in the evening.

Honourable senators, before the question is put I should like to give a brief outline of our program of work for next week. In addition to the uncompleted items presently on our order paper, it is expected that we will receive a bill from the House of Commons to extend the Veterans' Land Act, and perhaps one or two other public bills. Also, we will be receiving Bill C-264, which is a private member's bill having to do with the Eastern Canada Synod of the Lutheran Church in America. That bill will be sponsored in this house by Senator Forsey.

There are a number of committees scheduled for next week and some consideration might be given to devoting Wednesday next to committees only in order to enable the committees to discharge their heavy workload.

● (1730)

The Standing Senate Committee on Agriculture will meet on Tuesday. The Standing Senate Committees on Foreign Affairs, on Banking, Trade and Commerce, and on National Finance are expected to meet on Wednesday. The Standing Senate Committees on National Finance, on Transport and Communications, and on Health, Welfare and Science have reserved meeting rooms for Thursday. Bill S-3 has been referred to the Standing Senate Committee on Transport and Communications, which has already held one meeting on it. That bill will be before the committee again on Thursday next, when it is expected that a number of witnesses will appear. It is hoped that Bills S-2 and S-4 will also be before the committee next week.

This is what we can anticipate for next week. Our workload will be heavy, as you can see.

Hon. Mr. Choquette: We can carry it.

Motion agreed to.

SCIENCE POLICY

COMMISSION ON THE FUTURE—COMMITTEE MEMBERSHIP

Hon. Leopold Langlois moved, with leave of the Senate and notwithstanding rule 45(1)(i):

That the Special Committee of the Senate on Science Policy, 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 be composed of the Honourable Senators Asselin, Bélisle, Blois, Bonnell, Bourget, Buckwold, Cameron, Carter, Giguère, Godfrey, Goldenberg, Grosart, Haig, Hastings, Heath, Hicks, Lamontagne, Lang, Lapointe, Manning, Neiman, Perrault, Phillips, Riel, Robichaud, Rowe, Stanbury, Thompson, van Roggen and Yuzyk.

Motion agreed to.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

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 Honourable Lucien Lamoureux, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1974.

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 of His Excellency the Governor General was pleased to give the Royal Assent to the said bills.

The House of Commons withdrew.

The Right Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, April 2, at 8 p.m.

THE SENATE

Tuesday, April 2, 1974

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

NEWFOUNDLAND

TWENTY-FIFTH ANNIVERSARY OF UNION WITH CANADA

Hon. Paul Martin: Honourable senators, had the Senate been sitting yesterday I would have risen to note that Newfoundland was, on April 1, celebrating its twenty-fifth anniversary as a province in our Confederation. I am sure I speak for all when I join with the Prime Minister in offering congratulations to the government and the people of Newfoundland. It is apparent that Newfoundland is happy to mark this occasion, and Canadians in all of the other nine provinces rejoice in this anniversary event.

[Translation]

When the bell struck midnight on March 31, 1949, Newfoundland, the oldest settled colony in North America, became the newest province of Canada. We realized then the full meaning of a country stretching *a Mari Usque Ad Mare*.

[English]

No one will deny the great progress that has been made in Newfoundland in this quarter of a century. Newfoundland has grown, as Canada herself has prospered. To senators from Newfoundland in particular, I should like to acknowledge the contribution that Newfoundlanders themselves have made to Canada. Newfoundland has great traditions. Its culture is old and distinctive. The sea has given it a spirit of independence and has encouraged the talents of its people, and this has enriched Canada itself.

Newfoundlanders are strongly committed to Confederation. They contribute to national unity. They demonstrate that this can be done as they maintain their own individuality and remain loyal to their unique heritage. A free society should welcome these qualities, and we in Canada do.

It is the intention of the government to underline the contribution of Newfoundland to Canada when the government holds a federal cabinet meeting in St. John's on June 24 next.

Our country, resolutely, is developing as a strong and fortunate nation. This anniversary event gives the opportunity not only to make our association with Newfoundland more meaningful and increasingly so but to note the strength and the vitality of Canada itself.

Hon. Jacques Flynn: Honourable senators, I wish to join with the Government Leader in underlining this event of historic significance. On March 31, 1949, Newfoundland became the tenth Canadian province. A project that had been commenced by the Fathers of Confederation over a hundred years ago was finally completed. As the

Leader of the Government has underlined, the dream of a Canada *a mari usque ad mare* had been realized.

For twenty-five years now we have had the privilege of referring to Newfoundlanders as Canadians. I say we have had "the privilege," because I sincerely believe that we have profited significantly from their having joined us. They have made to our cultural mosaic a very distinct contribution. Their view of life, characterized as it is by their strong independent spirit was, when we were first exposed to it, and continues to be now, refreshing and stimulating. It took them a while to join us. They had to make sure that we measured up, but once having joined they proceeded to make up for lost time.

● (2010)

Newfoundlanders have demonstrated in the years since they became Canadians a praiseworthy degree of patriotism and dedication to the cause of making Canada great. They have laboured unselfishly and tirelessly. They have not been a burden on Canada. They have been an asset to it. Canada is the better for their being Canadians.

But Newfoundlanders are not only Canadians; they are "Newfies," a proud, determined, individualistic people with a unique heritage, an inspired vision and the guts to make the impossible come true.

[Translation]

Honourable senators, as I have said in English, our friends the Newfoundlanders waited 72 years before deciding to join Canada.

They assessed our experience and what Canada had to offer. It was a rational decision on their part to join this country, although the population was 30 per cent French Canadian.

Indeed, there has always been a great deal of understanding, agreement and co-operation between the French Canadians and the Newfoundlanders.

[English]

As the "Newfies" would have it, praise the day we decided to join them.

Hon. Lionel Choquette: Honourable senators, I should like to ask a question of the Leader of the Government with respect to this matter.

We all know there will be great festivities in Newfoundland to celebrate the 25th anniversary of their joining Confederation. In that respect I have read certain editorials in newspapers of that province, and of other provinces, to the effect that the Prime Minister has been invited to participate in those festivities, but has turned down the invitation. Comments have been made to the effect that the Prime Minister has been travelling not only throughout Canada but throughout the world, and those commenting find it strange—most strange, as a matter of fact—that the Prime Minister cannot find time to attend the festivities in Newfoundland.

The question I put to the Leader of the Government is this: Will he, or some other member of the Cabinet, go to Newfoundland to represent Canada in those festivities?

Hon. Mr. Martin: Honourable senators, Mr. Jamieson, the minister in the federal Cabinet from Newfoundland, represented the Prime Minister and the Government of Canada last night at the official dinner in St. John's.

The Prime Minister yesterday in the House of Commons made a statement about the fact that the anniversary is a matter of considerable significance, and indicated that not only he but all the members of his Cabinet would mark the event on June 24 next, at which time there would be a meeting of the Cabinet in St. John's expressly for that purpose.

I am sure that Senator Choquette, who has a sense of fitness in these matters, would not want to suggest that there was any effort by the Prime Minister to avoid joining with all Canadians in marking the importance of this anniversary.

Hon. Eric Cook: Honourable senators, as a Newfoundlander I should like to thank both leaders in the Senate for expressing their most kind and generous sentiments.

I feel sure that all Newfoundlanders are happy—indeed, very happy—to have become Canadians.

Hon. Frederick William Rowe: Honourable senators, I should like to align myself with Senator Cook's brief expression of appreciation and thanks, and perhaps elaborate for a moment or two because when the fiftieth anniversary rolls around, it is possible that all of us who are here tonight will not be here then.

Hon. Mr. Flynn: I am very much afraid.

Hon. Mr. Rowe: Honourable senators, this celebration has great significance for me, because I was a vice-president of the organization, the Newfoundland Confederate Association, which fought the campaign to join Canada and which was successful. There were times, of course, in view of the hostility and the deep division that that struggle created in Newfoundland, when we had to examine our consciences, and when we wondered whether we were doing the right thing. In retrospect, over 25 years, my conscience is clean and clear, and I feel that we did do the right thing.

We, that is Newfoundland, benefited from joining the relatively great Canadian community. We have benefited in many ways. We benefited first of all, and most notably, perhaps, in acquiring our great social services. I am sure that it must be very gratifying for the Leader of the Government in the Senate to remember that it was he who had the opportunity and the pleasure, as Canada's great Minister of National Health and Welfare, of signing the initial Welfare agreements with Newfoundland and, indeed, of presiding over the various negotiations which extended to Newfoundland those social services which, perhaps, were foremost in the whole civilized world.

We benefited in other ways, too. We benefited in the great shared-cost programs, such as the building of highways. We benefited from the more recent regional disparity programs which have done so much to alleviate and

change the circumstances that were keeping Newfoundland back, and other parts of Canada as well.

Most of all, and this is the argument which I used at that time, and which I think was a valid one, we benefited in the form of insurance by tying ourselves to a great nation. We were, to some extent, insuring ourselves against a repetition of what happened to us in the 1930s, and I cannot help thinking that if some of the other provinces of Canada—the western provinces, for example—had not been a part of a great Canadian nation in those 1930s, their lot would have been much more serious than it was—bad as it was at that time.

We like to think, of course, that Canada benefited from that union, too. We like to think that we gave to Canada some of the great resources of the world. We are surrounded by the richest fisheries in the world; these are now Canadian; they belong to Canada. It surely also must be of some significance that the single greatest mining operation on the face of the earth is now in Canada, and it is in Canada because Newfoundland joined Canada. I am referring, of course, to the multi-billion dollar mining operations in Labrador West.

We also brought our forests and our valuable paper mills into Canada. We brought our tremendous water power resources, and our strategic position, which is becoming more important and more significant in the light of developing trade patterns. I am not thinking of our strategic position in a military sense, although that was important at one time and could become important again. Let us hope that day will never come. But our position is certainly strategic from the standpoint of international trade, and commercial and industrial development. Our great deep-water ports are already being utilized, and let us make no mistake about it, honourable senators, they will be utilized in the next 25 years in a way that we cannot even visualize at this moment.

● (2020)

Finally, honourable senators, we brought to Canada, or at least I like to think we did, over 440,000 people who, we hope, are helping to enrich Canadian life and culture.

Hon. Senators: Hear, hear.

Hon. Paul Desruisseaux: Honourable senators, if I rise at this stage it is because I had the privilege to spend some nine months in Newfoundland about two years before the union of that province with Canada. It was my privilege to discover the warmth and kindness of those good people who during the war years were struggling in the real sense of the word and helping Canada as much as they could. There was at that time some question as to the possibility of their joining with the United States of America—we heard about that here and there, as you will remember, senator—but never did Newfoundlanders fail Canada in their evaluation of what should come to be. Therefore, it is with joy that I join in the celebrations that will take place. Not only has Newfoundland acquired something from this union; Canada has acquired some of the best people in the world.

VETERANS' LAND 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-17, to amend the Veterans' Land Act.

Bill read first time.

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

Hon. John J. Connolly: Honourable senators—

Hon. Mr. Flynn: Are you moving second reading?

Hon. Mr. Connolly (Ottawa West): No. I was just about to give an explanation of a motion that I should like to make. This bill provides for an extension of the deadline for qualification of veterans to come under the provisions of the Veterans' Land Act. The date of expiry of a section of that act was 31 March 1974, and this amendment passed the House of Commons on March 28. It has been suggested that we should have dealt with it sooner, and because we are now beyond the deadline I intended to move with leave, that is to say if it is agreeable to have unanimous consent of the Senate, that we have second reading at this time. In fact, I so move.

Hon. Mr. Flynn: Honourable senators—

The Hon. the Speaker: May I put the motion first, senator?

Hon. Mr. Flynn: Well, Madam Speaker, it depends on the motion you are going to put. I understood Senator Connolly to ask for leave, and it is on the question of leave that I should like to hear from the Government Leader as to whether he considers it essential that this bill be read the second time tonight and, furthermore, as to when he would feel it necessary for this bill to receive royal assent. I shall have other comments to make after the leader has replied to this question.

Hon. Mr. Martin: Subject to our deliberation here, I would hope that we might be able to arrange for royal assent tomorrow. I spoke in this sense to the Leader of the House of Commons this afternoon.

Hon. Mr. Flynn: Honourable senators, I thank the Leader of the Government for this answer, which substantiates my opinion that there is no real urgency about this bill. There is no question of this bill's having to pass today or tomorrow. No one entitled to benefit will be prevented from so doing even if the bill does not receive royal assent before Thursday.

I wish to mention at this time that there was an incident in the other place which I think should concern all senators. It was suggested there that the Senate should have been on hand last Friday to deal with this bill, pass it and arrange for royal assent to be given on that day. The answer the Leader of the Government has just given to my question makes it quite obvious that this was not necessary. There was, and is, no urgency about this bill. I understand that the act, which would have expired on March 31, is continued for a certain period. However, it is not a matter of two or three days that makes any difference as far as the veterans who will benefit from the extension are concerned. They may file their applications, and they have done so.

[Hon. Mr. Desruisseaux.]

Before dealing with the question of the leave asked by the sponsor of the bill, however, I wish to draw attention to the way in which in the other place a notorious opponent of this body, a proponent of its abolition, was permitted to speak about the Senate. It is quite obvious that under the rules of the House of Commons such comments as were made about this chamber, entirely unwarranted as they were, should have been prohibited. I am not being critical of the Speaker in the other place for having permitted the honourable member for Winnipeg North Centre—of course, I should not have to mention his constituency; everyone knows him here—to speak in such terms. I suggest, however, that, if, in the other place, they were to observe their rules more closely, it would be much easier for us to observe ours.

I therefore suggest to Madam Speaker that she meet with the Speaker of the other place to arrange for the prevention of a repetition of such an incident. If the members of the other place are permitted to voice criticism of the manner in which we deal with bills here, then they will have to expect that we will reserve to ourselves the equal privilege of criticizing the manner in which they deal with legislation.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: I resent the accusation that was levelled against us. It was ill-founded and contrary to their rules. We will observe our rules if they will observe theirs, but as far as I am concerned this attack was entirely unjustified and should never have been allowed without some mention being made of the fact that it entailed a breach of the rules of that House.

This bill can be dealt with tonight, tomorrow, or on Thursday, and no one will be hurt. I am willing to give leave to the sponsor of the bill to present it for second reading tonight, if this will accommodate him. But I will insist that the debate be adjourned until tomorrow, since the Leader of the Government has said there will not be royal assent tonight. The Opposition will reply at that time. No one will be denied anything to which he is entitled. There is obviously no need for this bill to be referred to a committee. It can be read the second time tomorrow and probably the third time on Thursday. I re-emphasize, supported by Senator Martin, that there is no rush.

● (2030)

And again, I protest the way in which this matter was dealt with in the other place. I repeat my request to you, Madam Speaker, that you get in touch with the Speaker of the other place in order to ensure that such incidents are not permitted to recur.

The Hon. the Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

Hon. Mr. Martin: Honourable senators, I am sure that we are all in agreement with what the Leader of the Opposition has said. None of us, in either the Senate or the House of Commons, should forget that both houses were established under the Constitution of Canada, and they represent two of the constituent parts of our parliamentary structure. Whatever anyone might say, in either the

House of Commons or the Senate, the fact remains that under our Constitution the process of enacting legislation depends upon passage by both Houses of Parliament. It has long been established that it is not in the interests of Parliament that one house should engage in criticism of the other.

I shall confine my observation to that fact, which has been well established by members of both the Senate and the House of Commons, as well as by members of both houses in the United Kingdom Parliament from which we derive our origin and inspiration.

The facts of this matter are as Senator Flynn stated. The particular benefits under the act expired on March 31, and the essential purpose of the bill, on which Senator Connolly is about to speak, is to extend the date for the making of application for those benefits.

On Thursday last the Senate was engaged in an unusually long sitting involving consideration of the appropriation bills. It had been arranged that royal assent would take place at 5.45 p.m. About an hour before that time, intimation was received from the House of Commons that it might pass the Veterans' Land Act amendment bill, and we were asked whether we would be prepared to deal with it.

I pointed out the Senate's 48-hour rule which, if observed, would not permit the Senate an opportunity of considering the bill before the following week. I explained, however, that I would speak to the Acting Leader of the Opposition—Senator Flynn was unavoidably absent at that moment—and Senator Choquette said that he would co-operate fully.

Before we adjourned, I was told that the bill could not possibly be passed by the House of Commons that evening. When I learned that the bill had, in fact, been passed on Thursday evening, I pointed out to the Deputy Minister of Veterans Affairs the implications which Senator Flynn has mentioned—and, indeed, which Senator Buckwold stated when giving an assurance in reply to a question put to him by Senator Grosart. This was well known in the House itself, because the member in question acknowledged that no veteran would lose a grant because of this delay of two or three days. There was no doubt about the legal implications in either the Senate or the House of Commons. In addition, we were informed by the law officer of the House of Commons as to his understanding of the implications of the measure—namely, that no veteran would suffer.

I hope that my remarks will bring this incident to a close, and that our comments will serve as a reminder that Parliament works best when each house observes its own functions and regards itself the custodian of its practices.

Hon. Senators: Hear, hear.

Hon. Hazen Argue: Honourable senators, this debate has been brought about following Senator Conolly's request that leave be given at this time to proceed with second reading of this bill. Senator Martin was then asked whether any veterans would suffer as a result of the time being taken to deal with this measure.

I want to associate myself with the remarks made by the Leader of the Opposition and other senators in criticizing and condemning this kind of attack on the Senate on a

so-called point of order. I would suggest that not only is this attack unwarranted under the rules, but also from the standpoint of the welfare of the veterans of this country.

Some Hon. Senators: Hear, hear.

Hon. Mr. Argue: No veteran would suffer as a result of the Senate's taking whatever time it feels is required to thoroughly deal with this legislation. In addition, I would point out that if we do an outstanding job and are able to make some improvements to the legislation, then that will be of additional help to the veterans of this country. Further, not only will no veteran be hurt as a result of a two- or three-day delay in the passage of this legislation, but, as it was pointed out in the evidence given by officials before the Veterans Affairs Committee of the House of Commons some days ago, even without this legislation, even without an extension of this act for another year, the authorities have two months' work on applications already before them. In other words, it would be two months before they could even get to a single new application resulting from the extension of the act.

Honourable senators, as I say, a two- or three-day delay will not prejudice any veteran. For that matter, nothing adverse would take place because of a delay of an additional number of days. The Senate should take the necessary time required if it feels it can make a valuable contribution in its consideration of this legislation. Our veterans are interested in the extension; they are interested in some important amendments which would allow them to make applications now, notwithstanding the deadline of 1968. They are asking for a reduction in the amount of land required for a small holding, as well as for improvements in benefits.

Again, I repeat, no veteran will suffer as a result of the Senate's doing its job. We have a duty to do our job, and if we do it well it cannot help but assist the veterans in their just request to the Parliament of Canada.

Hon. Allister Grosart: Honourable senators, it might be well to point out for the record that when this matter was before us on Thursday last I asked whether "there will be an assurance on the part of the government that no veteran will suffer any disability because of that fact." And the fact I was referring to, of course, was that the bill was not coming before us on Thursday, and that we were not sitting on Friday.

I might point out, in reference to the criticism that was made of the action taken by the Senate—and in deference to our rules, I will not say where the criticism was made—the person who made it, who is a well-known opponent of the Senate, did say, "No veteran will lose a grant because of this delay of two or three days." That statement was incorporated in the criticism made. I suggest that apart from the propriety under the rules of the other place of that statement being permitted, it is very clear from the statement that the concern was not for the veterans, but merely another opportunity taken by a certain person to carry on a childish feud against the existence of this chamber.

Hon. Senators: Hear, hear.

● (2040)

Hon. Sydney L. Buckwold: Honourable senators, I want to add a brief comment to what has been said tonight. I

indicated to this house on Thursday that during the late afternoon I had been in communication on two occasions with the parliamentary secretary to the President of the Privy Council in order to find out how this bill was moving through the other place. The reason I rise now is to pass on what I said to him, certainly with the authority of the Leader of the Government. I told him that the Senate was prepared to cooperate in any way it could to facilitate the passage of this bill, and that senators were anxiously waiting for it to come from the House of Commons. That appeared to be well received by this gentleman, who indicated that he was not sure of how the bill would progress because an amendment was going to be moved, and there was no indication of the exact time at which it might be passed.

I assure honourable senators that an expression of complete cooperation was extended to the other place on behalf of the Senate.

Hon. Mr. Flynn: Might I ask Senator Connolly (Ottawa West) whether he is still asking for leave to proceed tonight?

Hon. Mr. Connolly (Ottawa West): It would be a convenience to me if I could explain it tonight, before I forget it!

SECOND READING—DEBATE ADJOURNED

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

Hon. John J. Connolly moved, with leave of the Senate and notwithstanding rule 44(1)(f), that the bill be read the second time now.

He said: Honourable senators, Senator Flynn may or may not be privy to the fact that I was not asked to move second reading until 3.30 this afternoon, and I did not start making preparations to do so until 5 o'clock. I am afraid that if I wait overnight I might forget everything I have learned—and that may not be very much.

This bill amends the Veterans' Land Act, Revised Statutes of Canada 1972, Chapter V-4. It is short and easily understood. However, it seems to me appropriate that, as sponsor, I should present the bill in the context of the Veterans' Land Act.

The original act, as honourable senators will know, was passed in 1942 as part of the Veterans' Charter, which Parliament adopted to help those who had served in both World War II and the Korean War to get re-established after their wartime service. I think this was bi-partisan policy. It can be said that the Veterans' Charter of Canada was the outstanding veterans' charter of any belligerent country in the world.

The purpose of the act was to assist veterans from those two wars to settle on the land as either full-time or part-time farmers, and it was extended to assist also veterans who desired to become commercial fishermen. The original loan ceiling imposed at the time the act was passed, about mid-way through the war, was \$4,800. An idea of what inflation has done, and how prices and economic conditions have changed in the country may be gathered when it is realized that today the ceiling on loans for the full-time farmer is \$40,000, and for the small farmer

and commercial fishermen, it is \$15,400. Under the original legislation the repayment term was 25 years, and that has been extended by amendment to 30 years.

Originally it was intended that the money should be used by veterans to buy land, buildings, equipment and some livestock to enable them to get settled on the land they proposed to purchase. The money can now be expended on a much broader basis. It can be used to improve land, and to improve the farm enterprise the veteran is conducting. It can be used for non-farm secondary enterprises, such as the establishment of a retail outlet for the farmer's or fisherman's production and perhaps even to run school buses in the area in which the veteran might live. It can even be used for trailer parks, beaches, amusement places and things like that, if the land upon which the veteran has settled lends itself to such use.

Since the legislation came into effect in 1942, disbursements under the act have exceeded \$1½ billion. In 1973-74, the past fiscal year, about \$65 million was disbursed in new or additional loans, and some \$80,000 in principal and interest was taken in by the administration as repayment on loans. Since this program came into being, 140,000 veterans have been helped, and this I am told is some 13 per cent of enlistments in our armed forces in World War II and the Korean War.

In recent years there has been an increase in the interest shown by veterans in applying for benefits under the act. In the fiscal year 1972-73, 5,300 loans were made, 2,000 of which were additions to existing loans with the remainder being new loans. In 1973-74, the fiscal year just ended, it is expected that about 7,500 new loans and additions to loans will have been made. The outstanding capital investment that the administration has in lands acquired by veterans under the program now amounts to \$535 million. These investments are in 10,000 large farm accounts and 50,000 accounts for small holdings and commercial fishermen.

Let me now say a word about the qualifications necessary to enable a veteran to get a loan under the legislation. A certificate from the director is required, and over 300,000 such certificates have been issued. The cut-off date—I shall speak about the reason for this in a moment—for qualification to take advantage of the provisions of the legislation is set in section 31 of the mother act as October 31, 1968. At that date, 140,000 certificates of qualification had been issued, and not used; approximately 140,000 had been issued, and used. The difference, which is about 20,000, is probably explained by the fact that some veterans took alternative benefits under other legislation, and some, although qualified, simply did not proceed with an application for a loan under this act.

● (2050)

Honourable senators, let me speak to the terminal date for qualification of a veteran to apply for a loan, which, as I said, is October 31, 1968. In 1942 when the act was originally passed, it had an open end. There was no date set before which a veteran must apply and qualify for a loan. In 1959 a terminal date for the first time was set, and it was set, to reduce it to simple language, at September 30, 1962, or a date not later than 15 years from the date of the veteran's discharge from the forces. In 1962 the act was amended again, and the terminal date was extended at that time to October 31, 1968.

[Hon. Mr. Buckwold.]

I am advised that each time a terminal date, before which a veteran must qualify, was set it was well advertised by the administration in the newspapers, in posters in post offices, and in veteran's organizations and their publications.

In 1965 a further amendment was passed by Parliament and a terminal date of March 31, 1974 was set for the application for new loans from qualified veterans. For additional loans the terminal date was fixed at March 31, 1977. I think honourable senators will understand that when I talk about additional loans I am referring to the case of a veteran who has made an application for a loan, obtained his money, made some repayments, and who then has found that he needs more money for further improvement and additions to his enterprise, his property, or his farm. Such a veteran can apply for additional money under such circumstances.

Honourable senators, I have one or two other esoteric pieces of information that may be of interest. In 1971 it was found by the veterans' administration that there were 2,600 veterans remaining in the armed services who might qualify for a certificate and a loan under the Veterans' Land Act. Some of those 2,600 had, of course, taken advantage of the provisions of the act, had received loans, and had acquired property as a result. I should point out also that any qualified veteran who obtained a certificate before October 31, 1968, whether he is in the service or is discharged, is eligible for assistance under the program.

I think the interest rates will be of interest to honourable senators. Under Part I of the act, for the first \$6,000 of loan the rate is 3½ per cent. That Part I deals with land settlement. Under Part III, the farm improvement assistance section, the rate at the present time is 7 per cent. The rate is the current rate under the Farm Credit Act. I understand, however, that as of April 1, 1974 that rate is increased to 8¼ per cent. Of course, the initial rate on the first \$6,000 is a much lower rate than the current rate, and perhaps that is one of the very attractive features of the program to veterans at this time when the rates of interest are so high. Even the 7 per cent or the 8¼ per cent rates are below current market rates.

The down payment required from a veteran in order to obtain a loan under the act is, in the case of land settlement, 10 per cent of the amount of the loan. If a veteran applies for a loan of \$10,000, then \$1,000 is required from him as a down payment on the property that is going to be security for the loan. Under the farm improvement assistance section, Part III, a down payment of 25 per cent of the amount of the loan is required, and in the case of small holdings it is about 15 per cent.

Honourable senators, having explained the background and the history of the legislation, may I deal briefly with this brief bill? The bill extends for one year, to March 31, 1975, the time for qualified veterans to submit an application for a loan. Under the present legislation that time expired on March 31, 1974.

There is a proviso in the bill, however. This was moved by way of amendment in the other place—

Hon. Mr. Flynn: By whom?

Hon. Mr. Connolly (Ottawa West): I leave it to the honourable senator's own imagination to decide. I do not think names should be mentioned here.

Hon. Mr. Cook: It is a quite imaginative clause.

Hon. Mr. Connolly (Ottawa West): It is imaginative only in the sense that it has been copied from one or other pieces of fiscal legislation. The provision is that after September 30, 1974, if 20 members of the House of Commons append their names to it, a motion can be placed before that house, and it must be heard within 15 days. The purpose of the motion is to have the minister review the terminal date for loans, which will now be March 31, 1975. If the motion is approved, then the minister must in fact review the terminal date and report to the house within 15 days whether he has decided to further extend the terminal date for applications for loans.

It is obvious from *Hansard* of the other place that some members would have liked to move amendments to the bill. I direct these remarks particularly to Senator Argue, because he spoke about improving the bill and making amendments. Two amendments were thought desirable, although the motions for amendment were not made. It was thought that the government should have provided in the bill a section to reduce the minimum size of the smallholding. The minimum size of the smallholding under the legislation as it exists now is about half an acre, and 20 per cent less in certain circumstances. To buy half an acre of land today, particularly in the environs of some of the larger communities, would cost a great deal more than it would have cost when this legislation was originally passed. Perhaps I should add as a footnote to this part of my remarks that disabled veterans are allowed to make application for a smallholding of only 50 per cent of the prescribed one-half acre. In other words, a disabled veteran can apply for a loan on a holding of a quarter of an acre, or even less.

● (2100)

Some of the Opposition also thought that this bill should increase the ceilings on the loans. The reason given was that the amounts—\$40,000 for a farm and \$15,400 for a smallholding or commercial fishing—are unrealistic in today's high-priced market.

The reason why these amendments were not moved is that the bill arose from a recommendation from the Governor General and amendments which have financial implications would be out of order in the other house. Indeed, I should think that the same rule would bind us here if we were to increase the impost on the treasury, which would be the effect of amendments of this kind.

So the House of Commons settled for the review procedure which I have described. However, the opposition there—and I am sure not only the opposition but the government benches as well—have promised that they will urge the government to go further with this legislation in another year, or perhaps sooner, with a view to reducing the minimum size of a smallholding, and increasing the ceilings on loans. I should say that a program of that kind could be urged, but I think only after a study of the financial implications involved.

Honourable senators, I think this legislation has through the years proved to be very helpful to veterans.

As I said at the beginning, the Canadian Veterans' Charter is one of the best bodies of legislation for veterans enacted by any country in the world. The benefits and amenities for veterans were improved recently. For example, the disability grants in the last fiscal year have been increased by 24 per cent, and I am told that the cost of that has been some \$54 million. The war veterans allowances have been increased to a total cost of \$17 million.

I have said probably more than enough with reference to this measure, honourable senators. Senator Flynn suggested that the debate is to be adjourned, and I have no objection whatever to that or to the suggestion that it might not be necessary to send the bill to committee. I have no firm views either way. Whatever is satisfactory to honourable senators in that respect is satisfactory to me, but if it is desired to send the bill to committee then the appropriate committee, in my opinion, would be the Standing Senate Committee on Health, Welfare and Science. If the bill receives second reading, and if it is the wish of honourable senators that it be referred to committee, I shall make the appropriate motion at that time.

Hon. Jacques Flynn: Honourable senators, I shall say only a few words, and then leave it to my colleague Senator Beaubien to deal with the substance of the bill.

Senator Connolly has given us a good and sufficient explanation of the bill. With reference to his remark that any amendments to the bill, such as those suggested by Senator Argue, would be out of order, I believe he is right in that respect. Therefore, no useful purpose would be served in sending the bill to committee, because the only relevant matter in the bill is the extension of its provisions for a certain period.

I was rather amused, however, by the fact that Senator Connolly's comments about the amendments were coupled with comments on the review provision inserted in this bill in paragraph 3(f) of clause 1, which, as he mentioned, closely resembles a provision in another bill which decreased the corporate taxes for certain corporations involved in manufacturing and otherwise. But there is a substantial difference, because in this bill the minister is obliged to review the legislation and give Parliament his views with respect to the way in which the legislation should be amended, if at all. In respect of the amendments to the Income Tax Act of last session the government, in effect, said, "You tell us in what way you want the legislation amended, and we will accede to your demands."

They have been able to resist that sort of approach in this bill. But it is still typical of a weak government that it is not able to govern properly, and is willing to accept being forced to act. This type of provision is something that should never be found in a bill. This government is so weak and so inept that all we can hope is that it will soon screw up the courage to ask the people of Canada whether or not they are still willing to live with this sort of impotent federal administration.

It is an awful piece of legislation. Paragraph 3 is a disaster. It is not as bad as what they wrote into the Income Tax Act that I mentioned a few moments ago, but it is typical of a government which, being unable to stand on its own two feet, is compelled to say to Parliament, "If you don't like the way we are legislating, tell us what we should be doing." That was never the case in Canada

[Hon. Mr. Connolly (Ottawa West).]

before this government, and I hope that kind of legislation will not continue to be placed on our statutes.

In any event, honourable senators, dealing with the substance of this bill, I believe we are all in agreement with the extensions. Certainly, there are many veterans who have not been able yet to take advantage of the legislation. These men should be granted a final extension or, rather, a further extension. As for any future extensions, I think the government should have sufficient guts to take the initiative with regard to that matter. It should, when the extension provided for in this bill draws to an end, decide for itself whether further extensions are warranted and, if so, how long they should be for.

Hon. Mr. Thompson: Honourable senators, I should like to direct two questions to Senator Connolly now, in case the bill does not go to committee. He might wish to refer the questions to the department or to the minister.

My first question assumes that both men and women who have served in the armed forces are equally entitled to the benefits of this bill, and it is: If a man and a woman who have both served in the armed forces get married, do both of them receive individual benefits or do they receive benefits only as a couple with the result that one of them loses out on the benefits?

My second question is with respect to the men and women who served in the armed forces for perhaps five years, and who required only a year of education or technical training in order to get a job. There is an assumption on the part of many of these people that because they received another form of benefit, such as education or technical training, they are not entitled to the Veterans' Land Act benefits. I have heard that if such a veteran were to pay back the cost of his education or technical training he would then be eligible to apply for the benefits under the Veterans' Land Act, and I should like to know if that is correct.

Hon. Mr. Connolly (Ottawa West): I believe the answer to the second question is yes, but I would like to get more information in order to be sure about that. I will have that information for Senator Thompson tomorrow.

The answer to the first question is, as Senator McIlraith has suggested to me, that it is hypothetical—at least, in the way it was put. If they get married, I do not think each of them would make an application for the same piece of land, and if they made separate applications for different pieces of land then I suppose they have two establishments. I will obtain some information on that question, too.

● (2110)

Hon. Mr. Thompson: May I say that the question is not hypothetical. It comes directly from that great province of Alberta, and someone who has written to me to the effect that his wife was in the WRENS and he was in the Navy, and both of them feel that they are entitled to individual benefits. His wife, under women's rights, feels that if they get only the benefit of the husband, then she is being denied her rightful benefits.

Hon. Mr. Connolly (Ottawa West): Certainly from the point of view of the two of them having made up their minds, they should be helped. In the second place, I am

sure they are worthy of help because they were both in that great service, the navy. I will get that information.

Hon. Mr. Langlois: They deserve the very best.
On motion of Senator Beaubien, debate adjourned.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Canada Deposit Insurance Corporation, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1973, pursuant to section 46 of the *Canada Deposit Insurance Corporation Act*, Chapter C-3, R.S.C., 1970.

Copies of Telex to the Oil Industry from the Minister of Energy, Mines and Resources, dated March 28, 1974.

Report of the Canadian Livestock Feed Board for the crop year ended July 31, 1973, including its accounts and financial statement certified by the Auditor General for the fiscal year ended March 31, 1973, pursuant to section 22 of the *Livestock Feed Assistance Act*, Chapter L-9, R.S.C., 1970.

Copies of Interim Report of the Tax Measures Review Committee, dated March 1974, entitled "Corporate Tax Measures Review", presented by the Minister of Finance.

Report of Permits issued under the authority of the Minister of Manpower and Immigration for the year ended December 31, 1973, pursuant to section 8(5) of the *Immigration Act*, Chapter I-2, R.S.C., 1970.

Capital Budget of the Canadian Saltfish 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. 1974-591, dated March 14, 1974, approving same.

Report on operations under the *Regional Development Incentives Act* for the month of January 1974, pursuant to section 16 of the said Act, Chapter R-3, R.S.C., 1970.

Preliminary Report of the Department of Industry, Trade and Commerce intitled: "Private and Public Investment in Canada, 1974".

Supplementary 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, 1973, pursuant to section 134(2) of the said Act, Chapter S-9, R.S.C., 1970.

PRIVATE BILL

EASTERN CANADA SYNOD OF THE LUTHERAN CHURCH IN AMERICA—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-264, respecting the Eastern Canada Synod of the Lutheran Church in America.

Bill read first time.

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

Hon. Eugene A. Forsey: Honourable senators, with leave of the Senate and notwithstanding rule 44(1)(f), I should like to move that the bill be placed on the Orders of the Day for second reading later this day. I have discussed this matter with the Leader of the Opposition.

The Hon. the Speaker: With leave of the Senate, and notwithstanding rule 44(1)(f), it is moved by the Honourable Senator Forsey, seconded by the Honourable Senator Heath, that this bill be placed on the Orders of the Day for second reading later this day.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: Honourable senators, I merely want to point out that this being a private bill it has to be referred, in any event, to committee; therefore there is no need for debate at this stage.

Motion agreed to.

COMPETITION POLICY

BANKING, TRADE AND COMMERCE COMMITTEE AUTHORIZED TO EXAMINE AND REPORT UPON COMPETITION LEGISLATION

The Senate resumed from Wednesday, March 27, the adjourned debate on the motion of Senator Hayden 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; 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.

Hon. Jacques Flynn: Honourable senators, I support this motion, but I want to say that I support it with the usual reserve. Our studying a bill before it officially reaches us does not mean that the Senate, or even the Standing Senate Committee on Banking, Trade and Commerce, will be bound by the report which this committee may make on the subject matter of this bill. This procedure, although it is rather unorthodox, is good, in the sense that it is half way between our legislative responsibility and the responsibility which we have assumed over the years in the field of investigation. We are in fact investigating the merits of a problem which is facing the government and Parliament. But we are not really dealing with the bill, we are dealing with the problem and we are trying to find out whether the proposed bill really meets the situation. However, when the bill reaches us in its final form, as far as the House of Commons is concerned, then we are at liberty to deal with it as we would deal with any other bill. We will have to see then which, if any, of our Banking, Trade and Commerce Committee's recommendations have been incorporated into the bill as passed by the other place and be guided accordingly. In essence, what I am saying is that our studying the bill before it comes to us does not replace the study we would give it as

a matter of course when we have the bill and put it through committee stage.

But with regard to this kind of bill, of which the Senate is eminently qualified to study the substance, I have here before me an editorial from the *Financial Times of Canada* of March 25, 1974, which I think underlines, in its fashion, this very point. Writing about this bill it says:

The unfortunate result is that the House of Commons faces Bill C-7 with very little understanding of its scope. Most MPs have a vague idea that it will protect the consumer against misleading advertising and other unfair trade practices. It is doubtful whether more than a handful of them have any awareness of the sweeping discretionary powers which they are asked to give to the Restrictive Trade Practices Commission. Few have contemplated the disruption which the commission could cause in the distribution of goods and services to the public.

The bugbear of Mr. Gray's bill is "an inadequate degree of competition." The immediate danger is an inadequate degree of comprehension about what Mr. Gray proposes.

● (2120)

Now, I don't subscribe to all of this, but I suggest that members of the other place are preoccupied more with matters other than the technical aspects of the problem dealt with in this bill. I suggest that our Banking, Trade and Commerce Committee, being in a position to hear witnesses and obtain briefs from people who are really qualified to comment on and really concerned with the substance of this legislation, can be very helpful to Parliament by undertaking the study provided for in Senator Hayden's motion, and from this perspective and in this light I support the motion.

Hon. Mr. Martin: Honourable senators, I rise simply to say, as I have done on two other occasions when Senator Flynn made somewhat similar observations, and quite rightly so, that I thought it important that I, as a member of the government, should make a brief comment. Of course, Senator Flynn is right in saying that a pre-study of a bill of this nature in no way interferes with the constitutional obligation of the Senate to deal with a bill that originates in the House of Commons, whether it be a government bill or otherwise. Senator Hayden gave us valid reasons when he spoke last week in support of his motion. We are all very much aware, as he reminded us, of the pressures that attend upon the Senate during particular periods of its operations in relation to the business in the other place, and the only way we can guarantee in certain circumstances that we have examined particular measures is in the way suggested by Senator Hayden in his motion. The study of the subject matter of a bill in no way, as Senator Flynn has pointed out, infringes upon our obligations to deal with an actual bill covering the same subject matter when it ultimately reaches the Senate. It is at that time that we must deal with that particular bill, for it is only then that we are legislatively seized of the subject matter of the bill. But at such time we will have had the advantage of the study carried out by the Standing Senate Committee on Banking, Trade and Commerce. This committee, as Senator Flynn has said, is particularly qualified to deal with matters of this kind because of the

[Hon. Mr. Flynn.]

great experience of its members, and the experience of so many other senators as well.

I certainly am not going to comment on the qualifications of members of the other house, particularly in view of what I said earlier this evening when commenting on what a member of that place had said about us. I can only assume that they have competence—as they certainly had when Senator Flynn and I were members of that house. I am sure that situation continues.

I am sure that our committee will want to consider not only what is reflected in the editorial Senator Flynn has read, but also the other side as reflected in the *Financial Post*, a journal with similar interests to those of the *Financial Times*. The Senate will want to examine this bill, not from any one point of view but from all points of view. I can further say that the minister in charge of this bill, as the committee will learn if it does not already know, is a man of exceptional ability and great experience in the particular type of legislation he will be introducing. I am sure that he and his officials will give every cooperation to our committee in this matter. I agree to the conditions laid down by Senator Flynn.

Motion agreed to.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Donald Cameron moved the second reading of Bill S-4, to amend the Criminal Code (control of weapons and firearms).

He said: Honourable senators, by way of introduction may I associate myself with all that has been said in welcoming our new colleagues to the Senate in this session of Parliament. Senators Robichaud and Perrault have made a very auspicious beginning by the competent manner in which they moved and seconded the motion for an Address in reply to the Speech from the Throne. I am sure we can look forward to many more valuable contributions from them.

I should like also to join with my colleagues in the well-deserved compliments paid to our gracious and esteemed Speaker, who has brought distinction to that high office and who has discharged her responsibilities with a graciousness we have not seen in a long time.

Honourable senators, in introducing Bill S-4 this evening, I should say that this is a re-introduction of Bill S-2, which died on the Order Paper last year. It is in exactly the same form. It is interesting to note that the bill presented last year generated a surprising amount of correspondence and discussion. There was an excellent debate in the Senate in which many senators took part and made fine contributions to what has become an increasingly important topic.

What I had not expected, in sponsoring this bill, was the heavy correspondence which resulted. Hundreds of letters came in from individuals, members of gun clubs, shooting associations, gun collectors, wildlife associations, and so on. Many of the letters were of a very emotional nature and often were critical of me, of the Senate, of the government, and of the bureaucrats. When that bill was

introduced and debated, some individuals and organizations mounted a vigorous campaign attacking the very idea of any form of gun control, claiming, quite wrongly, that the bill would have the effect of legislating out of existence the legitimate sportsmen and hunters, members of gun clubs, rifle clubs, pistol clubs, gun collectors, and so on. Some of the letters, and some of the information put out by what I call the "gun lobby," and an organization called FARO, which means Firearms and Responsible Ownership, presented the worst distortion of the facts I have seen in 18 years in the Senate. Interestingly enough, in the period through March, April, May and June of 1973, 80 per cent of the letters were very critical of the bill and 20 per cent were favourable.

● (2130)

It is interesting, however, that from July through the remaining months of 1973 and in early 1974, continuing up to the present time, there has been a very marked change in the tenor of the letters coming in. In these months the attitude, the expression, has almost been completely reversed from four to one against the bill to approximately four to one in favour of it.

In the early spring and summer of 1973 there was some evidence of an organized lobby against the proposed legislation. For example, it was possible to plot the path of some individuals as they moved across the country holding meetings and contacting individuals. They contacted sportsmen's clubs, rifle associations, gun collectors' associations, and so on, because every time these individuals appeared in a community there would be a dozen, 15, 25 or 30 letters received from that area. Sometimes they were Xeroxed letters with different names and addresses on them, and quite frequently they came in envelopes on which the name of a commercial company had been scored out. It was quite obvious that it was an organized campaign, and very well organized at that.

Against the more rabid anti-gun control letters there were dozens of letters that were thoughtful and constructive. Some were from those who basically were not in favour of the bill but, nevertheless, wished to express their views and suggested that if we were considering legislation of this type they would like their viewpoints to be considered. Many of the anti-gun control letters suggested that the intent of the bill would, among other things, result in the confiscation of all privately owned guns and gun collections. The estimated cost of reimbursement by the government to the owners would be a minimum of \$25 million. Others argued that gun collections worth many thousands of dollars would be confiscated and would revert to the Crown, and the government would have to pay a large sum of money to take over these collections. Still others stressed the idea that an enormous and costly bureaucracy would be necessary to enforce any further controls. An example of the type of letter which came in is the one I will now quote in part, which said that I was doubtless sincere, but misguided. It comes from the province of my friend Senator Rowe, from a friend of his, I believe, Mr. D. J. Morris. I am quoting from this letter because it is typical of many letters of this nature:

The RCMP estimates that there are 500,000 handguns registered in Canada.

I would like to track down the source of that figure, because one of the frustrating aspects of this particular debate is that I have not been able to get any statistics which seem to be authentic. The letter continues:

If the government were to prohibit ownership of these guns and was forced to purchase them from their owners at an average worth of \$50, it would cost \$25,000,000, plus paperwork . . . Licensing all firearms (including rifles and shotguns) would require a bureaucracy and an expenditure almost equal to that currently expended on automobiles. There are 5 million rifles and shotguns in Canada, almost as many guns as cars.

The cost of testing for "competence" of gun owners would be as economically out of reach as testing for "competence", in a meaningful way, is for driver licensing.

Canada's present handgun control laws are among the most stringent in the world. Handgun owners must have a permit, and another permit is required to transport these guns. Despite these laws unregistered handguns are used in crimes. Strict gun control laws fail because those who want to use guns for illegal purposes simply ignore the law. Those who obey the law, collectors and competitive shooters, do not wish to use their guns for violent purposes, and these are the only people whom stricter laws would affect.

While I agree that effective measures must be taken to reduce crimes of violence involving firearms, I feel that the most effective measures would be as follows:

1. Tougher penalties for the use of firearms in perpetration of a crime.
2. Strict adherence to these penalties by Canada's courts and the related legal systems.
3. More effective enforcement of Canada's gun control laws.

It is a good letter and it is typical of many. Another letter is from Mr. David G. Lawrence of Lindsay, Ontario, who writes:

To administer the program would cost from \$1 to \$70 per firearm depending on the restrictions of the actual program. Very roughly, we are talking about \$450 million if we institute measures similar to the Sullivan Laws of New York.

His brother, Mr. R. Douglas Lawrence, a very thoughtful person, has sent me a document that is almost a small book. It is based on research carried on in the United States, and it is some evidence of how seriously people are treating this subject. I will not take the time to go into that research project at this time of the night, but these letters are typical of the hundreds which have come in.

Many have attacked any form of gun control legislation on a number of grounds, of which the following are the most important:

1. The costs. In the study in the United States which Mr. Lawrence referred to in this volume which I have here, entitled "A Preliminary Cost Analysis Prepared for National Commission on the Causes and Prevention of Violence in the United States" by the Research Associates Incorporated of Washington, D.C. and published under the

date of December 20, 1968, first year costs of a national registration of firearms are estimated at \$25,500,000. The second year and continuing costs are estimated at \$22,500,000 additional.

2. The second costs are the indirect costs. In the United States, according to the figures for 1967, the sale of hunting licences, tags, permits, et cetera, brought into the federal treasury \$81,500,000. The excise taxes and sales taxes on ammunition brought in another \$28 million.

This research group points out that if the government were to forbid the ownership of guns it would lose over \$100 million a year in licence fees and permit fees. The argument, therefore, is that the annual revenue of \$100 million would be lost to the federal treasury if hunting were curtailed or prohibited. With regard to bureaucratic costs—and you hear some horrendous tales—the cost in personnel, time and inconvenience is estimated to be about \$450 million per year. So, they are really getting into a pretty inflated scale.

● (2140)

An authority who has been frequently quoted is Superintendent Greenwood of the Metropolitan Police Force in the United Kingdom. Superintendent Greenwood made a statement to the effect that no gun laws were worth the paper they are written on. I propose to read some questions put to Superintendent Greenwood and the answers he gave. Interestingly enough, these questions and answers were reported in the *American Rifleman*, so honourable senators will understand that this met with the approval of a very active gun lobby in the United States. The questions and answers are as follow:

Q. Do you oppose the registration of firearms, the requirement that each gun that a person obtains be enumerated with the police?

A. It's a complete waste of time.

Q. You would just do away with this completely?

A. Yes.

Q. What do you think is the cause of rising crime in Great Britain?

A. The one thing that I feel I have established is that the problem is not the criminal use of guns. That is a symptom. The problem is the increasing willingness of criminals to use violence. The innocent victim is just as dead if he is stabbed or if he's shot. No single factor is the cause, but I think the most important factor in the crime increase is the abolition of capital punishment.

It is rather interesting to note that throughout the correspondence on this subject time and time again there is the plea to restore capital punishment, and if it does not go quite that far there is the plea to toughen the penalties.

On many occasions the comment is made that life imprisonment does not mean what it says, that it may mean as little as seven years' imprisonment. The comment is also made that a young fellow sometimes steals a car while a member of a college fraternity, as one of the requirements of the initiation ceremony. Too often, if he is caught and brought before the courts he is let off with a warning without further penalty.

[Hon. Mr. Cameron.]

There was a case last month in either Kitchener or Waterloo of a youngster being involved in a serious crime, for which he was sentenced to one week in jail. The case has been appealed by the Crown.

In the April 1st issue of *Time* magazine there is an article concerning a gang of youths in Quebec who were responsible for several murders. This significant statement was made by one of the witnesses:

"Sure I'm scared," admits one Sherbrooke girl. "But you know what really frightens me is that the police are scared of the motorcycle gangs."

That is the kind of situation that develops from the increased use of firearms in the commission of crime.

There are those who suggest that it is wrong to prohibit the use of shotguns and rifles, that most murders are committed with handguns. That is true of the United States, but it is not true of Canada. Within the past month I have seen information to the effect that 57 per cent of murders committed in Canada during the past three years were committed with shotguns or rifles. So, there is a changing pattern there.

It is not my purpose to go into this aspect in detail, except to say that a similar bill was introduced in the House of Commons by the Honourable Warren Allmand when he was a private member. Now that he is in a position of greater authority, it is to be hoped that we shall be able to count on his support when this bill reaches the other place.

In its present state, the bill is not entirely satisfactory. We had to consider whether we would redraft it or whether we should discuss it in its present form and send it to committee. If the bill receives second reading, I shall propose that it be sent to the Standing Senate Committee on Legal and Constitutional Affairs.

Hon. Mr. Martin: Did the bill go to that committee last session?

Hon. Mr. Cameron: No, it did not get that far, because the Parole bill took longer than was expected. The bill before us can be improved in many respects. Certain sections require greater definition, and the best place to do that is in committee. Changes are required with respect to the age at which a person may use a firearm. I believe the minimum age at present is 16 years. For those who live in isolated areas, in the north country or in bush country, where a youngster may be required to shoot Prairie chickens and other game to provide meat for the table, the age might well be reduced to 12 years. Various matters affecting the use of firearms should be discussed, and this can best be done in committee.

A number of knowledgeable and able people are ready to appear before the committee, and I would say to Senator Goldenberg and his colleagues that the committee might be required to hold a lengthy sitting—and rightly so because this is an important piece of legislation. It is exercising the minds of many, and it is of special concern to the RCMP, who have the responsibility of examining the applications of persons wishing to possess firearms. If it becomes necessary to register every gun in use in Canada, it might be impossible for the RCMP to handle all applications for permits. Some of that responsibility would be eased—and I understand the RCMP would like

to be relieved of part of the responsibility—if local magistrates or police officers were asked to assist in examining those who seek permits.

There are others who argue, with some validity, that examinations by the RCMP alone would make for a uniform standard of criteria across the country. The RCMP also have the advantage of having their own computer for record purposes. These facilities would make for a more uniform assessment of the criteria on which permits were granted. All these matters can be brought before the committee.

The purpose of clause 1 is to place machine guns and shortened guns—namely, sawed-off shotguns—which are now restricted weapons, in the category of prohibited weapons. It also places rifles and shotguns, which are now unrestricted, in the category of restricted weapons. As a result, all weapons will be either prohibited or restricted. Many people are opposed to that provision, and by sending this bill to committee all points of view may be heard and an acceptable solution reached.

Clause 2 makes all transfers of weapons, whether commercial or private, subject to authorization.

The purpose of clause 3 is to make all offences relating to guns indictable ones, and consequently to eliminate all summary convictions.

Section 92 becomes unnecessary due to the new section 87.

Clause 4 requires a permit for all restricted weapons, which in fact include all firearms.

A good deal of work will be involved in screening those who are entitled to possess weapons. This is the basis for the charge that we will be simply building up a tremendous bureaucracy, taking up a great deal of time and costing a lot of money. But I am sure there are ways in which this can be handled without causing the inconvenience and cost which some people suggest will be the case.

● (2150)

Dealing with clause 5, under our present law a judge may order that a person involved in a crime be prohibited from possessing any firearm for a maximum period of five years. This amendment would require the judge to make such an order of prohibition for at least a period of ten years.

Finally, dealing with clause 6, the purpose of subparagraph (e) of paragraph 97(2)(d) is to provide that a permit may be granted for the use of a rifle or a shotgun for hunting, subject to the granting of a hunting licence. The requirements for getting a hunting licence are precise and are spelled out in some detail.

The new paragraph 97(2A)(a) makes it mandatory that a test be passed before any permit for a weapon may be granted. This test would cover the individual's knowledge of weapons handling and the laws pertaining thereto.

Paragraph 97(2A)(b) sets out those persons who are prohibited from being granted a permit for a weapon. This would apply to persons who have been convicted of an offence, people who are mentally disturbed, and so forth. There is no question that this is becoming an increasingly important subject. It is on the minds of many people.

Some improvement in our gun control legislation must be brought about.

In 1971 over 9,000 murders in the United States involved guns, and that figure is increasing all the time.

Hon. Mr. Martin: How many murders were there all together? You say there were 9,000 murders involving guns.

Hon. Mr. Cameron: Yes, 9,000 in 1971.

Hon. Mr. Martin: And 682 of those were in Detroit. What was the total number of murders in 1971, regardless of the weapon used?

Hon. Mr. Cameron: The total would have been much greater than that. I do not have the exact figures in front of me. However, more Americans have been killed by guns in the last 60 years than have been killed in all of the wars in which the American people participated since the Declaration of Independence. The number is astronomical. The ordinary citizen just does not realize it.

Some senators may have noticed a news item emanating from Washington which appeared in the *Ottawa Citizen* of September 23, 1973. It read:

A national crime commission recommended today that all Americans other than law-enforcement and military personnel be barred from possessing handguns by 1983.

Noting that handguns were used in 9,000 murders in 1971 alone, the national advisory commission on criminal justice also urged that each state prohibit their manufacture and sale, acquire existing handguns and render inoperative those held as collectors' items.

The report said Americans are accumulating handguns at the rate of 1,800,000 a year.

This statement is from a crime commission in the United States. It is hard to believe.

Superintendent Greenwood has been quoted to me *ad nauseam* by people attacking the gun control legislation. It was interesting that the Secretary of State for the Home Department and the Secretary of State for Scotland of the previous Government of the United Kingdom, the Honourable Robert Carr, had a green paper on firearms prepared dealing with the situation in the United Kingdom. That green paper is dated May 1973, and it analyzes in great detail the reasons behind the legislation in the United Kingdom. As honourable senators are aware, it is accepted that the United Kingdom has the best gun control legislation in the world. However, in spite of that legislation, homicides in the United Kingdom are increasing. The point is made in the green paper that by making it more difficult for the person with criminal intent to acquire a gun, you cut down on the number of murders and assaults involving guns.

Honourable senators, that is a very sketchy re-introduction of this legislation. As I indicated, if the bill receives second reading I propose to refer it to the Standing Senate Committee on Legal and Constitutional Affairs.

Hon. Mr. Rowe: I wonder if you would permit a question, Senator Cameron. The figure you cited of 9,000 murders involving the use of guns of one kind or another is the officially recorded figure, is it not? Am I correct in inferring that beyond any shadow of a doubt there were at least

9,000 murders, although the actual number, as everyone knows, is much higher than the officially recorded number? Therefore, by inference the number of gun murders must be much higher as well. Honourable senators are aware that many hundreds of murders in the United States are never solved, because the victims disappear and no one really knows what happened to them. Am I correct in drawing the inference that a significant proportion of these victims were murdered by persons using guns?

Hon. Mr. Cameron: You are correct.

Hon. Mr. Hastings: Honourable senators, I have one or two very brief questions for the sponsor of the bill. Did he say that 67 per cent of murders in Canada in the last three years were committed by the use of rifles or shotguns?

Hon. Mr. Cameron: The figure is 57 per cent.

Hon. Mr. Hastings: And that was by the use of rifles, shotguns, or other firearms?

Hon. Mr. Cameron: Rifles or shotguns.

Hon. Mr. Hastings: My second question is: Are you implying that the restriction of weapons and firearms will decrease the number of homicides in any given jurisdiction?

Hon. Mr. Cameron: The experience of the United Kingdom, as well as that of Germany, Belgium and, particularly, Japan, is that the unavailability of guns tends to decrease the number of assaults involving the use of guns. This is the experience of countries who have effective gun control legislation.

Hon. Mr. Martin: People are too gun crazy.

Hon. Mr. Hastings: But are you saying that it will decrease the number of homicides?

Hon. Mr. Cameron: I think not. The number of homicides has been increasing. The argument, however, is that it might have been much worse were it not for the gun control legislation. One factor which most of these discussions have not taken into account is that much of the increased use of guns in crime today stems from the growth of the drug culture in the last few years. Youngsters, as well as older people, on drugs will do anything to obtain them. A good portion of the increase in crime, particularly in the United Kingdom, the United States, and Canada, is attributed to the growth of the drug culture. It is now beginning to decrease. It will be interesting to see what happens in the next three, four or five years, assuming the drug culture curve continues to go down as it is apparently now doing. It will be interesting to see whether or not the number of crimes committed by those on drugs also decreases. The expectation is that it will, but at the moment we do not have verifiable evidence to that effect.

Honourable senators, I now have the particulars in regard to deaths in the United States, if I may give them now. This is from the *Congressional Record* of June 10, 1968:

Far more people have been killed by firearms in the United States since the year 1900 than have died in all its wars from the American Revolution to Vietnam. Between 1900 and 1966, firearms have been responsible for 280,000 murders, 370,000 suicides and 145,000

[Hon. Mr. Rowe.]

deaths by accident—making a grand total of 795,000 people. Against this figure the total number of American war dead since the beginning of the nation to the war in Vietnam stands at 550,000.

In other words, over 200,000 more people were killed by guns than were killed in all their wars.

On motion of Senator Molgat, debate adjourned.

● (2200)

PRIVATE BILL

EASTERN CANADA SYNOD OF THE LUTHERAN CHURCH IN AMERICA—SECOND READING

Hon. Eugene A. Forsey moved the second reading of Bill C-264, respecting the Eastern Canada Synod of the Lutheran Church in America.

He said: Honourable senators, I can be brief. The purpose of this bill is pretty well stated in the actual description as it appears in the title. At present the Synod of the Lutheran Church concerned has come into possession, as the result of the sale of what used to be called Waterloo Lutheran University, now Wilfrid Laurier University, of some \$3 million. Under the present terms of its powers to invest it may invest its money only in government debt. It is anxious to have the power to invest these moneys in all types of investments permitted by the Canadian and British Insurance Companies Act.

The ordinary way of proceeding here would be through the provisions of the Canada Corporations Act, but this would involve considerable delay. I am informed by counsel for the Synod that it would involve a delay of something like a year, because the Synod would have to meet in June, and then there would be various formalities to be gone through there, and afterwards with the government department concerned. Therefore, the Synod decided to proceed in this way.

In order to make quite sure that this was the will of the Church, the members at the last meeting of the Synod, some 295 in number, were polled by letter and a most elaborate questionnaire setting forth the whole situation. My recollection is that some 227 of them replied, and something like 217 replied in the affirmative. I have the figures here if there is any necessity to give them. Therefore, I think there is no question at all but that it is the desire of the authorities in the Synod of this Church to have these wider powers to invest in the securities allowed by the Canadian and British Insurance Companies Act. There is ample security there that the funds will be properly invested.

I do not think there is really anything contentious about this matter, and at this hour of the night I do not wish to go into the matter any further, though I am prepared to answer any questions honourable senators would like to raise.

Hon. J. Campbell Haig: Honourable senators, I can add that in June 295 people were polled by letter; 227 responded, of which 218 approved. The parliamentary agent for the Synod stated in a meeting of the committee of the other place that Waterloo University—of which, by the way, the honourable Leader of the Government is Chancellor—received from the sale of its land and buildings to

the Province of Ontario approximately \$3 million. Under present legislation the Synod's investment powers are restricted.

All this bill does is allow the executive committee of the Synod to invest in securities that are allowed insurance companies carrying on business under the Canadian and British Insurance Companies Act. There is, therefore, ample protection for the Synod and the university, of which it is part.

The reason for the sale to the Province of Ontario was that the university divested itself of any religious connection. It is now a university of the Province of Ontario, and entitled to receive grants.

The Synod wishes this bill referred to a committee and passed quickly, so that they can start to invest the \$3 million. I would certainly approve the reference of this bill to the appropriate committee.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

On motion of Senator Forsey, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

SUSPENSION OF RULE 95

Hon. Mr. Forsey moved, with leave of the Senate and notwithstanding rule 45(1)(a), that rule 95 be suspended with respect to Bill C-264, respecting the Eastern Canada Synod of the Lutheran Church in America.

He said: Honourable senators, I do this to make it possible to have this matter dealt with expeditiously.

Hon. Mr. Grosart: On a point of order. I do not believe that rule 95 applies at all, because it refers only to a private bill originating in the Senate. I do not think leave is required.

Hon. Mr. Martin: This bill originated in the House of Commons.

Hon. Mr. Forsey: I was merely being guided by the advice I received from the Table. If I have erred, I have erred in distinguished and learned company.

Hon. Mr. Grosart: Perhaps I should read rule 95. It says:

A private bill originating in the Senate, of which notice is required to be given, shall not be considered by a committee until after one week from the date of referral to such committee and, in the case of any such bill originating in the House of Commons, until twenty-four hours thereafter.

Hon. Mr. Forsey: That is the point we were considering, the 24 hours.

Hon. Mr. Grosart: You would have plenty of time.

The Hon. the Speaker: Honourable senators, I am not sure I heard the last remarks. I think the reason leave is required is because rule 95, in referring to bills originating in the House of Commons, requires 24 hours. That is why this motion is necessary.

Hon. Mr. Forsey: It is hoped that this non-controversial bill might be dealt with by the committee tomorrow after the Senate rises. This is the only purpose in moving this motion. This unusual procedure is being asked for because of the long delay that might otherwise arise, with considerable prejudice to the interests of the Synod.

The Hon. the Speaker: Honourable senators, perhaps I should read rule 95:

A private bill originating in the Senate, of which notice is required to be given, shall not be considered by a committee until after one week from the date of referral to such committee and, in the case of any such bill originating in the House of Commons, until twenty-four hours thereafter.

There seems to be urgency, and that is why Senator Forsey would like rule 95 suspended in respect of this bill.

Motion agreed to.

● (2210)

BUSINESS OF THE SENATE

Hon. Mr. Martin: Honourable senators, may I make a suggestion to Senator Forsey, in view of the fact that the Senate now has agreed that his bill may be considered by the committee tomorrow? I understand that arrangements have been made with Senator Goldenberg for a meeting of that committee tomorrow afternoon.

Hon. Mr. Forsey: That is what I understand.

Hon. Mr. Martin: The Senate will be sitting at 2 o'clock in the afternoon. It is likely that the sitting will not be as long as usual, because arrangements have been made for committees to sit, including that particular one. I suggest to Senator Forsey that he take responsibility for discussing the matter with Senator Goldenberg again, to make sure that Senator Langlois and others are there.

Hon. Mr. Forsey: I notice that Senator Goldenberg is not here. He had arranged with Senator McIlraith that he would preside over the committee. In that case I shall be happy to discuss the point with Senator McIlraith.

Hon. Mr. Martin: Senator McIlraith is the former Solicitor General. Now I know why he was pressing me a few moments ago.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, April 3, 1974

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

GEORGES POMPIDOU

TRIBUTES TO THE LATE PRESIDENT OF FRANCE

Hon. Paul Martin: Honourable senators, may I call the attention of the house to the fact that in the other place the Prime Minister will be paying tribute to the late President of France.

[Translation]

Honourable senators, the Prime Minister has sent to the French people a message of sympathy on the death of the President of the French Republic, Mr. Georges Pompidou.

This expression of sympathy extended to his family, Mrs. Pompidou, the French government and the French people is a sincere and tangible testimony of all Canadians.

Canadians have maintained close ties of friendship and a community of interests with France.

Our own history is so closely interwoven with that of France and Britain that the important events which occur in each of those countries have an effect on all Canadians.

The association of Canada with France has deep roots in our history. Comrades in arms—we are also partners in NATO. We share with France her culture and what that culture means to Europe and the world.

The office of President of the French Republic is quite powerful in European affairs as well as on the international level. The individual who accedes to that post—as did Mr. Pompidou and his predecessors—must show leadership and be endowed with great qualities.

I met Mr. Pompidou for the first time when he was Prime Minister and General de Gaulle was President.

My dealings with him have shown me that he was a very talented, competent and prepossessing man.

[English]

Throughout his public life the late President Pompidou was regarded by his fellow countrymen as “a Frenchman like any other.” Indeed, he was a self-made man, a classic example of the French system which finds its origins in Napoléon’s statement that every soldier carries in his knapsack the bâton of a maréchal.

Born in 1911 in a village in the Auvergne, President Pompidou was of peasant stock. His father, a follower of the great socialist leader Jean Jaurès, passed to his son his own ideals, and in his youth Georges Pompidou was himself an active member of his father’s political leaning. His tastes were, however, not in the area of politics but in the fields of literature and art. In addition to being a Professor of Greek and Latin, he composed several anthologies of French poetry and seemed destined for an academic

career. Yet his love of the cultural world took second place to his love of country and, in this respect, he epitomized the vigorous, modern spirit of the French nation. Called upon by General de Gaulle in 1962 to lead the government, Mr. Pompidou willingly left his home on the Ile Saint Louis to take up residence in the Hôtel Matignon. It was during the years of his premiership from 1962 until 1968 that Mr. Pompidou displayed those exceptional qualities of political leadership that made him the choice of the French people and President of the Republic.

Indeed, a truly significant man has passed away.

[Translation]

We all feel it on this day of mourning. As a closely related nation, we offer our most sincere condolences to Mrs. Pompidou, her family, the government and the people of France.

Hon. Lionel Choquette: Honourable senators, France today mourns the death of one of her most distinguished sons.

The President of the Republic, Georges Pompidou, was a wise and devoted head of state. He was a man of great foresight, a man of great insight.

He worked tirelessly and with remarkable success towards improving the welfare of his people. His concern for the French people was truly moving.

But, in spite of his special interest in the domestic problems of his country, he never failed to give considerable attention to the role and responsibilities of France on the international level.

Even today, four years after the death of Charles de Gaulle, France remains a bastion of democracy, one of the key nations to the new Europe, that vibrant and strong Europe which takes pride in the future it has promised itself.

Honourable senators, on behalf of the Conservative caucus of the Senate, on behalf of all French-speaking Canadians who, because of their cultural ties of tradition and language with France, are deeply attached to that country, I should like to express to the people of France and the Pompidou family our deepest condolences.

● (1410)

[English]

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Public Service Staff Relations Board for the fiscal year ended March 31, 1973, pursuant to section 115 of the *Public Service Staff Relations Act*, Chapter P-35, R.S.C., 1970.

VETERANS' LAND ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

The Senate resumed from yesterday the adjourned debate on the motion of Senator Connolly (Ottawa West), for the second reading of Bill C-17, to amend the Veterans' Land Act.

Hon. L. P. Beaubien: Honourable senators, first of all I wish to offer my very sincere congratulations to Madam Speaker for her excellent performance as our presiding officer. I want to point out, however, that the day Madam Speaker turns over her high office to a mere man, he is going to have a difficult time trying to fill her little shoes adequately.

An Hon. Senator: It might be another lady.

Hon. Mr. Beaubien: Yes, that is possible, of course. Next I wish to welcome the new senators who have joined us lately in this chamber. I should like to congratulate those of them who have already spoken, and I am looking forward to getting to know them better over many years to come.

I now turn to Bill C-17, to amend the Veterans' Land Act. The bill was extremely well explained by Senator Connolly, as usual, and therefore I am not going to go into much detail. Unfortunately, this is a money bill and therefore it would not be appropriate for the Senate to move any amendments, but I should like to point out some of the bill's shortcomings.

First, let me point out that the Veterans' Land Act is dead. For the last five years, only those who obtained valid qualification certificates before October 31, 1968, were entitled to apply for financial assistance under the Veterans' Land Act; but their application had to be submitted before March 31, 1974. Bill C-17 simply extends the deadline by one year. There are about 140,000 valid qualifications outstanding.

I think, honourable senators, there can be no question that the Veterans' Land Act served a useful purpose. Approximately 140,000 veterans took advantage of it, borrowed money under its terms when they came out of the war and were looking for places to settle. They went into the country and they bought farms. However, of late years the Veterans' Land Act has not been very helpful to the veterans because it contained outdated restrictions, and in my view the act should be amended.

We are now approaching another period when the veterans need a hand. They came out of the war having been in the armed forces four or five years, and now quite a few will be approaching retirement age. The war ended nearly 30 years ago. Within the next four or five years a great many more will reach retiring age and it would be a great help to them if they could borrow money on reasonable terms. They could buy their own homes and so forth. Therefore this bill should be allowed to die.

I now refer to two of the main provisions in the legislation, which were enacted in 1942, one of them saying that the veteran must buy at least half an acre. Well, half an acre is roughly 22,000 square feet and would involve a lot of 100 feet by 200 feet, or something more than two ordinary city lots. I do not think this is realistic. The units should be smaller. Then the amount that can be borrowed was set at \$18,000 maximum less a deposit of roughly

\$2,600. So that one provision says that you need to have a larger lot and the next says that you can only have a little money. Between the two of these things, it just does not work.

What I think we should do here is to impress on the Leader of the Government in the Senate that he should go back to his colleagues in the Cabinet and tell them that as far as the Senate is concerned this bill urgently needs some amendments.

Hon. Chesley W. Carter: Honourable senators, I should like to say a few words on this bill. At the outset I should like to congratulate Senator Connolly (Ottawa West) for the excellent exposition that he gave us last evening. I think he made about the best case from the government's point of view that could be made. But I would like to deal with it today from the standpoint of the veteran, because there is quite a contrast in the two viewpoints and the veteran's viewpoint should be taken into consideration.

Speaking as a veteran, I must support this bill because it does extend the deadline for one year, and half a loaf is better than none. But, honourable senators, in the eyes of the veteran it is not much better. I am disappointed that the deadline was not extended for at least three years, and that the total benefits under the act were not brought up to date.

● (1420)

We should think first from the veteran's point of view in terms of need. Is there a need for this bill? Is there a need for the extension and is there a need for the upgrading of its provisions? Senator Connolly (Ottawa West) answered that himself last night when he pointed out that during the year 1972-73 there were 5,200 applications, and that during the year just ended there were 7,500 applications, an increase of over 2,000. Certainly that indicates there is a need for this legislation to be extended. I could add that the Dominion Command of the Royal Canadian Legion has over the past year conducted a survey among Legion members and veterans generally. They have discovered that there are still several thousand veterans who would like to take advantage of this legislation, but would not be able to do so unless the deadline were extended. I doubt if the extension of one year is sufficient to enable all those veterans who wish to take advantage of it to do so.

I can understand from the government's point of view that this act has been on the books for many years, that the veterans are growing older and the time has come to wind up this legislation and remove it from the statute books. As I see it, however, the government itself is not without blame in this matter. Senator Connolly told us last night that 300,000 certificates had been issued and of this number only 140,000 had been used, and an estimated 140,000 had not been used. I submit that one of the main reasons for these 140,000 certificates not being used is that over the years, through the inaction of the government, this legislation lost its attractiveness. The grants available under it have not been up-dated for nine years. If we assume that inflation has grown at an average rate of 4 per cent per year, which I think is a fair assumption, it means that the grant today is worth only two-thirds of its value of nine years ago. All similar pieces of legislation, such as the Central Mortgage and Housing Corporation Act, the Farm Improvement Loans Act, the Small Businesses

Loans Act, the Fisheries Improvement Loans Act, have been brought up to date and kept up to date to compensate for inflation. This veterans' legislation, however, has not been touched for nine years, and as a result of this inaction on the part of the government itself, veterans have been prevented from taking advantage of the legislation. Veterans should not be put in the position of being penalized for government inaction.

There remain a number of veterans who had not heard of this legislation or the benefits available to them until the Legion conducted the survey I mentioned. I know that in my own province there is a tremendous interest in it. It is only now that the ordinary Newfoundlander, the fisherman, the type of person who joined up in either of the two World Wars, is sufficiently affluent to take advantage of it. I say it is quite wrong that at a time when they are able to take advantage of this legislation they should be denied the opportunity to do so.

I said earlier that in my opinion it represented less than half a loaf, the reason being that the grants are so unattractive today that there is not much point in a veteran applying for one.

We should be motivated by the principle that all veterans should be treated alike. Unless this legislation is updated and the grants improved, veterans who wish to take advantage of the legislation will be discriminated against in comparison with those who took advantage of it in previous years. The legislation should be extended for more than one year, and it should be improved to bring it in line with the original grants in order that its benefits might apply equally to all veterans.

It is quite true that most veterans are now getting along in years, even World War II veterans. Most World War I veterans are over 70 years of age and are not likely to be interested in this legislation, but World War II veterans average around 60, and many have a few more years left.

I should like to point out that implementation of this legislation is not likely to cost the government a great deal. I cannot remember the total number of accounts, but the total income to the government from repayment of loans and mortgages will be in the vicinity of \$50 million per year. The remainder can be borrowed. There is no reason why the borrowed money need be subsidized. When similar legislation was first introduced, 3 per cent was a fairly high rate of interest. That figure means nothing these days. I have no objection to that aspect of the legislation being brought up to date, but I would like to see the principle preserved.

There is no better asset today than housing. A veteran does not own his house. The title deed is vested in the Director General of the Veterans' Land Act until the house is paid for. Even if a veteran owns his house, under the provisions of the act he cannot dispose of it in less than 10 years.

If a veteran who is well advanced in years wants to take advantage of this legislation, the government owns an asset that will not depreciate as the years go by. Even if that were not the case, the loans can always be insured as is done with respect to Central Mortgage and other loans. Why not have that applied also to veterans' loans? I am not impressed by the argument that because veterans are

[Hon. Mr. Carter.]

getting along in years or because we are concerned about costs, that this legislation should be terminated. Those costs are minimal when compared with maintaining the principles and tradition of the veterans' charter, as has been done through the years.

Before I resume my seat, I should like to say a few words with regard to sending the bill to committee. I appreciate the point made by the Leader of the Opposition that we cannot do anything about upgrading the benefits because this would involve expenditure and be out of order. However, I still believe that a useful purpose could be served by sending the bill to committee.

● (1430)

Senator Thompson raised some pertinent questions last evening. Such questions as those could be the subject of a good discussion in committee. I think the Senate should know more about the administrative aspects of the bill. There are many angles to this which we do not have time to explore now, but which we ought to know about. Even if we are not going to change the bill, or improve it in any way, we can always make recommendations based on our study. I feel the Senate should be well informed on these matters so that we can make recommendations which may be acted on in the future. For those reasons, I hope this bill is sent to committee.

Hon. Sidney L. Buckwold: Honourable senators, I am pleased to participate briefly in this debate. I want to congratulate Senator Connolly, the sponsor of the bill in the Senate, for what I felt was a thorough explanation.

I was pleased to see an amendment brought forward in the other place which allows for the re-opening of this subject on the request of 20 members. That amendment will provide for a complete review by the government of the entire situation. As many speakers in this debate have already said, a review of the entire act is necessary.

Speaking as a veteran, I feel that our veterans are entitled to continued consideration by the Government of Canada in return for the sacrifices they made during those crucial years of war. I would remind honourable senators that the changes that have taken place over the years have been gradual, and perhaps hindsight is better than foresight. Up until 1959 there was no terminal date in any of the provisions of the Veterans' Land Act. Indeed, there was no terminal date in many of the other programs of interest to our veterans. But in 1959, Bill C-50 was introduced, which established a time limit for veterans who wished to obtain the certificate of qualification which was discussed earlier. The time limit was set at 15 years after September 30, 1947, or 15 years after the veteran's discharge, whichever was later. I suppose the members of both houses at that time felt that such a time period was adequate to take care of a program which most people wanted to see phased out.

Next came Bill C-80, which was introduced in 1962. By that bill, the date was extended to October 31, 1968, which corresponds to the final date for the use of the re-establishment credit. That is the history connected with the phasing out of these programs. For the purposes of phasing out VLA lending operations in an orderly manner, Bill C-128 was approved by Parliament in 1965. That bill established terminal dates for submitting loan applications and

for commencing work related to construction or affecting other permanent improvements.

From that background, honourable senators can see that there has been a long-term plan to phase out these operations, and I think it has been a reasonably well accepted pattern. The government should now recognize that it is just not possible to reject a further review of this program, in fairness to those who still seek benefits under this legislation.

I congratulate Senator Beaubien and others for the presentations that have been made, because it indicates that there is a need for increased loans, establishing smaller land areas, and the provision of a variety of other needs that I know would be useful to veterans.

It is interesting to study some of the other speeches. Senator Thompson asked whether a married couple who were both veterans would both be entitled to benefits and loans. That is a practical example, perhaps in the case of the sergeant who married his officer. A problem that does develop for women comes to light because of the lack of joint tenancy regulations. If a veteran takes a loan, gets a house or smallholding and then separates from his wife, if his wife continues making the payments on the house in which she is living, technically the man would still have the right to dispose of the property because it was in his name. From what I gather, there is no way in which title can be transferred or joint tenancy established. There would seem to be a need for a significant reappraisal of the situation in order to protect wives who may be involved in these properties.

Another interesting suggestion was that the purchase of condominiums should be allowed under this act. Today many veterans who are getting older find it difficult to live in semi-rural areas, or larger urban sites, where the act originally contemplated they would settle, and they would like to move into condominiums and be able to participate, through the act, in home-ownership in that way. Those are some of the things that could be reviewed, and I sincerely hope they will be. Cooperative housing is another aspect, of course.

There are advantages to the act. I suppose the real advantage is the 3½ per cent interest rate on the first \$6,000, which is a very substantial saving.

Consideration should certainly be given to the housing aspect rather than the original land resettlement idea. Perhaps the administration of the act should be taken away from the Department of Veterans Affairs and brought within the scope of housing under the Central Mortgage and Housing Corporation. It seems to be more logical to have the program under that corporation, which is geared to housing, than indefinitely continue supervision of the program by the Department of Veterans Affairs. That, I suggest, could be a very important facet of any future review.

Senator Carter indicated that perhaps interest rates could be reviewed. Perhaps 3½ per cent involves too much of a subsidy, although I think if that rate were raised there would be a great deal of resentment and opposition from those who qualify for loans. But it does bring into focus the fact that there is a need in the country for some form of subsidized interest rate, because the real appeal of this

program has been the fact that there has been a subsidized interest rate.

● (1440)

Again I think consideration should be given to moving this program into the jurisdiction of the Ministry of State for Urban Affairs and under the guidance of the Central Mortgage and Housing Corporation. These are the kinds of things that should be discussed when the time comes for reconsideration.

It seems to me that the bill as we have it now deserves to be passed and should be passed, extending the deadline—because that is all that it really does—giving the opportunity to have the subject re-opened and in due course a complete discussion undertaken by either of the houses in this very important field.

I must admit that I do not see at this point any significant reason for sending it to committee. The purpose of the bill now is to pass on the benefits of the Veterans' Land Act for another year. During that time, action should be taken by this house or by the other place, for further consideration of the items we have discussed. I personally hope that the bill will be supported, that we will get it through rapidly and provide for the veterans of Canada those benefits which they so justly deserve.

Hon. Guy Williams: Honourable senators, I for one do not think I will vote for the extension of this legislation. From my experience with Indian veterans, this is one of Canada's most discriminatory pieces of legislation. One of my tribesmen who joined the armed forces and fought on the fields of battle did qualify under the Veterans' Land Act upon his return. He was mentioned in dispatches during the war. He alone captured 28 prisoners at one time. I asked him how he did it and he said, "I didn't surround them." His house is still only two-thirds finished, because the Veterans' Land Act allowed the Indian veteran only two-thirds of what was allowed other veterans.

If there is consideration given to what Senator Carter has said, that all veterans must be treated alike, then I will vote for this bill.

Hon. Hazen Argue: Honourable senators, when there was an announcement that this legislation was about to be terminated, I took it upon myself to write a letter to the Minister of Veterans Affairs, the Honourable Dan MacDonald, setting forth reasons as I saw them as to why the act should be extended. I am happy that we have before us a bill which provides at least for a minimum extension in the act.

For my part, this one-year extension is really a confirmation that the powers that be are determined to bring this act to an end. This one-year extension came about only after the greatest amount of pressure. Therefore, I wish to affirm that I think there should be no termination date whatsoever. Our veterans from World War I and from the Korean War are getting on in years. The termination of this legislation will come about when those veterans are no longer here. Surely it is not necessary for the government to choke off the rights that were provided by Parliament for those veterans over many years. Therefore, I think that this extension, while welcome, does not go nearly far enough.

I agree with Senator Buckwold that in order to keep the provisions of this act alive and, if necessary, to remove what may be far too large a bureaucracy—and I have no information on this point—this legislation could be maintained by having certain provisions administered under the National Housing Act, by having the land features administered under the Farm Credit Corporation.

Senator Buckwold said that when this act is opened up once again the Senate can say what it wishes. I do not think the Senate should wait until some future date. The act is before us now. Surely if the Senate has an opinion, now is the time to express that opinion.

I do not know whether this bill will go to a committee, but I would like to see that happen. If at some future date the Senate might take a stand on this legislation, extending it or modifying it, I cannot see why the Senate should not do so now. If the bill were sent to a committee, that committee should bring in a report pointing out to the government the opinion of the Senate as far as the future of this legislation is concerned. I am not going to quarrel with those who say—although I think an argument could be made up on the opposite side—that we cannot bring about any amendment involving the expenditure of additional revenue. I am not bringing up that point.

I have taken the trouble, in my own way, to write out the kind of recommendation which in my opinion a committee of this Senate should make to the government. It would go something like this:

This committee recommends that the Minister of Veterans' Affairs should conduct an inquiry to ascertain the extent to which veterans and veterans' organizations desire

- (a) Extension of the Veterans' Land Act beyond March 31, 1975, and
- (b) Changes in the provisions and administration of the act, and more particularly to consider the advisability of
 - (i) removing the cut-off date for applications under the act,
 - (ii) increasing the ceilings applicable to loans under the act, and
 - (iii) eliminating the minimum lot size requirement, which would make it possible for veterans to obtain houses on smaller lots, perhaps condominiums, and so on.

With the suggestion that the minister should bring in such a report and make the result known within thirty days of the opening of a new session of Parliament or January 1, 1975, whichever date comes earlier.

I had a long experience in the House of Commons and my opinion, as an observer there on the Opposition side, is that sometimes, when the government is not certain which way it may go when it is making up its mind, one extra opinion, one additional opinion on one side of the question, may influence it to take a particular position. I think that, denigrated as the Senate is in many other ways, an opinion from it at this time along the lines I have suggested might well influence the government, six months or nine months from now, or at some date before the expiry of the twelve-month period, to extend the act.

[Hon. Mr. Argue.]

● (1450)

I have had advice from an eminent authority on the rules, and it has been suggested to me that it would be in order to move an amendment such as the following:

Subparagraph 48(1)(e) of the Veterans' Land Act is repealed and the following substituted therefor:

(e) The condition subject to which the land may be acquired for the purpose of this part—

that is, providing for regulations; and these are the operative words.

—except that no minimum acreage or size may be specified by regulation.

It would not say that the government had to spend more money or less money. It would just say that a provision which required a certain amount of land to go with a certain house would no longer apply. It would not say that to get a house you must also have somebody who would throw in a half-acre of land.

I strongly suggest to the sponsor of this bill that it be referred to committee, and that the committee consider whether, in bringing in a report on the bill, it wished to make a particular recommendation to the government. That is something that I think would be very much in order. In fact, I am sure that the Minister of Veterans Affairs, anxious as he is to do his absolute best for the veterans, would value the opinion of the Senate in this matter.

Hon. David A. Croll: Honourable senators, I should like to adjourn the debate until later this day, in view of what Senator Williams said about discrimination against the Indians, which is inconceivable to me.

I was a member of the House of Commons Committee on Veterans Affairs from the day I arrived there until the day I left, and I was intimately connected with Colonel Rutherford, who looked after this legislation. He was not only an outstanding soldier but a friend of veterans. In the light of that, what Senator Williams had to say came as a great shock.

I move that this debate be adjourned until later this day.

Hon. Mr. Choquette: Is the sponsor of the bill aware that such discrimination exists in the act?

Hon. Mr. Croll: No, not at all. He wants to get this information as well.

Hon. Mr. Choquette: We all do.

Hon. Mr. Connolly (Ottawa West): The point is that we want to make sure the information we have is accurate, and that it is all that the Senate needs. I have an answer here, but I am not quite satisfied that it is in the form in which it should be given to the Senate, or that it completely covers the situation described by Senator Williams.

Hon. Mr. Martin: I am sure Senator Connolly will tell us that he expects the officials to be here shortly.

Hon. Mr. Connolly (Ottawa West): In fact, I think I have all the information now, but I want to check to make sure. It is a technical point. I can deal with it in perhaps ten or fifteen minutes.

On motion of Senator Croll, debate adjourned until later this day.

UNITED NATIONS

TWENTY-EIGHTH MEETING OF GENERAL ASSEMBLY—DEBATE CONTINUED

The Senate resumed from Tuesday, March 26, the adjourned debate on the inquiry of Senator Hicks calling the attention of the Senate to the Twenty-eighth Meeting of the General Assembly of the United Nations, and in particular to the discussions and proceedings of the Assembly and the participation therein of the Canadian delegation.

Hon. Sidney L. Buckwold: Honourable senators, I am pleased to follow Senator Hicks who introduced this subject. Senator Hicks had the honour of being part of the Canadian delegation for the entire Twenty-eighth meeting of the General Assembly in New York. I was given the privilege of being an observer for a period of one week, along with other parliamentarians, and that did give me the opportunity to see the United Nations in operation and get a most thorough briefing with respect to the general procedures and problems and, indeed, frustrations facing that body.

I hope that the Department of External Affairs continues to send members of Parliament, among whom senators are included, to act as observers there. One week is not really that long a time, but I am sure those of us who have had the privilege enjoyed it very much. Personally, I found it a most stimulating experience.

Honourable senators, the reason I want to participate in this debate now is to express my feeling of disappointment in the actions taken at the United Nations during the period I was there, which happened to coincide with the war in the Middle East—the Yom Kippur war. Because of my own background, I am quite interested in this subject. Personally, I have been a life-long supporter of the aspirations of the Jewish people to re-establish a national homeland in what was Palestine. Being in the United Nations during those very crucial days—when the future of the world was in jeopardy because of the danger of a major war breaking out at any time—was of real and significant interest to me not only as a senator but as an observer of the scene.

I must say that, during the period I was there as part of the Canadian delegation, the Security Council did not meet on this subject at all until the very last day of my stay, which was late on a Sunday. It seemed almost unbelievable that a major war could be under way, while at the same time in the halls of the United Nations, in the General Assembly and the committee meetings, one would hardly know that anything of such magnitude was taking place—that at that very moment men and women were being killed as a result of military action.

As I say, nothing happened until the Security Council was ready to move, and that move only came on Sunday, October 21, 1973—I believe that is the correct date—when a special meeting of the Security Council was called at almost midnight.

To anyone familiar with the scene it was immediately apparent why that meeting was called. As long as the Arab nations, which were labelled the aggressors in that war—

Hon. Mr. Choquette: They are always labelled the aggressors.

Hon. Mr. Buckwold: I believe they were the aggressors.

Hon. Mr. Choquette: They are always the aggressors.

Hon. Mr. Buckwold: As Senator Hicks indicated in his speech, and as the Honourable Mitchell Sharp has indicated, too, in this particular instance, certainly, there is no doubt that the Arabs were the aggressors.

The point I am making is that so long as the Arabs were on the offensive and things looked favourable for them, no action was taken by the Security Council, but when the forces of Israel started reversing the situation and it became apparent that the Arabs were in serious danger of being overrun by Israel, then the Security Council acted. The Israeli troops were within 20 or 25 miles of Damascus, and were moving forward on the Golan Heights. The Egyptian Third Army of almost 20,000 men was surrounded, or nearly surrounded, and the Israeli forces on the west bank of the Suez had progressed to within 40 or 50 miles of Cairo. At that stage, suddenly, the Security Council acted quickly to bring the war to a stop. Fortunately, the war was stopped.

● (1500)

The point I am making is that the cease-fire did not occur until that took place. I suppose I may be considered pessimistic, but personally I believe that if the tide had gone the other way, and the Arabs had continued their forward momentum, the war would have gone on for much longer before the Security Council took action.

Honourable senators, the impotence of the United Nations in dealing with matters involving Israel's interests is historically apparent. We have the problems of air piracy and acts of terrorism, we have all these terrible things going on, but they have never been discussed in any United Nations forum with results that have amounted to anything more than a little rhetoric. In fact, the record shows that the Security Council has adopted Middle East resolutions only when they do not specifically criticize the policies or actions of Arab governments.

Six countries which are currently members of the Security Council—and that represents more than one-third of that body—have no diplomatic relations with Israel. These include two of the five permanent members of the Security Council members, namely, Russia and China. These countries, because they are permanent members, are able to veto any substantive resolution that is put before the Council. That is the situation that exists in the Security Council.

It is interesting to note that 38 of the 132 member states of the United Nations have no diplomatic relations with Israel, and 13 of the 32 states constituting the Human Rights Commission in the year 1972—which is the latest year for which I could get figures—maintain no diplomatic relations with Israel. We see developing in the United Nations these rigid power blocs, in which the interests of the power blocs become paramount, superseding and overriding any particular individual problem of a single

nation. There are power blocs that are based on African states, Arab states, and Communist states and it seems to me that more and more the United Nations is developing in that way.

It was my special interest to attend the meetings of the Human Rights Committee. Last year the United Nations celebrated the twenty-fifth anniversary of its Declaration of Human Rights. I want to read to members of the Senate the kind of statements that are made in so far as human rights are concerned, as they affect Israel and the Middle East. I have a copy of the statement made by the Israeli delegate at the meeting of the Human Rights Committee, part of which reads as follows:

When we deal with Human Rights such as freedom of speech and expression, freedom of assembly, freedom of movement, equal treatment before the law as well as social and economic rights, I can firmly state that the Arab population under Israeli administration enjoys a measure of Human Rights unknown to it in the past.

No amount of repetition of the so-called crimes of Israel will undo the facts as seen by hundreds of thousands of visitors from all nationalities and walks of life who are free to visit and speak with whomever they like, among them hundreds of thousands of Arabs who live in neighbouring countries and come on repeated visits to their families.

This is borne out by the attitude of the one million Arabs within areas controlled by Israel in these trying days in the wake of the Syrian and Egyptian aggression since October 6.

I will quote the response of the delegate from Syria, taken from the record given to me by a member of the Canadian delegation. The representative of the Syrian Arab Republic, exercising his country's right of reply to Israel on October 18, 1973, said:

Israel's statement could perhaps have raised money in the streets of New York, but in the United Nations Israel meets the opposition of at least 130 nations.

Israel, you survive like vampires on Arab blood.

You control nothing outside the United States of America, you lost the world's sympathy, you are the new nazis.

Your cynical doctrine of so-called supremacy will end in nothing.

If you have things to sell, go to the streets and sell them, but do not come here. We have business to do.

The road to Damascus does not pass through the United Nations. Your road to Damascus just passes through Hell!

That is the Syrian delegate speaking to the Israeli delegate in the Committee on Human Rights. Syria, the nation that only under the very greatest pressure after the cease-fire, finally had the decency to give a list of the names of Israeli prisoners of war, in accordance with the Geneva Convention.

Honourable senators, this is the situation that exists, and this is the position that countries like Israel and others find themselves in when they are involved in a confrontation with the power blocs.

[Hon. Mr. Buckwold.]

Having said all that I am still a firm believer in the United Nations, and I am sure that the government of Israel has no intention of using any means other than this world forum to present the case of Israel. The United Nations must continue, in spite of the problems I have pointed out, and I would hope that Canada and other nations which have always adopted a neutral attitude in these affairs, and which have seen fit to respond to cases of injustice and shown concern where concern is needed, will continue to maintain their support of the United Nations so that in due course such injustices will be eradicated, and the world will indeed be a place where war is banished forever.

On motion of Senator Martin, debate adjourned.

VETERANS' LAND ACT

BILL TO AMEND—SECOND READING

The Senate resumed from earlier this day the adjourned debate on the motion of Senator Connolly (Ottawa West), for the second reading of Bill C-17, to amend the Veterans' Land Act.

Hon. Mr. Croll: Honourable senators, Senator Connolly will speak at this time.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: I wish to inform the Senate that if the Honourable Senator Connolly speaks now his speech will have the effect of closing the debate on the motion for the second reading of this bill.

Hon. Mr. Grosart: On a point of order, honourable senators, I believe it is quite possible for Senator Connolly to respond to the question asked without necessarily closing the debate.

The Hon. the Speaker: I assumed he was closing the debate. I would ask the Honourable Senator Connolly if he is replying to questions?

Hon. Mr. Connolly (Ottawa West): I can do both at the same time, but I suggest that I reply only to the questions at this time, and that will not have the effect of closing the debate.

Senator Thompson asked some questions last night, the first of which was as to whether, if a husband and wife were both veterans, each would be eligible for benefits under the Veterans' Land Act.

The short answer to that, honourable senators, is that section 14 of the regulations under the act provides that if a husband and wife are both eligible veterans, and a certificate of qualification is issued to each of them, only one such certificate shall be in effect at any one time unless evidence is submitted as to legal separation. In other words, either of them can use it, but they may not both use it at the same time and meet the other requirements of the act.

The second question that Senator Thompson asked was as to eligibility of a veteran, who has received alternative benefits in the form of university training, to apply for benefits under the Veterans' Land Act.

● (1510)

I am informed that university training benefits were available under the Veterans Rehabilitation Act. Section

10 of that act states that a veteran who received such benefits for a period not exceeding nine months is eligible to apply for financial assistance under the farming, small-holdings or commercial fishing sections of Part I of the Veterans' Land Act if he repaid the assistance he received under the university training program.

I come now to Senator Williams' remarks in which he indicated that it is his understanding that veterans who are Indians are entitled only to two-thirds of the benefits which other veterans might be able to qualify for under the provisions of the Veterans' Land Act. I am informed, first of all, that an application from a veteran who is an Indian for a loan under the Veterans' Land Act for the purpose of acquiring land—either a large holding or a smallholding—or operating a commercial fishing enterprise, for operations which are not to be conducted on lands reserved for Indians—that is to say off a reserve—is treated in the same way as any similar application from a non-Indian, and the same criteria apply. That is the first point, and I think it is one that should be made very clear. I hope that I have made it clear, or at least as clear as is necessary.

I have some further information here which may be of interest to honourable senators. I am sorry Senator Williams is not present to hear it, but no doubt he can read it in *Hansard* when he has an opportunity. If a veteran who is an Indian wants to settle on Indian reserve lands under the Veterans' Land Act, he can get a grant—not a loan, but a grant—of \$2,320. This grant is non-repayable if he meets the normal criteria under the Veterans' Land Act, and remains on the land for a period of 10 years. I am informed that it is very difficult for the Veterans' Land Act administration to police these situations, and so it is done through the co-operation of the Department of Indian Affairs.

I think honourable senators will also be interested to know that the same rules apply with respect to the grant of \$2,320 to both Indians and non-Indians who want to settle on federal or provincial lands, and the administration under the Veterans' Land Act administers this program. This program is dealt with in section 45 of the act. The program which involves an Indian settling on reserve lands, and getting a benefit under the Veterans' Land Act, is dealt with in section 46 of the act.

It may be of further interest to honourable senators to know that in the annual report of the Department of Veterans Affairs, 1972-73, at page 73, the following footnote appears.

In addition, 1,783 Indian veterans have been approved for settlement on Indian Reserves; 1,701 of them have been settled, and \$3,819,306 have been expended on this.

I think that that perhaps answers the questions.

Hon. Mr. Croll: I think the matter is closed.

Hon. Allister Grosart: Honourable senators, before the debate is concluded I am going to suggest to the Senate that there may be a way out of the difficulty with which we are faced. I think the difficulty lies in the fact that for various reasons it might not be an appropriate action to refer this bill to a committee, and thereby hold up third reading and royal assent. Nevertheless, there seems to be a

general feeling in the Senate that a committee of the Senate should immediately, or as soon as possible, make an inquiry into various matters that have been raised by honourable senators.

It is a matter of wonder to me, because I have not been closely involved with the question of the Veterans' Land Act, that these viewpoints have not been put to the minister before now, or certainly have not been put in a way that has been effective. I say that because as recently as March 1 the minister informed the other place that he had looked into the whole matter and that he had decided to make no changes. I do not criticize the minister on this account, but we are faced with a situation in which we do not have the time to give the attention to this bill that obviously many senators would like.

I suggest, therefore, that a solution that might be acceptable to honourable senators would be to apply the "Hayden formula" in reverse. That formula, as we are all aware, consists of obtaining the permission of the Senate for the Standing Senate Committee on Banking, Trade and Commerce to inquire into either the subject matter of a bill, or the bill itself, before it comes before us. My suggestion in this instance is that we reverse this procedure, and accept a motion that the matter be referred to the appropriate committee of the Senate, such reference to take effect immediately after the bill has received the royal assent. The committee would then be able to go to work immediately, and immeasurable benefits to veterans might result, as has been suggested by many speakers.

I believe such a motion would be in order under rule 36, which reads:

(1) When a question is under debate a motion shall not be received unless to amend it, to refer it to a committee, to postpone it to a certain day, for the previous question, or for the adjournment of the Senate.

I realize that a motion to refer this bill to a committee at this time would impede its progress, so I move, therefore—and I hope I have a seconder—that the subject matter of the bill be referred to the appropriate standing committee of the Senate, such reference to take effect immediately after the bill has received the royal assent.

Hon. Leopold Langlois: Honourable senators, I have the honour to be one of those ex-members of the House of Commons who had the privilege, shortly after the war, of sitting on the non-partisan Veterans Affairs Committee of the other place which worked for several months on the drafting of the legislation known today as the Veterans' Charter. I am very proud of having participated with my other colleagues of the Senate and the House of Commons at that time on this important legislation.

I agree heartily with the suggestion made by Senator Grosart. I even discussed a move of this kind with Senator Argue before I came into the house this afternoon. I should say, however, that I do not feel that we need to form a special committee to carry out the study. This matter could be referred to the Standing Senate Committee on Health, Welfare and Science.

● (1520)

Hon. Mr. Grosart: I should inform the honourable senator that my motion—and I presume he is speaking to the

motion, because it was seconded by Senator Carter—is that the subject matter of the bill be referred to the appropriate standing committee.

Hon. Mr. Langlois: I understand also that your motion is not to amend this bill?

Hon. Mr. Grosart: No.

Hon. Mr. Langlois: And this reference is to take effect after the bill has received royal assent?

Hon. Mr. Grosart: Yes.

Hon. Mr. Langlois: I am in full agreement with that, and hope that this will be done as soon as possible after the Easter recess.

Hon. W. M. Benidickson: Honourable senators, it satisfies me if senators are to examine later some of the complaints regarding the existing statute which were referred to in the debate yesterday and today. Senator Connolly has just given to us a reply to the question raised by Senator Thompson yesterday. I also have had representations from women veterans, who point out to me that the definition of “veteran” contained in the act should be prevailing over all. The women veterans represent that there should not be introduced simply in a regulation a discrimination that is in contradiction to the definition of a “veteran” in the main act. In my opinion, the committee should consider this point. Senator Connolly, who is learned in the law, could glance at the definition of a “veteran” in the act even before he closes this debate and see if regulation 14 is not a contravention of that definition in respect of rights of both a husband and wife, each of whom is a veteran.

Hon. Hazen Argue: Honourable senators, as a member of the Senate who wishes the Senate to take action on this question, I welcome Senator Grosart's motion. We were discussing this general question a few minutes ago outside the chamber, but I did not tell him that I had discussed with Senator Langlois the possibility of a motion such as this. Senator Grosart said “You know, I think we could use the Hayden formula in reverse. Why do you not do it?” I told him that he was an authority on the rules, and that he was the man to do it because he had a standing in the Senate. I said that if he moved the motion it would be adopted, but if I moved it some would say, “Oh, just another harebrained idea.”

In any event, I believe it to be an excellent idea. The Senate committee, I believe, will do a good job, and will bring in a recommendation that will be supported by the veterans of this country. I suggest that whatever government is in power a year from now—I think it will be a Liberal government—will consider the report of the committee favourably. The support that the report will receive will influence the existing government to continue and improve the act in the interests of the veterans, and the Senate will have played an important part.

Hon. Andrew Thompson: Honourable senators, I was also in the corridor with Senator Grosart and Senator Argue. I told Senator Grosart that I would support his motion, and it is for that reason that I rise. It is also because I appreciate very much the detailed replies to my two questions that Senator Connolly received from the minister.

[Hon. Mr. Grosart.]

However, I agree with Senator Benidickson, and would like to follow up the matter of the married couple who are veterans, because I feel that should receive further study. For example, we know that the principle of the Canada Pension Plan is that those who contribute, man and wife, will receive their individual benefits. I feel that there is no question that the women who served in the forces made their own individual contribution, as did the men.

I know also that when I was in the navy Senator Connolly travelled over to inspect the naval headquarters at *Niobe*, and that he must have used the very efficient and dedicated service of the Wrens there. I am sure that Senator Neiman, who was a distinguished officer in the WRNS, would support a more thorough study of this matter. Therefore, I agree thoroughly that this matter should be referred to a committee for further study.

I would say also that a point that concerned me was one raised by Senator Beaubien, that really this is a dead issue because of the fact that those veterans who have not made a declaration of intent in the past to take advantage of these benefits are no longer entitled to receive them. I noticed in the answer to my question with respect to veterans who have received benefits other than those provided under the Veterans' Land Act, such as educational or technical assistance, that provided they repay an amount they are eligible under Part II of the act. I believe that a number of veterans are still unaware of this, and perhaps we who are veterans should blame ourselves because we are not up to date on it. A number of senators have remarked to me that they did not know this, and will pass the information on to other veterans. However, I did understand from the matter raised by Senator Beaubien that unless the veteran had made a declaration in the past he will not be allowed to apply for any benefits under this legislation.

By referring the question to a committee, as proposed by Senator Grosart, we will be able to look further into these matters. Therefore, I heartily endorse his motion.

Hon. Mr. Grosart: Honourable senators, by way of explanation, I would say that I hope the revelations of what took place in a certain caucus will not be regarded as precedent.

Hon. Charles McElman: Honourable senators, I would simply like to say that I was the fourth member of that unlikely meeting outside the doors. I support fully the proposition put forward by Senator Grosart. In my opinion, it is an excellent solution. The problems which still face us and the veterans in relation to this piece of legislation should undergo careful study. I agree that the representations that will be made after such an examination should have a real effect on the government. I support the motion.

Hon. Mr. Langlois: Who is the chairman of your caucus?

Hon. Mr. Argue: Senator Grosart.

The Hon. the Speaker: Honourable senators, there is a motion before the house for the second reading of this bill, and I have strong doubts as to whether another motion can be considered at this time. I think I should allow the Honourable Senator Connolly to speak to his motion at the present time. I should also inform you that if he does speak he will close the debate on second reading.

Hon. Mr. Grosart: On a point of order, honourable senators. May I ask if it is not the intention to put the motion?

The Hon. the Speaker: Honourable senators, it does not seem to me that this is the appropriate time for this motion. If it is the intention of the Honourable Senator Grosart to move such a motion, then the time to do so is after this bill has been passed. Perhaps he can obtain an undertaking from the opposite side to agree to such a motion, but it is my opinion that this is not the time for it.

● (1530)

Hon. Mr. Martin: It seems to me that no motion is really necessary. We understand the nature of Senator Grosart's suggestion, the principle of which was discussed before we came into the chamber. His intervention was helpful, but Senator Argue or any other honourable senator can move immediately after Easter that this matter be referred to the Standing Senate Committee on Health, Welfare and Science for study. There would be no problem. We all agree that this can be done.

Hon. Mr. Grosart: I make it clear that I am in no way questioning Your Honour's ruling. The reason why I made the motion at this time is because the kind of motion now suggested would require notice, and it would involve a longer process. That is why I suggested that we should deal with it in this manner. I would merely ask whether Your Honour foresees any time during the progress of the bill through the Senate when such a motion might be acceptable. Would it be on third reading, or following third reading?

I ask for Your Honour's opinion, which you may not wish to give at this moment. Perhaps in due course Your Honour will be able to advise me as to when you would regard such a motion as being in order.

Hon. Mr. Martin: Does the honourable senator not think that he could give notice? We could require that he give notice, and have a more extended debate before referring the matter to committee. A great deal could be achieved by such a general discussion. The consensus is clear, and a consensus is every bit as good as a formal motion.

It would seem that the point made by Madam Speaker is valid, that the introduction of the motion at this stage is clearly not in order, but we are all in agreement with the suggestion.

Hon. Mr. Grosart: I have not questioned Her Honour's ruling.

The Hon. the Speaker: Honourable senators, it is my understanding that the Senate can do anything it wishes.

Hon. Mr. Martin: Certainly.

The Hon. the Speaker: Perhaps the honourable senator would like to move his motion after the bill has received third reading. I ask the house whether it so agrees. Despite other rules, the Senate can do what it wishes in respect of this matter.

Hon. Senators: Agreed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, on a bill which contains so few provisions, this has certainly developed into a spirited and informative debate.

In general, it can be said that the Senate is genuinely interested in the legislation and would like to do as much as it can—I think this is the unanimous view of senators on both sides of the house—to assist veterans who require help.

I am indebted to Senator Beaubien for his views. He said that what is now required is a review of the use and purpose of the programs operated under the aegis of the Veterans' Land Act.

Senator Beaubien suggested, in effect, that a new policy is now needed for veterans, not only in respect of matters covered by the provisions of the act, such as the size of the lots, the ceiling on loans, and so on, but also in respect of veterans who qualify or could qualify under this bill, and who have now retired from positions in civilian life.

It would be a major policy change to propose that the provisions of the Veterans' Land Act be invoked for the purchase of condominiums, because the provision respecting the purchase of land by veterans was to enable veterans to settle on the land. Perhaps I do not know very much about condominiums but I think that when one is living in a condominium one is as far from the land as it is possible to be. However, that does not detract for a moment from the merits of the proposition, that this kind of benefit should be available to veterans who wish to acquire a condominium.

Senator Carter stressed the importance of changes in policy, and suggested an extension of the time period in which a veteran could apply for a loan. He also mentioned unrealistic ceilings in the light of economic conditions presently prevailing in the country. We should ask ourselves—I think this is something that honourable senators might consider when they decide to investigate the policy behind, and purposes of, the Veterans' Land Act—whether, by making such changes and providing a better deal for veterans who apply later rather than earlier, some of the earlier applicants might be disaffected in some way.

Senator Buckwold, if I understood him correctly, mentioned a point that should be of concern to the Senate. He suggested that the program might be shifted from under the umbrella of the Veterans' Land Act, or from the administration of the Department of Veterans Affairs, to the Central Mortgage and Housing Corporation.

Those who are genuinely interested in the problems of veterans might be a little concerned about such a step. I am of the opinion that veterans are probably happier in having their affairs administered by the department which was set up to look after their interests. Personally, I would be a little afraid that if a program such as this were shifted to another department, away from the Department of Veterans Affairs, the welfare and interest of veterans might be lost. However, that is a matter for consideration.

Honourable senators, I come now to the matter of having the bill considered in committee. The consensus arising from today's debate seems to be that since arrangements have been made to have royal assent given this bill later this day, the bill should not be referred to committee before royal assent. That being the consensus, I shall not move a motion to refer the bill to the appropriate committee.

With reference to Senator Grosart's motion, as the Leader of the Government has said, we are all in agree-

ment with the idea behind it. I was impressed by the suggestion of the Leader of the Government that if a notice of motion is put on the Order Paper, a debate could follow. Perhaps we do not need any further debate than that held yesterday and today, but such a motion could engender a debate on the importance of reviewing not only the administration of and policy behind the Veterans' Land Act but also other aspects of the Veterans' Charter.

I do not think that we can have two motions before the Senate at the same time, unless one is an amendment of the main motion. Perhaps the easiest way of dealing with the problem—and Senator Grosart indicated as much—is to have a notice of motion placed on the Order Paper at the convenience of Senator Grosart or any other honourable senator who might agree to sponsor it. It is, of course, open to any honourable senator to move a motion on almost any subject at any time. It is true that notice has to be given, but that is the right of any honourable senator.

● (1540)

Honourable senators, I think I have dealt with all the points that have been raised. I hope that there will be a reference to the appropriate committee of the questions of policy and other details that have been raised in this debate. Such matters are worth considering, and I think the Standing Senate Committee on Health, Welfare and Science would be the appropriate committee to do that.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, in view of the consensus at this time, with leave of the Senate and notwithstanding rule 45(1)(b), I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that she had received the following communication:

GOVERNMENT HOUSE
OTTAWA

April 3rd, 1974

Madam,

I have the honour to inform you that The Honourable Wishart F. Spence, O.B.E., LL.M., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, April 3rd, 1974, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

[Hon. Mr. Connolly (Ottawa West).]

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.

VETERANS' LAND ACT

SUBJECT MATTER OF BILL C-17 REFERRED TO STANDING
SENATE COMMITTEE ON HEALTH, WELFARE AND SCIENCE

Hon. Allister Grosart: Honourable senators, in deference to the opinion expressed by Senator Connolly, I move, with leave of the Senate and notwithstanding rule 45(1)(e), that the subject matter of Bill C-17, to amend the Veterans' Land Act, be referred to the Standing Senate Committee on Health, Welfare and Science, such reference to take effect when the said bill has received royal assent.

In explanation, honourable senators, the reason I am putting this motion now is that there has been some delay in this bill's reaching the Senate. We have been accused of delaying it unnecessarily. I think this motion at this time, rather than at some later date, will indicate to all who may be concerned the determination of the Senate to discharge its duty in relation to this matter, as well as other matters, notwithstanding delays that are beyond our control in bills coming before us.

Motion agreed to.

BUSINESS OF THE SENATE

[Translation]

The Honourable the Speaker left the Chair.

Hon. Azellus Denis in the Chair.

Hon. Mr. Martin: Honourable senators, we are very pleased to see Senator Denis in the Chair replacing Her Honour the Speaker. We are very honoured and proud of the fact that he should be there.

The Hon. the Acting Speaker (Hon. Mr. Denis): I thank you for your congratulations. Perhaps are you insinuating that I should have been appointed earlier to the Chair.

[English]

Hon. Mr. Martin: Honourable senators, I move that we adjourn during pleasure to reassemble at the call of the bell at approximately 5.25 p.m.

Hon. Mr. Forsey: I wonder if I might ask a question of the Leader of the Government before we adjourn during pleasure. Bill C-264 is about to go to the Legal and Constitutional Affairs Committee, and I have every reason to suppose that it could be reported in time to be given royal

assent this evening. Is it possible for us to do this, if given leave?

Hon. Mr. Martin: Yes, with leave. It depends on the attitude of honourable senators. Certainly, there would be no opposition on this side.

Hon. Mr. Forsey: I did not think there would be any opposition, but I wanted to be sure that the opportunity to do so was available. Will that affect the motion of the Leader of the Government?

Hon. Mr. Martin: Well, I have just made a motion which will have to be suspended. Is the report ready now?

Hon. Mr. Forsey: We are about to go to committee, and we should have it done in a matter of a very short time. I wanted to be sure that when we come back we might, with leave, complete the matter today.

Hon. Mr. Martin: Perhaps we should return at 5.15 p.m. That would give you 10 minutes to make your report, and to move third reading. Looking at Senator Choquette and Senator Grosart, I think we will be able to accommodate you.

The Senate adjourned during pleasure.

At 5.30 p.m. the sitting was resumed.

PRIVATE BILL

EASTERN CANADA SYNOD OF THE LUTHERAN CHURCH IN AMERICA—REPORT OF COMMITTEE

Hon. H. Carl Goldenberg, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, reported that the committee had considered Bill C-264, respecting the Eastern Canada Synod of the Lutheran Church in America, and had directed that the bill be reported without amendment.

THIRD READING

The Hon. the Acting Speaker (Hon. Mr. Denis): Honourable senators, when shall this bill be read the third time?

Hon. Mr. Forsey: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(b), I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.
The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.
The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Acting Speaker of the Senate (Hon. Mr. Denis) 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 Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk Assistant.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

An Act to amend the Veterans' Land Act

An Act respecting the Eastern Canada Synod of the Lutheran Church in America.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.
The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, April 4, 1974

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

GEORGES POMPIDOU

REQUIEM SERVICE FOR THE LATE PRESIDENT OF FRANCE

The Hon. the Speaker: Honourable senators, a message has been received from the Embassy of France in Canada informing the Senate that a requiem service in memory of President Georges Pompidou will be held at 1 p.m. on Friday, April 5, 1974, at Notre Dame Basilica on Sussex Drive in Ottawa.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1973

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-5, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

Bill read first time.

Hon. Leopold Langlois moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of financial statement on the operation and maintenance of the Great Slave Lake Railway for the year ended December 31, 1973, together with a statement showing the net capital investment as at December 31, 1973, pursuant to section 9, Chapter 56, Statutes of Canada, 1960-61.

Copies of a Report by the Chairman of the Public Service Staff Relations Board, dated March 1974, entitled "Employer-Employee Relations in the Public Service of Canada, Proposals for Legislative Change, Part II".

MOTOR VEHICLE TIRE SAFETY BILL

REPORT OF COMMITTEE

Hon. J. Campbell Haig, Chairman of the Standing Senate Committee on Transport and Communications,

reported that the committee had considered Bill S-3, 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, 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 Neiman moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Monday, April 8, at 8 o'clock in the evening.

● (1410)

Honourable senators, as usual I should like to give the house an idea of the workload for the week ahead. On Monday evening we shall proceed with third reading of Bill S-3 which was reported on this afternoon, and also with second reading of Bill C-5, the Canadian National Railways Financing and Guarantee bill. It is hoped that Parliament may adjourn on Wednesday for the Easter recess.

In addition to the Canadian National Railways Financing and Guarantee bill, there are a number of inquiries on the Order Paper which we hope to proceed with next week. Senator Norrie has given notice this afternoon that on Monday next she will call the attention of the Senate to land use in Canada. Bill S-2, to amend the Animal Contagious Diseases Act, is still in the Standing Senate Committee on Agriculture and I understand that a number of witnesses are still to be heard. I further understand it is likely that a motion will be made on Monday evening, or sometime next week, authorizing this committee to sit during the Easter recess so that it may complete its work.

We shall continue our consideration of Bill S-4, to amend the Criminal Code (control of weapons and firearms), introduced by Senator Cameron. It is hoped that this bill will receive second reading, after which it may be referred to the Standing Senate Committee on Legal and Constitutional Affairs. However, I am informed that before that happens there are several senators who are interested in speaking on second reading.

Hon. Mr. Flynn: Honourable senators, I understand that when Senator Langlois referred to the intention of Parliament to adjourn on Wednesday next he meant the House

of Commons, of course. The House of Commons has indicated its desire to adjourn next Wednesday.

Hon. Mr. Langlois: We would like to do so, too, and that constitutes Parliament.

Hon. Mr. Flynn: I should like to know what it is expected that we should do before Wednesday next, not taking into account the opinion of that honourable member of the other place who is always mean-mouthing us. What is to be dealt with urgently before we adjourn?

Hon. Mr. Langlois: It is expected that we may be able to dispose of the CNR Financing and Guarantee bill, but that, of course, is up to the Senate. Then probably there will be third reading of the Motor Vehicle Tire Safety bill, which was read a second time, sent to committee and a report of which committee was adopted today. I do not think there will be anything else.

Hon. Mr. Martin: We do not expect to deal with the bill to amend the Animal Contagious Diseases Act.

Motion agreed to.

QUEBEC PROVINCIAL POLICE

FINANCIAL COMPENSATION FOR MAINTENANCE—QUESTION

Hon. Mr. Flynn: Honourable senators, I should like to put a question to the Leader of the Government.

Hon. Mr. Martin: I hope it is not very difficult.

Hon. Mr. Flynn: No, but the honourable leader will remember that on March 13 I asked whether the Solicitor General had taken a decision with regard to the request addressed to him by Quebec's Minister of Justice concerning financial compensation for the maintenance of the Quebec Provincial Police. Subsequently the leader said that he expected the answer within a few days. Does the delay result from the fact that the Solicitor General finds it difficult to formulate his answer?

Hon. Mr. Martin: Honourable senators, as I told Senator Flynn the other day in answer to the question that he had put to me in my absence and which was replied to by Senator Langlois, the Solicitor General told me that his reply was not yet ready, he was preparing it. Now I am asked if it is because the Solicitor General is finding some difficulty. Well, that could be one of the reasons.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, April 2, the adjourned debate on the motion of Senator Cameron for second reading of Bill S-4, to amend the Criminal Code (control of weapons and firearms).

Hon. Gildas L. Molgat: Honourable senators, I find myself in the same position as did the mover of this bill in that I did not participate in the Throne Speech debate. Therefore, before speaking to the bill I wish to associate myself with his comments and those of senators who participated in the Throne Speech debate in congratulating the mover and seconder of the motion for an Address,

Senator Robichaud and Senator Perrault. I was particularly interested, as a francophone not from the province of Quebec, in the comments of Senator Robichaud about minority groups in other provinces who hold strongly to the bilingual position and who feel that this is a national problem rather than a regional one.

Hon. Senators: Hear, hear.

Hon. Mr. Molgat: I also wish to say, Madam Speaker, how pleased I am to see you once again gracing the position that you hold as presiding officer of this chamber. You are doing a tremendous job, not simply for the women of Canada but for all Canadians. The initiatives you have taken have been good for the Senate and for Parliament.

Honourable senators, Bill S-4, as the mover indicated, is a repetition of the bill that was introduced last year. I therefore do not propose to speak at length at this point. I should like, however, to emphasize again that whatever we do we should not allow the situation south of our border to determine what we do as Canadians. We should consider this whole question of gun control in a Canadian context and not be overly influenced by what happens across the line. The backgrounds and attitudes of Canadians and Americans are very different in this regard. I am afraid that we often tend to be influenced by news stories coming across our border. We should isolate the American picture completely and look at this legislation from a Canadian viewpoint. As I say, in this regard the background of Canadians is very different from that of Americans. It has never been the common practice for Canadians to carry handguns. But it is a different thing across the border. There has been control of handguns in this country for many years, and I think successful control.

● (1420)

I intend to support second reading of the bill and I approve the suggestion that it be referred to committee. I hope the committee will take ample time to study the legislation and allow Canadians the opportunity of coming forward to express their views. Senator Cameron indicated that he had received considerable correspondence dealing with both sides of the issue. It is important that Canadians who are concerned about this matter should be permitted to come forward and express their views. I recognize the cost involved in holding committee sittings across the country. The Leader of the Government is looking at me with some surprise, but I suggest that it might be worthwhile to hold hearings outside Ottawa.

Hon. Mr. Laird: Would it be possible for the committee to go to Florida?

Hon. Mr. Molgat: I doubt whether I could approve of that venue, but certainly there are places in the Maritimes and in Western Canada where the committee could meet. A great deal of good could be achieved by having the committee move across the country. I am sure that those senators who worked on the Special Joint Committee on the Constitution of Canada were very much aware of the benefit to the Senate from the fact that the committee met outside Ottawa. However, the greater benefit would be to Canada as a whole. It is more convenient and economical to meet in Ottawa, but we have a greater responsibility than that. While this subject might not appear to be of

great national concern, there is a good deal of individual concern, as Senator Cameron has discovered. It is a matter of concern to many Canadians. They cannot be expected to travel to Ottawa at their own expense to make their views known. We have a responsibility to make it easy for them to express their views. I therefore suggest that the committee consider holding meetings outside Ottawa.

To many urban dwellers in Canada this issue may not appear to be important, but it is to those living in rural areas. It affects not only their livelihood but their whole way of life. As a parliamentary body we should give the public every opportunity to be heard, and the best way of doing that is by holding meetings in various parts of the country.

Hon. Mr. Choquette: I should like to ask the honourable senator whether this is a public bill that was introduced in the Senate?

Hon. Mr. Molgat: Yes.

Hon. Mr. Choquette: What kind of response does the senator think the committee would receive in Calgary among a group of cowboys who carry revolvers on their hips?

Hon. Mr. Molgat: I am afraid you are influenced by the American vision in that regard, Senator Choquette. That is what I was referring to earlier. I do not think that is the Canadian concept. Our cowboys do not go around with revolvers on their hips. It is true that in certain parts of Canada firearms are used as a commonplace day-to-day thing. The people in Calgary or Bow River may have very different views on this subject than, say, the people of Ottawa, Toronto and Montreal.

So I think it is important that we allow individuals in Calgary or Bow River, or wherever, to express their views before our committee, and quite frankly I don't think we can accomplish that by sitting only in Ottawa.

Hon. Mr. Williams: Would your suggestion include hearing Indians who live in the northernmost parts of Canada and in the Arctic, many of whom live by hunting?

Hon. Mr. Molgat: That is another reason we should travel throughout Canada, including the northern regions. It is obvious that recommendations we propose might be acceptable to people in urban areas but not to people in the northern regions, particularly the Indian people. This is something we will have to look at in its totality. I am convinced that great benefit would be derived from having the committee travel across Canada. We just have to look at the experience of the Special Joint Committee on the Constitution, which found it very useful to have travelled. The whole of Canada benefited from it. It enabled many more Canadians to appear before the committee than would otherwise have been the case. In a sense, I suppose, a committee serves the function of an ombudsman, and when a committee travels it brings Parliament closer to the people.

Hon. Frederick William Rowe: Honourable senators, I had not intended to speak on this subject this afternoon, but Senator Molgat has made one or two points which motivate me to say a few words. This is a very important matter to me. May I preface my remarks by saying that Senator Molgat's suggestion that hearings be held in dif-

ferent parts of Canada is very important. Certain areas in the provinces and territories, as Senator Williams said, have hunting populations. Many of the inhabitants make their living by the use of firearms. It is very important that those people have no misunderstandings as to what is being considered or proposed, and such misunderstandings could easily arise. As Senator Cameron indicated the other day, they could arise largely as the result of the unholy propaganda that we in Canada are being subjected to, as are our friends in the United States.

Senator Molgat made a very important and valid point in saying that our actions should not be influenced by what happens in the United States. On the other hand, I am sure Senator Molgat would agree that we cannot ignore the fact that, whether we like it or not, we are every hour and every day of our lives being subjected to a barrage of propaganda from the United States. One can go to a newsstand right now and pick up these so-called outdoor magazines. This is not a sudden thought on my part; I have realized this for decades. A number of these magazines are nothing but house organs for the National Rifle Association and gun manufacturers and gun sellers in the United States. One does not need to read more than one issue to realize that; one has only to look at the advertisements and the editorial content.

● (1430)

As a matter of fact, for years and years when I was in more active politics, although I never subscribed to any of these periodicals I found them on my desk religiously every week, every month, or at other periodic times. How did they get there? They were sent to me. *Time* and *Life* magazines did not send me copies of their issues. Why the difference? The difference is that the former types of magazine are propaganda machines. I saw it stated the other day in an American publication editorial, with which I agree, that the most potent single lobby in the United States today is the National Rifle Association. There is no doubt at all that that association is spending hundreds of millions of dollars, not to convey the truth to the people of the United States, and inferentially to Canada, but to distort the truth.

Statistics, which are just as valid in Newfoundland as they are in the State of Michigan, demonstrate that undoubtedly there is a direct correlation between the number of guns in circulation and the murder rate. In my own province we have, I am happy to say, one of the lowest murder rates anywhere in the world. Most murders there are committed on the spur of the moment, and many of them are related to family disputes, yet most of them are committed with a gun of one kind or another. I cannot help thinking that if a gun were not available there on the wall, which is where most Newfoundlanders keep their guns, with ammunition ready to the hands of anybody who wants to use a gun, the murder rate would be even lower than it is in Newfoundland.

I do not know of anyone who has made a study of this subject in the United States who does not agree that there is a direct correlation between the murder rate and the number of guns in circulation. As the number of guns in circulation rises, so the murder rate rises. There is no doubt about that. That, of course, does not invalidate what is obvious, I think, to everybody, that even if there were

[Hon. Mr. Molgat.]

no guns, but only clubs, knives, rocks or what have you, there would still be a murder rate. Of course there would. I do not know if this is a contradiction in terms or not, but if there were no guns we could perhaps keep the murder rate at a reasonable level—if there is such a thing for murder rates.

Hon. Mr. Molgat: I wonder if I could ask a question of Senator Rowe. You referred to a weapon on the wall being used in a murder. How would registration change that? The weapon would still be on the wall, would it not?

Hon. Mr. Rowe: Yes. It probably cannot be changed. I was referring to that more to bolster the main argument, that the presence or availability of a gun is a factor in the picture. For example, in recent years there have been two or three murders committed by Eskimos with guns. I do not know how one could control that situation where Eskimos must have guns in order to hunt seal and caribou, but the fact is that even within that limited community, the Eskimo community, there is a correlation between the availability of guns and the murder rate. I am quite sure that in some cases there would have been no murder if a gun had not been immediately available. Very often murder is committed—certainly in my province—after the consumption of alcohol. I do not know the answer to Senator Molgat's point, but the fact is that when a man has a gun available it is easier for him to commit an assault on another individual—particularly a lethal assault.

Hon. Mr. Molgat: Honourable senators, I do not want to pursue the matter. We can deal with these points in committee. However, I would just ask Senator Rowe if we are talking about availability, or about registration.

Hon. Mr. Rowe: Honourable senators, I was not trying to deal too specifically with either of those two things. I was trying to enunciate the general principle that we should not lose sight of. Almost every hour of the day we are being propagandized in this way. An effort is being made to convince us that there is no correlation between the availability of guns of any kind and the murder rate. This is not true. That is the point I am trying to establish.

The second point is that while I agree wholeheartedly that we should not be unduly influenced by what happens in the United States of America, nevertheless we cannot ignore the fact that we are the subjects of their propaganda, just as much as the people living in New York or in Texas. I have said before that a number of those great corporations are prepared to go to great lengths to seduce the young people of the United States and of other countries as well. Whether that seduction is in influencing the thirteen-year-old girl or boy to take up the cigarette habit, or whether it is a seduction in some other way, it is there all the time.

Hon. Arthur Laing: Honourable senators, because of the remarks of Senator Molgat and Senator Williams I would like to add a few words. I am familiar with the north country, and the people who make a living by the gun. A gun and a knife are just as important to them as a reaper is to those who harvest the Prairie crops. While I understand the bill is aimed at reducing crime, as it stands I consider it would inflict an impossible requirement on many Canadians in other parts of the country. It would be impossible to ask them to hand over their guns, and be

tested as to whether or not they are competent to use a gun, at a central point in Canada. So far as the North is concerned, this is utterly impracticable and will not work at all.

I was raised on a farm not far from Vancouver. There were always four or five guns around. They were not used or kept there to hold up banks, or to facilitate marriages. I was born at a time when living off the land was at least part of farming which was a way of life then, and in a great part of Canada that is still so. My father had a ten-gauge shotgun, a real blockbuster. I remember it was the first one I ever shot a pintail duck with. I almost blew my shoulder off at that time, because I was then aged nine.

Hon. Mr. Flynn: What happened?

Hon. Mr. Laing: I do not know how you qualify any person to teach another how to use a gun. We were told at an early age which end of a gun to stay away from. We were warned, "Don't ever point that thing at anyone." We were warned, on going through a barbed-wire fence, to push the gun through first, and ourselves afterwards; never to drag it through after us.

● (1440)

So how are you going to get anybody to inspect a person's ability to use a gun? I cannot tell you. Either the fellow has the ability, or he has not. The accidents which have occurred have been caused by carelessness, by people not thinking about the correct way to handle a gun.

I know that the bill is aimed at reducing crime, but I think that Senator Molgat and Senator Williams were right in their representations with respect to this bill. You must consult the people to whom a great disservice would be done if this bill is passed. It would be most impractical for them to deliver themselves and their guns to a central point to be inspected as to their ability to handle guns.

There are two kinds of people who know how to handle guns—the people in the North, and the guys in the city who want to hold up banks. Both know how to handle guns. They do not need any help, but this bill will not regulate either of them.

We should find out what the laws are at all levels of government in Canada. I am not sure whether it is a civic or provincial ordinance, but in Vancouver it is necessary to register all handguns. The only guns not registered in Vancouver are those in the hands of criminals. They don't register them. They show up only after a fellow has held up the bank and been arrested.

With all respect to Senator Cameron, who spoke well on this bill and its objectives, I think we should follow the advice given this afternoon and consult the people whose living would be seriously affected. We should consult them, as well as people in the cities of Canada generally.

Hon. Chesley W. Carter: Honourable senators, I supported this bill last year when it was before the Senate, and I should like to indicate my support again at this time.

Like Senator Cameron, I received a large number of letters from individuals and organizations most of whom were against the bill. The reason for that seemed to be that they had a misconception of what the bill is intended to do. Somehow or other they had the idea that the purpose

of the bill was to deprive them of the privilege or right to possess firearms.

As Senator Molgat pointed out, the main purpose of the bill is to register firearms, not necessarily to deprive persons, particularly those for whom firearms are a necessity, of their rights.

In my opinion, the registration of firearms, having regard to the times in which we live, is a necessity. It is not so long ago—just three or four years—when terrorists were breaking into gun shops, hardware stores and armouries to steal all kinds of rifles and ammunition, as well as dynamite. When one sees what the world has become, with so many terrorist gangs springing up and making use of weapons, one begins to realize that it is absolutely necessary to have some method of tracing weapons once they have been sold. I believe that registering weapons would go a long way to achieving that end. In my opinion, if it were necessary to register firearms it would be much more difficult for the wrong people to come by them, or to retain them illegally.

Although I think the registration of firearms is necessary, I do not feel we should convey the idea that it is the purpose of the bill to deprive people of the legitimate use of firearms.

I would further support Senator Molgat's suggestion that the committee travel around Canada in order to get a better understanding of the situation with respect to firearms. We should find out in what parts of Canada, as Senator Laing has suggested, firearms are as essential to their owners as the harvester is to the farmer. By doing that we would be performing two services: we would be making the Senate better known to the people of Canada, to whom it is perhaps just a name, and, at the same time, we would be obtaining information to enable the committee to make useful recommendations to this chamber.

Before closing my remarks I should like to ask a question, which perhaps Senator Cameron could answer in the absence of the chairman of the committee. Last year this bill was referred to the Standing Senate Committee on Legal and Constitutional Affairs. So far as I can discover, it was never reported. I should like to know what measures could be taken to prevent a recurrence of that, and also whether any hearings were held by that committee last year.

Hon. Mr. Laird: Honourable senators, in the absence of the chairman of the committee, perhaps I can answer Senator Carter's question. The bill was referred to the Standing Senate Committee on Legal and Constitutional Affairs. At that time, the committee was intensely engaged in its study of the parole system, and could not devote time to anything else. We informed Senator Cameron at the time it was impossible for us really to do anything about this bill because of our efforts to present a report on the parole system. At this time, however, we are not in that position, and we should be able, I would say, to travel from coast to coast, up North and all over the country. I am rather looking forward to that.

Hon. Mr. Choquette: I suggest a good motto for this committee would be: "Have gun, will travel."

Hon. Mr. Laird: You give us the gun, and we'll do the rest.

[Hon. Mr. Carter.]

Hon. Mr. Molgat: Would it be a registered gun?

Hon. Mr. Cameron: Honourable senators, apropos of Senator Martin's suggestion that we dispose of this bill before we adjourn next week, I have a list of between 12 and 20 individuals and organizations who want to appear before the committee. I imagine, therefore, that the committee hearings will go on for some time. The people on this list reside all over Canada, from Halifax to Vancouver. I suggest that, once the debate has concluded and we have referred the bill to committee, the committee be convened after the Easter recess, because these people do have to have some notice.

In that connection I heartily endorse Senator Molgat's suggestion that the committee hold hearings in certain key cities such as Hamilton, Windsor, Winnipeg and Toronto, because there is tremendous interest in those areas.

Hon. Mr. Molgat: I am pleased to hear Senator Cameron mention Hamilton and Windsor, because that may help the acceptance of the proposition.

Hon. Mr. Martin: Certainly, there are other senators who wish to speak on this important bill.

On motion of Senator Perrault, for Senator Davey, debate adjourned.

● (1450)

THE SENATE

PRECINCTS AND CLERESTORY OF CHAMBER—DEBATE ADJOURNED

Hon. John J. Connolly (Ottawa West) rose pursuant to notice:

That he will call the attention of the Senate to certain elements within the precincts of the Senate Chamber and in particular to its clerestory.

He said: Honourable senators will be aware that a project was recently completed in the chamber of the House of Commons whereby stained glass has been installed in all of its large windows. Each window was dedicated to a province or territory. The theme adopted centered around the typical flower of the area. Miss Eleanor Milne, who has been in charge of the stone carving in this building for a good many years, was the moving force behind that project, and I think it is a very worthy one.

I have learned that a proposal has been made to install stained glass in the clerestory of this chamber—that is to say, in the eight apertures in the upper walls of the chamber proper, and three in the area of the north and south galleries. If this is to be done, I believe that the present generation of senators should try to ensure that the work is well planned, and that the subject matter to be treated be fully appropriate.

I think it will be agreed that the chamber of the Senate of Canada is one of the most beautiful rooms in the country. Its architect had a fine idea of both design and function. He carried it off by imparting to the structure a great dignity, without making it luxurious or ostentatious. Many of its features are appropriately symbolic, as they should be. The high standard set in this chamber in earlier years must be maintained as changes are made.

This chamber is an important place in Canada. It is the only place in the country wherein the three elements of Parliament meet at the same time. This happens only at the opening and closing of sessions, and for royal assent. Here we have the Throne, symbolic of the monarchy. Indeed, it has been used by various of our monarchs, and by the monarch's representative, the Governor General. Here, too, we have the area used by the Senate, the second element of Parliament. Here, too we have the bar and the podium for the Speaker of the House of Commons, the representative of the House of Commons, beyond which the members of the lower house, by long tradition and usage, cannot advance. Even the fourth estate, the press, has an area allocated to it in the north gallery, although with the advent of television the media, because proper facilities elsewhere are lacking, have on occasion invaded the floor of the chamber itself within the bar.

Again, at the opening of each session, this chamber is the unique place where the three major elements of our constitutional establishment—the legislative, the executive and the judicial—meet together formally.

If the structure and the embellishments of the Senate chamber convey a sense of the dignity of Parliament, the periodic gatherings here of the elements of our parliamentary system and our constitutional organization proclaim the importance, authority and responsibility of the central element of our federal state.

The bountiful natural and human resources of our country have contributed mightily to the embellishment of the chamber. The gold leaf in the ceiling is from within our very earth. Inspired designers and craftsmen have impaled upon it the symbols of our founding peoples—the fleur de lis of France, the lions rampant of England, the lion of Scotland, the dragon of Wales, the harp of Ireland, and then, of course, the maple leaves. There are many other peoples in this country now, and in time their symbols must find their place in this chamber.

All around the borders of the ceiling are the names of some of the earlier governors general. I do not recite all, but on the east border we find, starting at the north end, the names of Grey, Stanley, Lansdowne, Connaught, Minto, and Lorne. Most of the contemporary connotations associated with these names are related to athletic endeavour in Canada, and for that reason I call the east border "the border of the sportsmen."

Stone from our rich rocks, fossilized Manitoba limestone, is here too, and it has been carved and shaped beautifully to harmonize with the other embellishments, and to emphasize how sturdy and responsible the lawmaker must be.

Wood from our pristine forest, white oak, is here, polished to reveal its inherent beauty, carved, shaped and cut by the hands of master craftsmen. All of the carving is full of appropriate symbolism.

I have long thought that the area of the Throne was less appropriate than the other arrangements in this chamber, and that we could do better. The lines of the dais with the canopy have been borrowed, appropriately, from the Throne area in the House of Lords at Westminster. However, I think them a poor imitation of one of Pugin's

masterpieces, and if we are not to have an appropriate Throne, there may be another way.

At present we have a rather theatrical structure and the clever use of light to focus attention on the Throne when the house is not in session, and the presence of the Speaker when it is. The hidden frame of this structure is made of lumber. It is draped with heavy red material. The chairs are ornate Victorian furniture, and traditional use cannot give them, in my view, either beauty or comfort.

Behind this dais could be installed an immense slab of native Canadian rock, and upon it we could have carved the Canadian coat of arms. Instead of the existing contrivance, I think a stone carving, with our coat of arms engraved upon it, would be an appropriate background for the Throne area. Even if stark, it would be genuine, it would be true, and it would be basically Canadian.

If we are not to have a Throne in the traditional form, then consideration should be given to the use of two chairs of estate, similar to those used by the monarch and the consort before the anointing at the coronation. The chair of estate embodies at once a grace of design and a utility which is appropriate. It should not overburden our imagination to devise a suitable canopy to be affixed to the stone background, and a fitting platform for the Throne and the Speaker's chair, also perhaps of stone.

There remains the question of the chair of the Speaker. In the House of Lords the Lord Chancellor, as honourable senators know, presides from the woolsack.

Hon. Mr. Martin: He sits on a woolsack.

Hon. Mr. Connolly (Ottawa West): Yes, and he presides from it too.

Hon. Mr. Martin: He does?

Hon. Mr. Connolly (Ottawa West): Yes, indeed.

The inspiration for the woolsack is in a significant element of early imperial trade. We should be able to find some elements of Canadian life and culture around which to build a Speaker's chair to harmonize with a new Throne area, if we have one.

I say nothing here about the pictures which hang in this chamber, and which were commissioned by Lord Beaverbrook and others, in some cases of Canadian artists, in the First World War, and presented by him to Canada. While Senator Paterson, whose experienced judgment in such matters we all respect, has praised them, other opinions do exist. In any event, the original plans for the chamber call for galleries on either side of the chamber, and if they are ever provided, the pictures would be removed.

● (1500)

Honourable senators, it has taken me too long to come to the question raised by the inquiry, and I temper my apology with the plea that whatever is done in the clerestory should harmonize with both the existing structure and its embellishments and the historical and symbolic features which they portray.

The chamber's clerestory has four large apertures on each of the east and west walls, and each aperture has three arched openings supported by graceful fluted marble pillars. These pillars and their reddish hue provide a lightness in colour and structure which is a credit to the designers of the windows. Each of these arched windows

or openings has two long narrow leaded lights set in stone, and above each light there is glazed tracery in the stone. In the north gallery the two apertures are of similar design but of two arches only, while in the south gallery there is one aperture and it has three arches.

The theme or subject matter of any stained glass to be installed here is of great importance. As they were in the gothic cathedrals of the middle ages, good stained glass windows can be stories which reach the heart through the eyes instead of entering at the ears. They can be epic and heroic poetry in colour, and if the poetry is historical and didactic it will both teach and inspire.

We are gradually making of this building which houses our Parliament a national shrine worthy of a great people. We commemorate our heroic dead of the wars in the tower dedicated to the peace for which they fought and died. In stone we tell the stories of our historic roots, of our teeming resources and of the activities of our people. We can continue this work in the glazing of this clerestory.

We can fill its lights with beautiful and glorious colour to record great events and great men from our earliest days.

And we have options. One of the options for the installation of stained glass in these windows surely would be a memorial to the discoverers, the explorers and settlers of our territory from its beginnings. In this concept the aboriginal people would not be forgotten. Here too would the Europeans be found, those Europeans who came here and mapped our coasts—Cartier, Cabot and others in the East; Cook and Vancouver in the West; Frobisher, Hudson and others in the North. Champlain and his brothers and the early missionaries would not be forgotten for their heroic penetration of the central wilderness, nor would La Vérendrye who, in the words of Professor Lower, “revealed the Prairies to the world,” Frazer, who reached the Pacific first on the overland route from the East, and Mackenzie, the first to see whales in the inlets of our northern sea.

Honourable senators, who is to deny the title “explorer” to the early traders, to the first railroaders or the early prospectors? And who is not to say that there are Canadian explorers yet to come in sciences which deal with the sea and with space, or any of the branches of physical, biological or sociological learning, or in the arts? Perhaps the designer of such windows should be endowed with a little of the wisdom of both the seer and the prophet.

I hope that some of these ideas will commend themselves to the interest of my colleagues in the Senate. Perhaps we should consider the establishment of a small committee, and invite historians, architects and artists to contribute to our deliberations. From such deliberations, I believe, a further theme and plan would emerge for the installation of stained glass in the clerestory.

In any event, honourable senators, our objective should be to provide in this chamber of Parliament a shrine to embody the symbols of parliamentary institutions and the great events and great people of our past. It could ennoble the aspirations of future generations of Canadians, it could inspire our youth for generations to come, by portraying the magnificence and grandeur of the human achievement by which our beloved country was founded.

[Hon. Mr. Connolly (Ottawa West).]

Hon. Donald Cameron: Honourable senators, I hesitate to follow the eloquent presentation of Senator Connolly, and consequently my interjection will be brief.

Some of you will recall that the late Senator Roebuck on more than one occasion decried the paintings decorating this chamber. I do not wish to reflect on those paintings in any way, but it occurs to me that it would be much more appropriate to have these moved to the new National Defence building—now that we have a National Defence building. If there is not a place for historical paintings of this kind there, then there should be. I think they would be much more appropriate in those surroundings.

Senator Connolly's suggestion that their place be taken by a series of paintings illustrative of the variety and growth of this country from the indigenous peoples right through to the modern industrialized country we see today would enrich the chamber. In my judgment, an expenditure on something like this would be much more appropriate than the expenditures on the so-called works of art we see in front of the Lester B. Pearson Building and other buildings in Ottawa, for which we have paid some very high prices. The same amount of money spent on the kind of paintings Senator Connolly has suggested would, in my view, be a move in the right direction, and would be most appropriate.

I heartily support the suggestion that a committee be set up to plan and submit to the appropriate authorities a program for the replacement of those paintings. Let me say again that this is no reflection on the paintings. They are good of their type, but I do not think they are suitable for this chamber. They would be much more fitting in the National Defence building.

Hon. Lionel Choquette: Honourable senators, may I add one or two words which I think would be appropriate in this context.

It was my privilege in September 1971 to visit Westminster and the House of Commons. That place, as we all know, is not as beautiful as what we have here. It was suggested to me at that time that I should report to the Senate, but I did not do so because I was not there in an official capacity.

Let me say, first of all, that there is not even a place where the members can sit down and write notes; there are simply long benches. I was shown a table in the centre of the House of Commons chamber, which is somewhat like the one we have here. It is, in fact, a gift from Canada. But the front benchers usually put their feet up on top of this table while the debates are going on, and the table is consequently quite worn by those feet resting thereon. The suggestion was made to me that at some time Canada might donate a bar to be placed along that table, on which those front benchers might put their feet.

Hon. Paul Martin: Honourable senators, I think we have every reason to be grateful to Senator Connolly for raising this matter in the Senate at this time. It may not be one of the burning issues facing government, Parliament or the nation, but it is one of great importance to Canada. The beauty and dignity of this chamber should be preserved. Steps should be taken from time to time to strengthen its charm and architectural excellence.

● (1510)

We in Canada should be aware of the splendour of not only the Senate chamber but the Parliament Buildings as an ensemble—including the House of Commons and, of course, the magnificent Peace Tower. I do not think I have ever seen Parliament Buildings as monumental as ours. They were built following the fire that destroyed the former building towards the end of the First World War.

I have been a member of Parliament now for over 38 years, six years in this house and almost 33 years in the House of Commons. I suppose it is because of this length of tenure, for the longest part through process of election and partly because of appointment, that I have come to feel that these precincts are very much part of my life. We all look upon them in that way, just as our homes are a part of our lives, wherever they are and no matter how humble or great and affluent they may be.

We point out to visitors, not in the careful detail Senator Connolly did today, the symbolism which is to be found in both houses. We remind them that, whatever may be the weaknesses of the parliamentary institution, if it did not exist there certainly would be a real threat to freedom itself in our society, in our country. It is important for that reason, and all the ancillary reasons which flow from that concept, that we should give consideration to ways and means of bringing home to the Canadian people, not only the meaning, but the very charm and quality, the *pretium affectionis*, that attends this chamber and the other house of Parliament.

We only have to look at the Parliamentary Library, the remaining monument of the buildings destroyed close to the end of the First World War, to see the difference in the structure and substance, but not necessarily in the beauty or charm. We have continued the original architectural concept of the earlier building, except that the tower is now, of course, a much higher structure than the tower in the old building.

So, Senator Connolly, a former Leader of the Government in the Senate and a long-standing senator, has done us, the nation and Parliament a service today by speaking of these matters, matters that will certainly have a long-term value, which in any country is important indeed.

It is not, however, the Senate only that possesses this charm, this beauty; it is the whole compound of the Parliament Buildings itself. There is the Centre Block, and I do not overlook the architectural splendour of the East Block. Then, too, there is the history, the beauty and charm of the West Block.

I well remember—as I am sure Senator Laing, Senator Lamontagne and perhaps other colleagues recall—the discussion which took place in the Cabinet before 1957, as to what should be done about the West Block. A proposal was made at that time by one of our colleagues that a new external face should be given to the West Block, and that there should be fundamental changes made to the interior of the structure. The suggestion was even made that the building should be torn down, and a more modern structure built to take account of the growing needs of government on Parliament Hill. I can say that that suggestion was not accepted by the members of the Cabinet of that day, who wished to preserve the external features of the

West Block. At very great expense, admittedly, internal changes were made which have made that building more functional and, in my opinion, more satisfactory. But the exterior has happily not been altered.

Allow me to return to another feature of these Parliament Buildings—the tower itself. Sometimes one lives so close to a building, or a painting, that one does not fully appreciate the significance of what one sees. I believe, however, that our tower is not only a great monument, but a thing of beauty, to quote the very words of one of the English poets. I worked under that tower as Minister of National Health and Welfare for eleven years. It has become almost as much a part of my personal tradition as the building itself.

We should speak of these things to the students who visit us, and to the people of the country, who sometimes find Parliament irrelevant, not as meaningful as it might otherwise be. We should remind them that this structure was here before any of us were around, and will be long after all of us are gone, and is a symbol of the strength of a free people who choose their own representatives in government, who provide and prescribe the laws of the nation. These are matters of which statesmen and politicians should speak as part of the service that the parliamentary institution renders.

I took into the Remembrance Chapel not very long ago a distinguished American soldier, a man who played a notable part in the service of the United States. He was moved when he saw the Remembrance Chapel and was told of the names of those in the wars who had given their lives to preserve decency and civilization. He thought that there could not have been, and that there was not elsewhere, a finer monument to military valour than the Remembrance Chapel.

Senator Connolly spoke of the area occupied by the Speaker of the Senate, and I must say that was the first time I had ever heard anyone speak of a desire for changes in that area. It may well be that he has presented a strong argument for consideration to be given to the improvements he suggests. These would embody the use of Canadian substances, thereby adding to the symbolism that little by little is being exemplified in this Senate by those who skilfully make their carvings on the stonework of the chamber.

● (1520)

Senator Connolly spoke also about the chairs on the dais. It had never occurred to me that there was anything wrong with these. I am not sure that there is, but nevertheless he has made a suggestion which I think merits study and consideration.

By way of parenthesis, Senator Connolly said also that the Lord Chancellor presides over the deliberations of the House of Lords. I did not understand that to be the case. I know that the Lord Chancellor sits on the woolsack, but I had always understood that he did not preside. Perhaps at some future date Senator Connolly could explain his viewpoint.

Hon. Mr. Choquette: Senator Denis could tell us. He was sitting in the Speaker's Chair yesterday.

Hon. Mr. Martin: Yes; I am sure he could tell us a great deal.

Much has been said about the paintings in the chamber. They have the appearance of murals, and Senator Connolly reminded us that they were given to the nation by a great Canadian, Lord Beaverbrook.

I know of Lord Beaverbrook's attachment for Canada and the reason why he donated the paintings. They are distinctive paintings, and many people have inquired of me and other senators whether consideration might be given to displaying them now in another location. I am not agreeing with or opposing such a move. I merely say that such a suggestion is worth considering.

Of course, we shall never forget what these paintings represent. As a young lad I was unable to take part in the First World War, of which the paintings are demonstrative. However, I was not so young as not to appreciate what the paintings represent for so many millions of Canadians, not only former soldiers but also those who lost sons, husbands and relatives in the First World War. I was conscious too of the battle areas which the paintings portray.

In front of me is a painting depicting the Battle of Ypres, not far from the Menin Gate, that great monument to Canadians who fell in the First World War. There have been other wars since, and one might argue that the heroes of the Second World War, the Korean War and other wars should be immortalized in this chamber.

Senator Connolly's suggestion that a committee be established to study such matters is a worthy one. Although there might be less urgency attached to such a committee than to others, its deliberations could be of importance and value.

Hon. Mr. Choquette: It might be handled by the committee dealing with the gun legislation.

Hon. Mr. Martin: I do not know what mechanism might be involved in the formation of such a committee. I do not know what decision might be made concerning the location of the paintings, or changes to the Speaker's area. I do not know whether authority exists for making final decisions in that regard, for the simple reason that I have never looked into the matter. Perhaps Senator Laing, who was formerly a Minister of Public Works, can assist us.

At a later date we can consider how such a committee might be established. I am sure that it could render valuable service to our parliamentary tradition and infrastructure.

Senator Connolly deserves our thanks for raising this question, for giving us the opportunity to reaffirm our belief in the parliamentary institution, and for giving us an appreciation of the charm of this chamber and that of the House of Commons—all of which attest to our strong conviction that there is no better parliamentary system than our own.

On motion of Senator Heath, for Senator Forsey, debate adjourned.

FEDERATIVE REPUBLIC OF BRAZIL PRESIDENTIAL INAUGURATION CEREMONIES

Hon. Mr. Martin: Honourable senators, I think that Senator Laing, who was appointed by the government to attend the inauguration ceremonies of the new President

[Hon. Mr. Martin.]

of Brazil, might wish to report on his visit. There is no notice standing in the name of the honourable senator, but I pointed out to him that the Senate has power to deal with its rules in its own way. I for one would be pleased to hear his report on the recent inauguration ceremonies in Brazil.

The Hon. the Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

Hon. Arthur Laing: Honourable senators, this appears to be the day for recounting adventures which are of moment to Canada. In taking a few minutes to give my impressions of my short visit to Brazil, I might say with some conviction that Brazil is of great importance to Canada.

I am indebted to the Secretary of State for External Affairs and to the Leader of the Government for selecting me as Canada's special representative in Brazil on the occasion of the inauguration of His Excellency General Ernesto Geisel, President-elect of the Federative Republic of Brazil, who replaced President Medici and his government which had been in power for four years.

One of the most embarrassing aspects of visiting a country is that within 24 hours of one's arrival one meets someone who asks, "What do you think of our country?" On such occasions one has usually not had sufficient time to form any opinion.

While I was there I confessed to people day after day—and I have been confessing to people ever since—my astonishment at what I saw. Brazil is an immense country. In area it is the fifth largest nation in the world, with a population of 102 millions. It is highly rated among manufacturing and industrial countries. As many Canadians are aware, Brazil is known as the coffee country, being first in world production of coffee. It is also third in world production of leather shoes; fifth in cotton lint, first in castor beans, third in manganese ore, sixth in iron ore, third in cacao, fourth in cattle, eighth in meat and rice, and tenth in synthetic rubber and cars.

● (1530)

I was astonished at the amount of shipbuilding going on. I saw eight brand new ships not yet commissioned in the stream, and four more in the stocks. These were ships of 16,000 and 18,000 tons. They have constructed a tanker of 125,000 tons.

I pay tribute, first of all, to our Ambassador to Brazil, Mr. Barry Steers, and I want to compliment the External Affairs Department because diplomacy in that country in the future is going to be related to industrial and commercial matters. Mr. Steers, prior to coming to the Department of Trade and Commerce in 1952, was in business in Colombia, South America, where, incidentally, he married a Colombian woman. She is a quite remarkable woman, and a tremendous help to him and to Canada. In my view, we have a superb ambassador to Brazil in Mr. Steers.

We are arriving at a time now where those countries of the world rich in resources will be producing the requirements of a population that will perhaps reach 6 billion by the year 2000. Brazil is certainly one of those areas, as are Canada, the Soviet Union, Australia and Africa. These are the areas of the world which will be producing the world's

requirements in raw materials. Brazil is very close to the top in terms of the interest of those nations who want to use raw materials and, indeed, develop raw materials within the country.

Canada has had a long association with Brazil, going back, I think, to the late 1880s when the first Canadian investment was made in Brazil. The major Canadian investment was Brazilian Traction, now Brascan Corporation. That, together with the other Canadian investments in Brazil, total about \$1¼ billion at the present time.

All those firms are today headed by Brazilians, members of families who have been in Brazil for one to four generations. I got the impression that all Canadian companies in Brazil are regarded as good corporate citizens, and the relationship between them and the Brazilian people and government is excellent.

I want to say a word about Brasília, the capital city of Brazil. They started it 14 years ago, and there are today 430,000 people resident there. They have some remarkable architects, as the buildings disclose. The building which houses their elected representatives, the Congresso, has a great concave bowl as a roof, probably 100 yards wide. This is to catch the thoughts, the inspirations and the dreams of Brazilians. They also have a Senate, the roof of which is the other way around—convex. This is their chamber of sober second thought, reviewing the ideas that fall into the great pan over in the other place. The layout is magnificent. I think the area between the two buildings is almost a quarter of a mile wide.

Hon. Mr. Martin: Do their Congress and Senate function there now?

Hon. Mr. Laing: Yes, indeed. The area between the two lines of buildings is entirely given to gardens.

I try to sing for my supper wherever I go. Gratefully, my wife was along with me on this occasion. We went to Rio de Janeiro and São Paulo. São Paulo is a city of 8,200,000, and is in the industrial heartland of Brazil. There are Canadian firms there, such as Massey-Ferguson which is actually manufacturing farm equipment for export to Canada as well as to Europe and other parts of the world. Alcan is also there, as I have mentioned before, and is doing a very successful job. In many parts of the country Canadian consulting firms are being retained in respect of agricultural progress, the damming of rivers, and forestry. Some of our larger Canadian forestry companies are visiting Brazil with a view to investing.

I found that the investing countries of the world, principally Japan, are in Brazil with tremendous energy and force. One Japanese firm is going to build a 12 million ton per year steel plant. Out of a port called Vitória, which is probably the closest port to Europe, they shipped 33 million tons of iron ore last year. Brazilian iron ore is of a very high grade, being 68 or 69 per cent, with no phosphorous content at all.

There is also a tremendous agricultural potential in Brazil. I was not aware that they produced 7 million tons of soya beans last year, second only to the United States. Their climate is one which allows planting at almost any time of the year, and the soil is excellent. The lowest recorded temperature in Rio de Janeiro in history was 57 degrees. So the potentiality for agriculture is very great.

We met a number of people while there, one of whom was Dr. Antonio José Rodrigues Filho, who is Vice Governor of the city of São Paulo. He is also a farmer and owns 12,000 acres on which, as he proudly said, he has 14 tractors, all but two of which were Massey-Ferguson tractors. I asked him what he grew, and he said he grew a great number of things. He told me he had 48 or 50 people as permanent employees on his ranch.

We took time off to pay a courtesy call to the Mayor of São Paulo, a young man of 35. He was educated abroad, and had taken a course in engineering in Pittsburgh. There are many such bright, competent young men holding important positions in Brazil. This young man is now interested in town planning. He is looking at ways of ensuring a safe water supply and a reasonable sewage disposal system.

We met Mr. Jorge Fragoso, of Alcan Alumínio do Brasil, and another gentleman, Mr. J. A. Engelbrecht. As you can understand from these names, the inhabitants of Brazil came from all over the world. Mr. Engelbrecht, for example, is third generation German. There are 750,000 people of Japanese origin in Brazil. The Japanese went to the South American continent at the time they came to our continent, at around the turn of the century.

● (1540)

I am going to be brave enough to record the one thing they proudly repeat, which is, "We are a melting pot of all kinds of people in the world, but we have one language only, Portuguese." It is a remarkable thing to hear a black man speaking to a Japanese, and both of them talking Portuguese.

They have a military government. I do not think anyone from Brazil, even His Excellency the Brazilian Ambassador to Canada, will mind my saying it is my opinion that if that government remains clean, and if they can retreat a little bit from the pressure put upon individuals in the country—which President Geisel said was his objective—then they will have a very great country indeed. Their future will be assured with democratic aims. Repeatedly in his acceptance speech the President said that all progress, material as well as social, depended upon an ordered society within their country. Their history over the last several years has indicated that there were infusions of influences from other countries that would be the opposite to the ideal of an ordered society. Unquestionably, they took action to eradicate those elements, and it was done more roughly than our country would stand, but probably with the roughness that was required under the circumstances, because this is a frontier pioneering country and people.

São Paulo is just full of automobiles—and dangerous drivers, too.

Hon. Mr. Martin: What else would you expect in a Latin-American country?

Hon. Mr. Laing: I was told that 3,200 people were killed in São Paulo last year by automobiles. You have to watch out. There is a rule down there that everyone should keep out of the way of the buses, because the buses carry no insurance. If a bus hits you, it is just too bad.

We stayed in a very good hotel in São Paulo. There you are surrounded by people who have come in from the

hinterland of Brazil to get jobs where the industries are. There is a tremendous movement of people. The government is looking seriously towards the Amazon, because they are hopeful of an extension of the oil and gas finds that have been made where the Amazon rises. I was told that they are determined some day to build a railway across to the Pacific. At the present time they are building 8,000 miles of roads. There is mining and agriculture. All of these things are of great importance.

I have a suggestion to make for the days that lie immediately ahead, in view of the splendid connection Canada has there at present. This shows a marked improvement from our attitude of many years ago. I have always felt that we in Canada were of the opinion that we could not do much in Latin America, principally because of that great elephant that the Prime Minister described, which is between us and them. American technology and American funds seemed to lower a curtain between us and South America. I believe that is changing.

I have already mentioned that the best of relations and the most admirable situation has developed from the activities of the Canadian firms that are there. That now gives us an opportunity that we have not had before, in competition with German, British and Japanese firms, to participate in the development of that country. We will meet a type of competition rougher than we have met in the past. I think we should strengthen the hand of our ambassador, and increase his representation there if he asks for it. I have enough confidence in him to say that if he asks for help we should do what he suggests.

Water, freight rates north and south between South America and, say, Montreal, or even the West Coast, are infinitely higher on a per ton basis than they are across the Atlantic. I would guess that they are double. That may have something to do with the volume and regularity of the service from the West Coast. The route from the West Coast to Brazil is served regularly today by the Grace Line, which has a splendid combination of passenger and freight ships. There is a line that goes occasionally to Montreal. However, the freight cost is one of the factors against us at the present time.

We must keep on the alert there, because there was a general assumption by independent people to whom I talked that the dominating force and influence in South America from now on will be Brazil. It is imperative, therefore, that we develop our relationships with the Brazilians having regard to the immense, almost unbelievable, resources that they have. They are an active and dynamic people. They are people who have gone there to pioneer and improve their lot; they have gone there to ensure their

future and that of their children. There is a tremendous amount of dynamism in the country.

I repeat that I deeply appreciate the opportunity I had of going there, even for a short time. I came away with certain impressions, mainly of astonishment at what is going on. Next month Brazil will be visited by representatives of the Government of Alberta, which is sending down a minister. The Albertans hope to sell a considerable amount of sulphur in Brazil. Brazilians are also interested in coking coal. Whether we can move coking coal out of the Rocky Mountain area to Vancouver by rail, and then on to Brazil by that long route, I do not know. However, they want coking coal very badly.

Saskatchewan has just completed the sale of one million tons of potash to Brazil, where they hope to use in the coming year double the amount of fertilizers that they used last year.

The country is exploding, and because of the good reputation Canadian companies have earned down there—I heard about this everywhere I went—and the good reputation that our ambassador has, we should pay particular attention to Brazil. I am told by the Department of Industry, Trade and Commerce that this year we shall sell them between \$200 million and \$300 million worth of wheat. In the past our trade relations have been such that we were selling them about two and a half to three times as much as we were buying from them, in the order of \$80 million or \$90 million. This is suddenly to be stepped up by \$200 million or \$300 million. When this opportunity is open to us, we should consolidate our position.

We must pay more attention to Brazil, and get to know more about its people. If, in the endeavour to obtain a development relationship with that nation, with the competition that lies before us, Ambassador Steers asks for reinforcing help from Canada, then he should have it at once.

Let me give you an idea of what he has done to bring Canada to Rio de Janeiro, São Paulo and Brasília. The Winnipeg Ballet is going down there. Ambassador Steers did not come rushing to the Government of Canada for a grant to take them down there. He went to the Canadian firms who are there, and obtained the money to move the Winnipeg Ballet both ways. In São Paulo he has organized a Canadian-Brazilian Chamber of Commerce with 200 members. He is doing that sort of thing for us there. If he asks for a little support we should grant it to him. He is an outstanding man.

Honourable senators, I appreciate this opportunity to tell you of my impressions from a very short visit to a country that could mean a great deal to us, and could provide a real consolidating position for Canada on the continent of South America.

The Senate adjourned until Monday, April 8, at 8 p.m.

THE SENATE

Monday, April 8, 1974

The Senate met at 8 p.m., Honourable Jean-Paul Deschatelets, P.C., Speaker *pro tem*, in the Chair.

Prayers.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

STANDING JOINT COMMITTEE—CHANGES IN COMMONS MEMBERSHIP

The Hon. the Speaker *pro tem* informed the Senate that messages had been received from the House of Commons to acquaint Their Honours that the name of Mr. Holmes has been substituted for that of Mr. O'Connor and that the name of Mr. O'Connor has been substituted for that of Mr. Holmes on the list of members appointed to serve on the Standing Joint Committee on Regulations and other Statutory Instruments.

NATIONAL PARKS 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-6, to amend the National Parks Act.

Bill read the first time.

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

Hon. Mr. Martin: Next sitting.

Hon. Mr. Flynn: Honourable senators, I must indicate to the Senate that if this bill is to be placed on the Order Paper for second reading tomorrow, then it will have to be with leave of the Senate and notwithstanding the appropriate rule. Leave to set aside our rules is something that we should discuss not only with respect to this bill but also with respect to the other bills that have been passed by the other place and are now to be dealt with by us. Therefore, I suggest that we stand the motion to have this bill put on the Orders of the Day for second reading tomorrow until we are made aware of the program for this week. We should be told specifically which bill or bills the government considers should be dealt with urgently so that it or they may receive royal assent before we adjourn. I understand that the House of Commons plans to adjourn Wednesday evening. If there is no urgency requiring that place to remain in session beyond Wednesday, then there is no urgency for us to pass these bills. It might be sensible at this point for us to deal with the program for this week so that we may know what is expected of us.

The Hon. the Speaker *pro tem*: Honourable senators, if I may deal first with the point of order raised by the Leader of the Opposition—

Hon. Mr. Flynn: Well, it was not exactly a point of order.

The Hon. the Speaker *pro tem*: It was in the nature of a point of order. Our rules provide for a specific delay before second reading is proceeded with, and if the Leader of the Government wants to move that such time be abridged, he should do so with leave of the Senate.

Since the Leader of the Opposition has asked at this time for an outline of the program contemplated for the Senate, perhaps it would be as well to leave this matter in abeyance until such time as the Leader of the Government has given an outline of this program.

Hon. Mr. Flynn: It could stand until later.

Hon. Mr. Martin: Agreed.

The Hon. the Speaker *pro tem*: I want to make it very clear that the motion now is that the order stand.

Hon. Mr. Martin: Honourable senators, there is no doubt whatever that Senator Flynn is right as is His Honour the Acting Speaker. Our rules require that a specific notice be given, and in this case that notice has not been run its full course. Therefore, the Leader of the Opposition and I are not in disagreement. We should proceed in an orderly way. This would mean that the bills now on the Order Paper—the bill to amend the National Parks Act, the bill to amend the Fisheries Development Act, which is a short bill, the bill to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act, and the Canadian National Railways Financing and Guarantee bill—might not be concluded. We shall have to see what progress we have made on Wednesday, but I assure the Leader of the Opposition that there is no intention of forcing the pace. If we did finish, it might not be necessary for us to return on April 22. However, I can understand that it may be desirable for us to return on that date—particularly if there is legislation with which we have yet to deal. We will have a better appreciation, and be in a better position to make a determination on Wednesday.

● (2010)

Tomorrow when we reach this stage of our proceedings I will ask, again with leave, that we proceed to second reading, and we must then determine exactly the wish of honourable senators.

The Hon. the Speaker *pro tem*: Do I understand that the Leader of the Government is now asking to put this motion with leave of the Senate?

Hon. Mr. Martin: No, we are having first reading tonight, and we will deal with that issue tomorrow.

The Hon. the Speaker *pro tem*: Honourable senators, I ask again: Is it your pleasure to adopt the motion that the

bill be placed on the Orders of the Day for second reading at the next sitting of the Senate?

Hon. Mr. Flynn: No. It should be placed on the Orders of the Day for Thursday next. There is a problem with regard to our rules. It is a rather difficult and technical problem. It would be preferable to discuss the whole program at this time. With leave of the Senate, we could have the Leader of the Government explain the program and point out what must, in the government's view, be passed before Wednesday evening and what can wait. As has been indicated by the leader, we know that other than the bill to amend the National Parks Act, we will receive messages from the House of Commons with Bill C-2, to amend the Fisheries Development Act, and Bill C-9, to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act. These bills do not all have the same degree of urgency about them and do not require, I would suggest, action of the Senate before we adjourn on Wednesday. But that is the very question that should be clarified now, before we go any further. Let us have a discussion with a view to agreeing on what we should do before we adjourn on Wednesday. With leave of the Senate, I would ask that the government leader be allowed to explain the government's intentions.

Hon. Mr. Martin: As the Leader of the Opposition has properly foreseen, the House of Commons will adjourn on Wednesday night and, for the reasons that he mentioned, I would propose that we adjourn at the same time. The House of Commons will return on April 22, and if we are still debating the legislation that is before us now, or whatever may be added, then I think we should return on April 23.

With respect to the bills presently before us, the bill to amend the National Parks Act, the Leader of the Opposition will recall, was a bill introduced in the Senate at the last session. We have been all through that, but there is nothing to prevent our going all through it again if that is desirable. The bill to amend the Fisheries Development Act—

Hon. Mr. Flynn: Before he leaves the subject of that bill, may I point out to the Leader of the Government that several amendments were made to that piece of legislation in the other place.

Hon. Mr. Martin: That is right. There were several amendments made in the other place to the bill to amend the National Parks Act. The Fisheries Development bill is a one-paragraph bill, and I doubt if there will be much controversy about it.

The bill to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act is a more extensive bill. There are perhaps good reasons for passing that measure as quickly as possible, after giving it proper and careful consideration.

The other bill before us is the Canadian National Railways Financing and Guarantee bill, to which a number of senators wish to speak. The Motor Vehicle Tire Safety bill has already been before the committee, and we shall be seeking third reading later tonight.

There is also Senator Cameron's bill to amend the Criminal Code, on which some senators wish to speak, and there are inquiries standing in the names of Senator Hicks

[The Hon. the Speaker.]

and Senator Connolly. There is also an inquiry in the name of Senator Deschatelets which has not yet been proceeded with. The Leader of the Opposition has a special interest in these inquiries.

Hon. Mr. Flynn: There is no urgency, and I do not expect any decision in the near future.

Hon. Mr. Martin: I suggest that we await what happens tomorrow and the next day.

Hon. Mr. Flynn: I have been told that if the Prime Minister should decide to dissolve Parliament during the Easter recess—as the Leader of the Government knows, rumours are circulating to that effect—the provisions of Bill C-9 would be entirely lost because four months are required to organize the elections provided for in that measure.

Consequently, there appears to be some legitimate urgency in connection with Bill C-9, but not the same urgency in connection with Bills C-6, C-2 and C-5. Bill C-5, the Canadian National Railways Financing and Guarantee bill, has been around for such a long time that I cannot see that three weeks, or even three or four months, would make any substantial difference. I should like to hear from the Leader of the Government whether I am right in that assumption.

Hon. Mr. Martin: I agree with the Leader of the Opposition with regard to Bill C-9. I doubt whether there is any reason for him to be concerned about dissolution. I do not think that honourable senators should be particularly concerned about that.

Hon. Mr. Flynn: We are not concerned with dissolution as such.

Hon. Mr. Argue: It will not happen that soon.

Hon. Mr. Martin: The question is academic at this stage. When the Leader of the Opposition has had an opportunity of studying the bill to amend the Fisheries Development Act, he might consider the proposed change desirable.

Hon. Mr. Flynn: Before the Easter recess?

Hon. Mr. Martin: I would think so. I fully expect to see the honourable senator in the same seat when we return from the Easter recess.

Hon. Mr. Flynn: I shall be faced with the same sad sight.

Hon. Mr. Grosart: Honourable senators, is it the intention of the Leader of the Government to ask leave of the Senate to suspend its rules during the next three or four days in respect of any of the bills before us?

There has been a good deal of comment about various bills which are on the Clerk's Scroll but which do not appear on the Orders of the Day, and much discussion of bills about which some of us on the back benches are somewhat ignorant. The situation might be clarified if the Leader of the Government would tell us whether it is his intention to ask for leave to suspend the rules of the Senate in order to speed progress of certain bills within the next three days?

Hon. Mr. Martin: We are here to conduct the business of the Senate. Tomorrow I intend to ask for leave to proceed

with certain bills, but I would not regard it as calamitous if leave were not given.

● (2020)

Hon. Mr. Grosart: I am not suggesting that. I specifically asked the Leader of the Government to let us know in relation to what bills he would ask that we suspend our rules. I ask him to let us know what the bills are now so that we know exactly where we are.

Hon. Mr. Martin: I have already indicated what they are, but, to repeat, they are Bill C-9, Bill C-2, and Bill C-6.

Hon. Mr. Grosart: And not Bill C-5?

Hon. Mr. Martin: We will be proceeding with that tonight.

Hon. Mr. Grosart: Without the suspension of our rules?

Hon. Mr. Langlois: We do not need the suspension of any rule tonight with respect to Bill C-5.

Hon. Mr. Martin: We got that last week.

The Hon. the Speaker pro tem: Order. Honourable senators, Bill C-6 has been read a first time, following which I put the question: When shall this bill be read a second time?

Perhaps the Leader of the Government would be kind enough to repeat his motion.

Hon. Mr. Flynn: Next Wednesday.

The Hon. the Speaker pro tem: I should like to have the motion before I put the question.

Hon. Mr. Flynn: Next Wednesday.

Hon. Mr. Martin: Under the rules, this bill will obviously be placed on the Orders of the Day for second reading on Wednesday next. However, that does not preclude leave being granted tomorrow to proceed with the second reading of this bill.

Hon. Mr. Flynn: You can ask for leave tomorrow.

Hon. Mr. Martin: When we say "next sitting," it does not necessarily mean tomorrow. It just means next sitting.

Hon. Mr. Langlois: With leave, next sitting.

Hon. Mr. Flynn: No, no. Next Wednesday. We will likely see the government leader begging again tomorrow.

Hon. Mr. Martin: Likely.

The Hon. the Speaker pro tem: It is moved by the Honourable Senator Martin, seconded by the Honourable Senator Langlois, that this bill be placed on the Orders of the Day for second reading on Wednesday next.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Martin: No.

Hon. Mr. Flynn: Wednesday; Wednesday. The rules!

Hon. Mr. Martin: May I ask the Leader of the Opposition this question: What if tomorrow we have no legislation before us? I suggest to him—

Hon. Mr. Flynn: We will play golf.

Hon. Mr. Martin: I suggest to him that at least the sponsor of the bill should be allowed to move second

reading, and explain the bill. Does that preclude leave being granted to do so?

Hon. Mr. Flynn: As the Leader of the Government has indicated, he can ask again tomorrow.

Hon. Mr. Martin: Fine.

Motion agreed to.

FISHERIES DEVELOPMENT 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-2, to amend the Fisheries Development Act.

Bill read first time.

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

Hon. Mr. Martin: The same procedure will apply to this bill as to the previous bill.

The Hon. the Speaker pro tem: It is moved by the Honourable Senator Martin, seconded by the Honourable Senator Langlois, that this bill be placed on the Orders of the Day for second reading on Wednesday next.

Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

YUKON ACT, NORTHWEST TERRITORIES ACT AND CANADA ELECTIONS 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-9, to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act.

Bill read first time.

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

Hon. Mr. Martin: This bill should have the same treatment as the two previous bills.

The Hon. the Speaker pro tem: It is moved by the Honourable Senator Martin, seconded by the Honourable Senator Langlois, that this bill be placed on the Orders of the Day for second reading on Wednesday next.

Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of telegram, dated November 9, 1973, addressed to Canadian Fuel Marketers Limited, Don Mills, Ontario, with respect to fuel oil from Romania and the Caribbean. (English text).

Copies of Note, dated March 25, 1974, addressed to the Secretary of State of the United States of America,

relating to West Coast Tanker Traffic into Puget Sound Area.

Report of the Anti-dumping Tribunal for the year ended December 31, 1973, pursuant to section 32 of the *Anti-dumping Act*, Chapter A-15, R.S.C., 1970.

Report of the Export Development Corporation, 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.

AGRICULTURE

COMMITTEE AUTHORIZED TO ENGAGE SERVICES AND TO SIT DURING ADJOURNMENTS OF THE SENATE

Hon. Leopold Langlois, with leave of the Senate and notwithstanding rule 45(1)(h), moved:

That the Standing Senate Committee on Agriculture which was empowered by the Senate on 28th March, 1974, 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 schedule meeting of the committee and the purpose thereof and that the committee report the result of any such examination to the Senate, 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.

Hon. Mr. Flynn: Explain.

Hon. Mr. Langlois: I move this motion at the request of the chairman of the committee, because the committee chairman is very anxious to sit during the recess.

Hon. Mr. Flynn: On what date, and what for?

Hon. Mr. Langlois: I think the chairman of the committee could answer that better than I.

Hon. Mr. Argue: The committee has before it Bill S-2, to amend the Animal Contagious Diseases Act. We have scheduled the appearance of representatives of the Canadian Cattlemen's Association and some other interested organizations before the committee on, I believe, April 23 and 24. The Senate may be in session, but we do not know that. We wanted this motion adopted in case the Senate was not in session, so that we could complete our study of that bill.

Motion agreed to.

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO SIT DURING ADJOURNMENTS OF THE SENATE

Hon. Leopold Langlois, with leave of the Senate and notwithstanding rule 45(1)(h), moved:

That the Standing Senate Committee on Banking, Trade and Commerce have power to sit during adjournments of the Senate.

[Hon. Mr. Martin.]

Hon. Mr. Flynn: Is Senator Langlois aware of any projected sitting of this committee during Easter week or the following week?

Hon. Mr. Martin: Senator Hayden, the chairman of the committee, would like this motion adopted so that in the event that we do have a longer adjournment than to April 23, the committee could sit, perhaps, on April 23 or some time between April 23 and 30.

Motion agreed to.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO SIT DURING ADJOURNMENTS OF THE SENATE

Hon. Leopold Langlois, with leave of the Senate and notwithstanding rule 45(1)(h), moved:

That the Standing Senate Committee on Foreign Affairs have power to sit during adjournments of the Senate.

Hon. Mr. Flynn: Could we have an explanation?

Hon. Mr. Martin: Senator Aird, the chairman of the committee, has a meeting scheduled for April 23.

Hon. Mr. Flynn: Since all these committees are going to sit during the week of April 23, is there any valid reason why the Senate should not sit during that week?

Hon. Mr. Martin: That is an argument we will want to consider tomorrow or Wednesday.

Motion agreed to.

AGRICULTURE

COMMITTEE AUTHORIZED TO SIT DURING SITTING OF THE SENATE

Hon. Leopold Langlois, 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, Tuesday, April 9, 1974, and that rule 76(4) be suspended in relation thereto.

Hon. Mr. Flynn: We can adopt the motion, especially when we have nothing before us, as was suggested by the Leader of the Government.

Hon. Mr. Langlois: We shall have plenty before us.

Motion agreed to.

PENITENTIARIES

VISIT BY PARLIAMENTARY DELEGATION TO MILLHAVEN MAXIMUM SECURITY INSTITUTION

Hon. Mr. Martin: I should like to inform honourable senators, if they have not already been informed, that on Friday the Solicitor General indicated that he was appointing a parliamentary group, one from each of the parties in the other place and Senator Hastings, to go to Millhaven Maximum Security Institution for the purpose of reviewing the current situation there. I think honourable senators will be happy to note that the interest Senator Hastings takes in these matters, and his compe-

tence in this field has been recognized by the Solicitor General.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: I wish him a safe return.

● (2030)

EASTER RECESS

TRAVEL ARRANGEMENTS FOR SENATORS

Hon. Donald Smith: Honourable senators, before the Orders of the Day are called, may I have your indulgence in order to carry out a commitment I made to Senator Buckwold after I returned to Ottawa this evening. I should mention that Senator Buckwold is acting on behalf of the government at a public event out West, and for that reason cannot be here.

Senator Buckwold had been in contact with officials of the Ministry of Transport and others with respect to arrangements for transportation for those who desire to take their wives and children to either the Western or the Eastern provinces. He was able to have the following notice sent to all senators from the Atlantic provinces:

There will be a DOT plane leaving on Thursday, April 11 at 9 a.m. for Eastern Canada, for senators, their wives and families. Would you please inform my office by Wednesday, April 10, if anyone will be going, and also whether your wife's name is to be included in the list. If children are expected to be travelling with their parents, please also include their names and ages. It would also be appropriate if you would leave a telephone number where you can be located in Ottawa, as well as your office, in case it is required to make some other arrangements.

Honourable senators, where the aircraft will be landing in each of the Eastern provinces has not yet been confirmed, but when the list of passengers is complete that will be determined.

Arrangements respecting transportation to Western Canada have not yet been completed. They are presently being discussed and it is hoped that it will soon be possible to send notices to all senators who might desire to avail themselves of such arrangements.

Hon. Mr. Riley: Honourable senators, may I ask whether Senator Smith can tell us what type of DOT aircraft will be available to take us home?

Hon. Mr. Flynn: Are you worried?

Hon. Mr. Riley: I am wondering whether it will be possible for us to get home before Easter Sunday.

Hon. Mr. Smith: If that is a serious question, I can only say I do not know what kind of aircraft it will be. I hope there will be better flying conditions than those on Thursday evening last. It took me until 6 o'clock the next morning to get to my place of residence. However, that was due to weather conditions and not the type of equipment used.

Hon. Mr. O'Leary: Honourable senators, I would like to suggest that matters of this kind which involve details of housekeeping should be discussed behind closed doors.

The discussion of these matters in the chamber only brings disrespect on the Senate.

[Translation]

BUDGET SPEECH

DATE OF INTRODUCTION—QUESTION

Hon. Mr. Asselin: I would like to ask the Leader of the Government whether he can say when the next budget will be introduced.

Hon. Mr. Martin: The date has not been set yet but I can tell the honourable senator that it will be after the Easter recess.

[English]

MOTOR VEHICLE TIRE SAFETY BILL

THIRD READING

Hon. Joan Neiman moved third reading of Bill S-3, 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, this bill was reported without amendment by Senator Haig, Chairman of the Standing Senate Committee on Transport and Communications, at our last sitting. I should like to take a moment to answer a question put to me earlier this afternoon by Senator Benidickson.

Hon. Mr. Benidickson: It was a question I raised at the first meeting of the committee.

Hon. Mrs. Neiman: Yes. It was with regard to studded tires and whether they would be covered by this legislation. Senator Benidickson indicated that he would like this question raised again, but, unfortunately, he was not able to be present at our second meeting, when the bill was reported, and I did not raise the question myself because I had expected him to do so. However, I have obtained some information from the Ministry of Transport which may be of some assistance.

Senator Benidickson had brought to my attention that there had been a certain amount of publicity recently in the papers about studded tires and the controversy, which apparently is still raging, with respect to whether they should be banned in Ontario. As a matter of fact, this question is of concern not only to Ontario but also to those parts of Canada which are generally regarded to be within the snow belt.

Mr. J. P. Vaillancourt, Assistant Director of Motor Vehicle Programs of the Road and Motor Vehicle Traffic Safety Branch, has provided me with a document entitled "Winter Tests," which has to do specifically with the testing of non-studded tires and studded tires. It is a comparison of studded tires with other types of tires, which was first carried out by the Canada Safety Council and later was done in conjunction with the provinces of Ontario and Quebec. Mr. Vaillancourt went over these results with me carefully and they seem to indicate clearly that, as regards safety, there is no appreciable difference between studded tires and non-studded tires under practically all conditions of travel. Mr. Vaillancourt made the point that because there is no significant difference, the whole area

is not one into which the federal government would interject itself. For this reason, therefore, it has been left to Ontario and Quebec to decide whether to legislate in this matter, and, as you know, Ontario has already decided to ban studded tires. There is reason to believe that Quebec, while it has the problem under active consideration at the moment, is also likely to ban studded tires in the near future. However, that is not something we can predict with any certainty at the moment.

I do not believe there are any other matters of import so far as this bill is concerned: it was discussed at length in our committee under the able leadership of our chairman, Senator Haig, but if there are other questions which senators would like to ask I should be delighted to try to answer them.

Motion agreed to and bill read third time and passed.

● (2040)

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1973

SECOND READING—DEBATE ADJOURNED

Hon. Leopold Langlois moved the second reading of Bill C-5, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

He said: Honourable senators, Canadian National Railways financing and guarantee bills have been presented to Parliament annually with the exception of the 1963 bill which covered both 1962 and 1963, and the 1966 bill which covered 1965 and 1966. Honourable senators may recall that the 1971 bill, which made certain provisions relating to 1971 and 1972, had not completed second reading in the other place at the time the 28th Parliament was dissolved. The present bill, which covers 1973, picks up those provisions, as required.

This 1973 bill sets out, in summary form, the amounts of CNR's capital expenditures for 1973, as presented in its capital budget for that year, totalling \$225,500,000. The bill also authorizes Canadian National Railways to make expenditures not exceeding \$75 million between January 1 and July 1, 1974, for obligations incurred prior to January 1, 1974, and to enter into contracts before July 1, 1974, for capital expenditures not exceeding \$167,500,000, for which payment will not come due until after 1973. These expenditures and commitments are in accord with the CNR's 1973 capital budget which was approved by the Governor in Council.

Six main objectives are being sought in this bill, most of which have had similar expression in previous financing and guarantee bills.

First, there are provisions authorizing Canadian National Railways to borrow up to \$21 million for financing branch line construction. This amount includes the financing of branch lines in excess of 20 miles authorized by special statute as well as the financing of those lines under 20 miles which do not require special legislation.

[Hon. Mrs. Neiman.]

Here I would like to open a parenthesis to recall to honourable senators the fact that in 1967, under the National Transportation Act, the authority to build a branch line without special financing authority was extended from seven to 20 miles.

Second, the bill provides for the continued purchase by the Minister of Finance of Canadian National Railways four per cent preferred stock through 1972 to the end of the calendar year 1973. This continues the practice of previous financing and guarantee acts. The 1970 financing and guarantee act extended to December 31, 1971, the expiry date of the authority granted by the Canadian National Railways Capital Revision Act of 1952 for the purchase of such stock equivalent to three per cent of the company's gross revenue.

Third, as in previous years, the bill provides authority for the government to make temporary advances to Canadian National Railways and Air Canada to meet deficiencies in operating revenues during the period from January 1, 1973, to June 30, 1974. Such advances are repaid later in the year from the companies' revenues. If the revenues prove inadequate, the insufficiency is covered by a parliamentary appropriation.

Fourth, the bill contains an option similar to that contained in the 1970 financing and guarantee act which would enable Air Canada to borrow \$140 million during the period from January 1, 1973, to June 30, 1974, either directly from Her Majesty or by means of a guaranteed public issue.

It also would renew the authority for the Minister of Finance to guarantee debentures amounting to the equivalent of £13 million, to be issued in the period from May 1, 1972 to December 31, 1976 by Air Canada in accordance with contractual obligations assumed by the airline prior to July 1, 1972. This is explained because the signing of these contracts, mostly with Rolls Royce of England, was delayed due to the financial and other problems which Rolls Royce had. That is the reason why authority is sought to finance these contractual obligations only at this date.

Fifth, the bill contains a section to increase to \$1 billion the limit on the amount of substituted securities that may be issued by the Canadian National Railways in respect of any refunding pursuant to the provisions of the Canadian National Railways Refunding Act, 1955. The total amount allowed or authorized at this time is \$680 million, which will be raised now to \$1 billion.

Sixth, and finally, the bill provides under clause 14 for the appointment of auditors for the years 1972, 1973 and 1974 to 1978.

Honourable senators, I think, before closing my remarks, I should stress the main points of this bill.

First, an important point is that it is essentially in the same format as in previous years; second, it provides Parliament, on a regular basis, with the opportunity to approve certain financing and guarantee authorities which both corporations require; third, loans to Canadian National Railways in the 18 months ended July 1, 1974, for financing capital expenditures, will be required only in respect of branch line construction. It is anticipated that the self-generated funds, and the proceeds of the preferred

stock issue, will be sufficient to finance other capital expenditures. Loans for that refunding are covered, as honourable senators know, by separate legislation.

Finally, the provisions for financing Air Canada are intended to continue the practice of covering the airlines borrowing requirements until such time as it is opportune to pass a bill to amend the Air Canada Act.

Honourable senators, I conclude by commending this legislation to your favourable consideration, and I remain at your disposal to supply you with any further explanation that you may wish to obtain in connection with it.

Hon. Mr. Grosart: Honourable senators, I do not intend to speak to the bill at the moment, but I would like to direct one or two questions to the sponsor.

He said that such bills as this have been presented annually with the exception of certain years. Is this the bill that is usually called "the annual CNR financing bill?"

Hon. Mr. Langlois: Well, it is not called "the annual bill," but it is presented annually as a rule.

Hon. Mr. Grosart: May I ask the honourable senator when such a bill was last passed by Parliament?

● (2050)

Hon. Mr. Langlois: Well, I am going to go back to what I said a short while ago. The 1971 bill, which dealt with 1971 and 1972, had not received second reading when the last Parliament was prorogued. So, to answer your question directly, the last bill was passed in 1970.

Hon. Mr. Grosart: Might I also ask the sponsor of the bill—and I draw attention to the fact that the bill is, by its title, a bill to "authorize the provision of moneys to meet certain capital expenditures"—how have the CNR and Air Canada been able to carry on their activities without authorization in the meantime?

Hon. Mr. Langlois: It is simply because the CNR and Air Canada are not by this bill seeking authority to spend money. This authority is given as soon as their capital budgets are approved by the Governor in Council, and the capital budget covered by this bill has been approved by the Governor in Council. This bill merely seeks authority to finance those expenditures which are not financed through generated revenues. I do not know if my honourable friend quite understands the distinction I am making, but it is a very important one.

Hon. Mr. Grosart: I am fully aware of the distinction, but I would remind Senator Langlois that the title of the bill is "An Act to authorize the provision of moneys—"

Hon. Mr. Langlois: It is the Canadian National Railways Financing and Guarantee Bill, 1973.

Hon. Mr. Grosart: May I just ask the sponsor if it is not so that the financing has been provided under the Canadian National Railways Refunding Act?

Hon. Mr. Langlois: I cannot answer that question specifically, and I would like to take it as notice. I think the railway has been financed either through generated revenues or advances and loans provided by the Minister of Finance.

Hon. Mr. Grosart: Honourable senators, this will be my last intervention. I always appreciate the care that Sena-

tor Langlois gives to questions such as these, and I would refer him, because it might be helpful in answering my last question, to the printed proceedings of the Standing Committee on Transport and Communications of the House of Commons, Issue No. 18, dated November 8, 1973, where the minister is reported to have said:

—because this bill has not been passed for a couple of years, have been made under the CNR Refunding Act—

Hon. Paul Desruisseaux: Honourable senators, I thank Senator Langlois for explaining this bill this evening, because I do not think we shall have much time to discuss it.

Bill C-5, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways and Air Canada, and to authorize the guarantee of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, was introduced in the other place on March 19, 1973. Its retroactive provision is with respect to the year 1972. This appears in clause 13. The bill covers the CNR and Air Canada financing for the period from January 1971 to June 30, 1974, a period of three and one-half years.

In the last Parliament, the predecessor of this bill was introduced as the Canadian National Railways Financing and Guarantee Act, 1971, and it covered the financial period from January 1, 1971, to June 30, 1972. That bill was brought forward for second reading on March 6, 1972, and on April 2, 1972, second reading was adjourned. Second reading was not resumed until the present session.

I am not an experienced parliamentarian, but I cannot help but feel that we are only trying to meet imaginary deadlines if we aim to have a clean slate at the time we recess for Easter. The history of this bill should be noted, and it deserves to be considered fully by us. I have the feeling—perhaps wrongly, but I don't think so—that too often we infuse into our thinking the idea that when a bill is sent here for consideration we have to pass it rapidly. My personal belief, and I have said this before, is that this kind of thinking and philosophy is wrong. It sometimes disregards the essential duties of senators and at times, indeed, is harmful to the Senate. Bills should never be rushed through this house for the accommodation of any pattern of thinking on the part of any one or any place. The time necessary should be estimated beforehand, and that time should be allowed the Senate for the proper consideration of any bill, even if there is a deadline to be met.

I say again, honourable senators, that before dealing with this bill, the Senate should, on its own and without interference or pressure from anywhere, decide what its own schedules are, while respecting the normal recesses of Parliament. In the case of this bill, no harm can result if the necessary time is taken for a serious study of its clauses.

[Translation]

Honourable senators, this is a bill of major importance. There remain, however, a number of constructive remarks which the members of the Senate could make. Actually, this bill deserves to attract our attention longer, without

necessarily interrupting part of our holiday or, for that matter, our parliamentary recess. I believe that in this case it is both the right and duty of the Senate to make recommendations for the purpose of improving this bill and increasing the effectiveness of operation of these state agencies.

During a recent financial lecture before the Winnipeg Society of Analysts, someone explained, in connection with the Canadian National Railways and Air Canada, how the government fumbled and goofed in its administration of various businesses under its jurisdiction. I do not mean this as a criticism, for it has already been recorded that the government some day will have to answer for that.

The books of these important state agencies indicate assets of over \$4 billion, but there has been no formal audit made for 1972 and 1973. Some people have claimed that this was due to a schism within the Cabinet, because the ministers could not agree on the person to be appointed as auditor for these state agencies. This does not appear to me to be valid. In fact, clause 14 would designate the people responsible for auditing in 1972, 1973, and, finally, the accounting firm which will be entrusted with the auditing for 1974 up to 1978. The point is that for many months nobody cared enough to carry out the annual audit which is required by law from all Canadian public agencies.

Bill C-5 was not given priority, nor was it considered urgent, until it got to the Senate where its passing now seems imperative before Parliament adjourns for holidays, unless we wish to sit here over that period.

Hon. Mr. Langlois: Absolutely not.

Hon. Mr. Desruisseaux: Would you kindly repeat?

Hon. Mr. Langlois: Absolutely not. What you said to the effect that we were under some pressure, that we were asked to give up our holidays to consider this bill, is absolutely contrary to what was said this evening by the Leader of the Government and supported by the Leader of the Opposition; that is, that we would take all the time required, that we would not give up any holidays; I am even ready to give them up, if need be, to come back here.

Hon. Mr. Desruisseaux: I thank Senator Langlois.

I must, however, point out that, for my part, I have heard that remark in the past, although it was explained to me only this evening. I am happy to learn that we will not rush this bill through. I noticed a while ago that the Leader of the Opposition seemed to indicate that he was in perfect agreement on that point. The remarks of the senator could not apply better. But I should also point out to the Senate that this occasion was not the only one, that I could mention many others where pressures were obvious.

Hon. Mr. Martin: Here there is no time limit.

Hon. Mr. Flynn: From now on.

Hon. Mr. Martin: We must take all the time required to study the bills.

Hon. Mr. Desruisseaux: I am glad to hear the Leader of the Government say this. I think that we shall have the opportunity to insist on it ourselves. This was not the case for certain bills during the last session, I have talked

[Hon. Mr. Desruisseaux.]

about it and protested against the procedure used at that time.

Hon. Mr. Martin: I often agree with you.

Hon. Mr. Desruisseaux: I cannot ask for more.

Hon. Mr. Flynn: The road to Damascus!

Hon. Mr. Desruisseaux: We are certainly not here to submit on occasion to this kind of pressure. This is what I wanted to say a moment ago. But this does not apply in this case. I would point out to you that this has happened a few times in the last session. I do not think that this is fitting nor acceptable for the Senate, and we should not let it happen again.

Hon. Mr. Martin: I fully agree with you.

Hon. Mr. Desruisseaux: I am glad that the Government Leader shares this point of view. I very much appreciate the Government Leader's opinion, especially now.

● (2100)

[English]

Paragraph 53 of the report of the Auditor General in 1973 underlined the fact that the financial statements of both Air Canada and the Canadian National Railways were unaudited. It says:

The CNR Financing and Guarantee Act, 1973, which would retroactively appoint auditors for . . . the years 1972 and 1973 has yet to complete second reading in the House.

That is in the notes of the Auditor General. His remarks continue:

In the absence of the passage of this legislation the crown corporation is unable to provide audited financial statements reporting on its 1972 operations. However, unaudited statements have been provided for publication in the Public Accounts.

To every business person, unaudited financial statements in the case of a public corporation are highly irregular and in an accounting sense unsatisfying.

Every public company is required to submit annual statements under the penalty of law and breach of faith to the public. In view of its obvious importance, why should crown corporations, especially of the importance of the Canadian National Railways and Air Canada, be excused, even for a time, from their most important legal responsibility?

In its 13th report to the House, presented in 1967, and circulated, the Standing Committee on Public Accounts wondered:

. . . that there is a weakening of parliamentary control when Parliament is unable to take the time to examine in detail the amounts being requested . . .

. . . parliamentary rules do not provide for immediate consideration of the Estimates . . .

And, I add, bills requiring moneys. It is then stated:

. . . after they are presented to the House so that the proposed spending can be approved and interim supply would not be required so extensively. It feels that the rules could and should be changed in this regard in order not only to strengthen parliamentary control of public funds but to give the Executive the

clear mandate it deserves in the discharge of its heavy responsibilities.

● (2110)

The report backs up the view that the Senate should be allowed sufficient time to study the situation. The Senate cannot disregard money bills merely because it feels that it has limited power in that respect. Such bills should not be simply waved through.

It would appear that the Canadian National Railways has only to give the government a promissory note for the hundreds of millions of dollars of taxpayers' money it may require, and if Air Canada requires money it has only to include the amount it requires on the face of that promissory note. For that reason a thorough survey should be held to examine the amounts authorized by Bill C-5.

A few moments ago Senator Langlois gave a good explanation of the reasons for the bill. In my opinion, such requirements should be considered in the light of the country's economic position. Parliament, and therefore the Senate, should be more selective in approving and authorizing such funds.

I have always been astonished that Air Canada is a subsidiary of the Canadian National Railways. Both companies have now fully matured and should be independent of each other, issuing independent reports and accounts to Parliament.

The present confusion in the accounting system of the Canadian National Railways and Air Canada should be clarified and true operating results provided for the information of the public.

Both the present Minister of Transport and his predecessor have declared that the Canadian National Railways' financial structure and the government's transport policies are in dire need of modernization and review. There is also a morale problem affecting both the CNR and Air Canada, the principal victim of which is the public. I would not want the government to be exposed to public criticism through closing its eyes to obvious and necessary changes in this field.

A few months ago the former Minister of Transport said:

I again claim that a reorganization of the structure is necessary in order that members and the country generally can obtain more information and obtain it more easily about all aspects of transportation.

With this objective in mind I propose to bring before the House next session three important pieces of legislation on which work is proceeding at the present time.

The first is a bill designed to reconstitute Air Canada as a separate crown corporation, thus divorcing it, as it were, from the CNR.

Hon. Mr. Grosart: Is the honourable senator quoting from a speech of the Honourable Mr. Jamieson in 1972?

Hon. Mr. Desruisseaux: Both the Honourable Mr. Jamieson and the Honourable Mr. Marchand have spoken on this subject.

Hon. Mr. Martin: Senator Desruisseaux is referring to the Honourable Mr. Jamieson.

Hon. Mr. Langlois: In 1972 it was Mr. Jamieson.

Hon. Mr. Desruisseaux: Yes, I am referring to Mr. Jamieson.

Hon. Mr. Martin: All the pearls were from Mr. Jamieson.

Hon. Mr. Desruisseaux: I shall continue to quote Mr. Jamieson:

I will also introduce a Canadian National Railways revision act and a companion piece of legislation covering amendments to the Railway Act.

You know how involved and far-reaching these changes are. They have been asking for them for the last few years.

We now have a new Minister of Transport, but I understand that his views concur with those of his predecessor. However, nothing has yet been done. Action is overdue, and until it is taken the efficiency and performance of these important crown corporations will suffer unnecessarily.

Hon. Mr. Asselin: Who said that, Mr. Marchand or Mr. Jamieson?

Hon. Mr. Desruisseaux: Those are my words. I am saying that. I believe that I have the support of many members of the public, as well as senators, when I say that unless action is taken the efficiency and performance of these important crown companies suffer unnecessarily.

The Canadian National Railways and Air Canada are outgrowing Parliament. They have gone beyond the priorities set in the National Transportation Act when those companies were established. The time is now opportune to examine to what extent Parliament is being bypassed by the CNR and Air Canada.

I am not blaming the companies for what has happened. Parliament makes the rules and the companies abide by them. Any criticism that the passage of this legislation would be delayed by examining the measure in committee would be sheer nonsense. If passage were delayed, it would simply mean that the Canadian National Railways and Air Canada would have to borrow the money on the commercial market until the bill was passed.

I wish now to raise another point. We are well acquainted with the poor quality of answers received from the Canadian National Railways and Air Canada—and even from the Ministry of Transport—to our questions. We must seek better avenues of cooperation in order that we may be provided with clear answers. In asking questions we do not expect in reply to reap either confusion or evasion, as was the case recently.

● (2120)

I must say that both the Canadian National Railways and Air Canada have contributed a great deal over the years of their operations to the Canadian economy, to our travelling comfort and our welfare generally. In spite of imperfections, and curtailment of some of the services on occasion, we are proud of their achievements and their general good service to the public. Our criticisms at times are aimed at correcting those imperfections and at helping them reach new heights of good service to the public.

I would hate to think that by speaking in the manner I have on this bill, I have only taken up some of the valuable time of this chamber—time that could have been

utilized in passing this bill quickly. There is no doubt in my mind that Bill C-5 must be passed. The borrowing power is to authorize what has already taken place, and the guarantees are necessary to allow these crown corporations to obtain necessary revenues at more favourable rates than those of the marketplace.

I will support Bill C-5. I do hope, however, that we will be given an opportunity to study the bill thoroughly in committee.

On motion of Senator Grosart, debate adjourned.

THE SENATE

PRECINCTS AND CLERESTORY OF CHAMBER—DEBATE CONTINUED

The Senate resumed from Thursday, April 4, the adjourned debate on the inquiry of Senator Connolly (Ottawa West), calling the attention of the Senate to certain elements within the precincts of the Senate Chamber and in particular to its clerestory.

Hon. Eugene A. Forsey: I apologize, honourable senators, for not being in my place. The pace was too good to inquire, so to speak.

I rise with great pleasure to support the inquiry of the Honourable Senator Connolly (Ottawa West), and with even greater pleasure because I am going to speak very briefly. One of my colleagues, soon after I came here, reproached me for being much too verbose. I hope I shall not merit that particular reproach tonight. The reason I

am going to be very brief is the excellent one, that the preceding speakers in this debate, notably Senator Connolly himself and the Leader of the Government, have covered the ground so thoroughly and so admirably that there seems to be very little left to be said. I merely wish to underline the points they have made in speaking of the importance of this subject and to suggest that it very much deserves, in my judgment, to be referred to a committee of this house for study.

I emphasize that last particularly, because I have heard rumours that some person or persons unknown, some authority or authorities unknown, have been toying with the idea of doing certain things to the general decor of this chamber without any by your leave from the Senate itself. I think we should make very certain that anything that is done to the arrangements of this chamber should be done only by the decision of the Senate itself, or with the consent of the Senate itself, after due inquiry into the various proposals which Senator Connolly sketched out for us and the various considerations which the Leader of the Government and others laid before us the other day.

That is really all I wish to say. I hope I have not so conducted myself that someone who is expecting to adjourn the debate after me is not present and cannot do so. If that is the case, I shall be glad to adjourn the debate on behalf of that honourable senator, but I really do not see why I should trespass upon the time of the house to repeat badly what has already been said excellently by the speakers who have preceded me.

On motion of Senator O'Leary, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Tuesday, April 9, 1974

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

Prayers.

NATIONAL FINANCE

COMMITTEE AUTHORIZED TO SIT DURING ADJOURNMENTS OF
THE SENATE

Hon. Leopold 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 during adjournments of the Senate.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1973

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Senator Langlois for the second reading of Bill C-5, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

Hon. Allister Grosart: Honourable senators, this is, as we all know, a very important bill. I congratulate Senator Langlois on a very thorough explanation of the amounts in the bill, even though he did not consider it necessary to go into some parts of the bill's background. I will attempt to fill in part of that omission.

Hon. Mr. Langlois: And I will fill in after you.

Hon. Mr. Grosart: I, of course, heard Senator Langlois' speech but I regret to say that I have not read it. Perhaps I should call attention to the fact that as late as a quarter to two today it was impossible to obtain a printed copy of yesterday's Senate *Hansard*. There may be some particular reason for that, but I found it somewhat difficult in preparing my remarks not to have before me Senator Langlois' explanation. I have it now, but I have not had an opportunity to read it in the last 15 minutes.

Honourable senators, this, of course, is not the only bill that deals with the financing of the CNR and Air Canada. There is a whole group of bills under which the operations of these two important companies are carried on and under which their financing is approved, not always, of course, by Parliament. I shall have something to say about that in a minute.

These bills and this whole subject of the operation and financing of the CNR and Air Canada are, as the house is well aware, the subject of innumerable debates and discussions in the other place. When I called for the proceedings in the other place and its committees dealing only with this bill and its immediate predecessors, the stack was over a foot high. This is to indicate the amount of discussion that has gone on about this important subject now before us. However, it is not my intention today to go into any of the ancillary matters that have taken up so much of the discussion in the other place. Because of the utter mess in which transportation policy is in Canada now, and the long mess that has surrounded this whole business of financing CNR and Air Canada, members of the other place have naturally taken every opportunity, regardless of what the bill was, or whether it was an annual report of one of the companies, to ask questions and air their grievances, treating these bills, in effect, as supply bills.

Today I will not go into ancillary matters such as the propriety of the STOL operation, the question of hostesses, which has been discussed, the landholdings of some of these companies, the advisability or otherwise of the expenditure on the CNR tower in Toronto, the situation in regard to grain cars or hoppers, the deficiency of which is alleged to have cost Western Canadian farmers \$500 million this year, nor the question of level crossings and the very high accident rate, which concerns many people, nor the derailments, nor the somewhat extraordinary operations such as Air Canada's purchase of or buying into Wardair and the Comstock Company, or the broader question of the CPR nationalization, which of course has been discussed in these debates. All these matters are important, but what we have before us is this particular bill which deals strictly with the financing of these two companies.

I would call attention to the name of the bill:

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

Honourable senators who have been attending debates here on this subject will not be surprised when I say that some of the moneys this bill provides have already been spent, and that some of the guarantees to be authorized under this bill have already been made. This is the old story, part of the mess of which I have spoken, which this bill represents.

The bill itself deals basically with financing, with "parliamentary control," which I put in quotation marks

because the degree of parliamentary control over CNR and Air Canada is about as minimal as the control of any crown corporation can be, even of a proprietary corporation under the Financial Administration Act.

There is a long, long history of dissatisfaction with this so-called annual bill. No matter how far you go back in the records, I can find nobody who has ever said it is a good bill. I have never heard of anybody, no minister introducing it, nobody supporting it, who has said that this bill is in itself a good bill. On the contrary, I have heard many other views. Honourable senators will remember, for example, that the minister who preceded the Honourable Mr. Marchand, namely, the Honourable Mr. Jamieson, had this to say the last time this type of bill was before Parliament:

I do not want to take responsibility for something that has been embedded in the system for decades really, but nevertheless it is something that, in my judgment, we ought to get rid of or improve in some way so that we do not have the kind of situation where it is, in a way, an after-the-fact judgment.

● (1410)

That was the Minister of Transport in 1971, and this is the year 1974.

Hon. Mr. Martin: What did Mr. Hees say in 1961? He was very enthusiastic, was he not?

Hon. Mr. Grosart: I beg your pardon?

Hon. Mr. Martin: I was just wondering if in 1961 Mr. Hees did not express himself in what might be called a natural and typical form of enthusiasm.

Hon. Mr. Grosart: I have to say to the honourable Leader of the Government that I did not go back that far in my research.

Hon. Mr. Martin: I just asked the question.

Hon. Mr. Grosart: I am replying that I do not know, because I did not go back that far. I very much doubt that even Mr. Hees—who was perhaps one of the most enthusiastic Ministers of Transport that we have had in many years—would have said that this was a good bill.

Hon. Mr. Langlois: May I point out that the minister responsible for that bill is the Minister of Transport, not the Minister of Finance.

Hon. Mr. Grosart: Of course. That is a very interesting observation, because this is exactly part of the utter confusion—the multiplicity of bills. It is interesting that Senator Langlois should have raised the question. The Minister of Finance, when he was before the committee, said over and over again that it had nothing to do with him, that it was a matter we would have to take up with the Minister of Transport. He said that all he does is find out whether they need the money, and then the Minister of Transport is responsible for making sure, if he can, that the money is well spent.

I said that this bill deals with financing, parliamentary control, and auditing. The situation is that this "annual" bill has not been before Parliament in the last two years. We had the 1970 bill, which covered the provision for some funding of the Canadian National Railways and Air

[Hon. Mr. Grosart.]

Canada up to June 30, 1971. That was the 1970 bill. There was no 1971 bill, no 1972 bill.

Hon. Mr. Langlois: There was a bill in 1971 but it was not passed before dissolution.

Hon. Mr. Grosart: There was no 1971 bill equivalent to this. There was no 1972 bill. The bill we have before us is actually the 1973 bill, which provides for the financing of the Canadian National Railways and Air Canada for the whole year 1973—which has gone by, of course; yet we are being asked here to authorize the provision of moneys and to authorize certain guarantees, all of which is retroactive, but even this bill will run only until June 30 of this year. I suppose that another bill will be introduced then—we might get it in 1980—a bill which will be retroactive in the same way as this bill is retroactive.

I say the bill is a farce. The title is misleading. At least two presidents of the Canadian National Railways and Air Canada made the point that the title is absolutely misleading, and the present Minister of Finance agreed that that was so. The former president of the CNR had something to say about this bill. I am speaking of Mr. Vaughan who, when he was before our committee, actually said:

The Canadian National Railways and Air Canada would like to see this mess cleaned up. We are prepared to submit to the government the kind of bill that will make sense, that will get through Parliament in the normal way. I would be glad, and my people would be glad—

Hon. Mr. Langlois: How could he guarantee that it would get through Parliament in the normal way?

Hon. Mr. Grosart: I said that he said that was his hope and that he was prepared to submit to the government a mechanism, if you like, which in his view—and I would respect his view—would provide the kind of bill that Parliament could deal with more expeditiously than it seems it can deal with this kind of bill. He said:

I would be glad and my people would be glad to advise the government and assist the government in dealing with this legislation and the improvement of this legislation.

Nothing has happened. He points out that the problem is the measure of accountability and control. He has asked the government how proprietary corporations are to be operated and what is the measure of control that the Parliament of Canada is to have over them. Here is the president of a corporation with assets of \$4.5 billion, who has to say: "We would like to be told what our responsibility is to Parliament." And they have not been told.

I say the bill is a farce. There is no provision in the bill, for example, for dealing with the problem of the spin-off of Air Canada from the CNR; yet the Minister of Finance, Mr. Turner, has himself said he is in favour of it. Even five years ago there were expressions that this should be brought about. Again we had the president of the CNR saying that it made no sense that the CNR was the only shareholder in Air Canada.

Clearly, it makes no sense that we should have a CNR financing bill which provides for the financing of Air Canada.

The bill is a reflection of the kind of absurdities which can develop on a question of auditing. Honourable senators will be aware that although we have not had these annual bills for the last two years, we have not yet had a signed audited statement.

There are various theories as to why that has happened. I will not go into them now, except to say that a statement has been made about the auditing situation by someone I regard as an independent witness. This statement appeared in the *Financial Times* of February 11 and is headed, "Who cares that CN's report is unaudited?"

Hon. Mr. Langlois: Would the honourable senator permit a question? Does he mean to suggest that there was no auditing done? Is that what he is trying to say?

Hon. Mr. Grosart: Apparently the honourable senator was not listening to me, because I made it quite clear that—

Hon. Mr. Langlois: Would you please answer my question.

Hon. Mr. Grosart: My statement was quite clear that there had not been a signed audited statement. That is what I said.

Hon. Mr. Langlois: Do you admit that there was an audit done, a continuing audit done, even if the auditors were not appointed by Parliament?

Hon. Mr. Grosart: Of course I agree.

Hon. Mr. Langlois: You agree to that?

Hon. Mr. Grosart: I have not said that the statement was not audited. I said that the auditors did not, would not and could not sign it, and I suggest to the honourable senator that if he were the director of a company and found himself in the position where his auditors could not and would not sign the audited statement, he would be running for cover much faster than the government appears to be running for cover in this situation.

Hon. Mr. Langlois: This happened in 1963, too.

Hon. Mr. Martin: And before that, too.

Hon. Mr. Grosart: I am not particularly concerned with what happened before 1963, or before 1867 for that matter. I am only concerned with the present case.

Hon. Mr. Martin: Before 1963 you had a great deal of influence, though.

Hon. Mr. Grosart: That allegation was made in some headlines by the present Leader of the Government. I denied it at the time and I deny it now.

Hon. Mr. Martin: Well, I assure you that I never said that before. I just said it to try to make my honourable friend's course a little easier today. That is all.

Hon. Mr. Langlois: You are simply too humble.

Hon. Mr. Grosart: As a matter of fact, I thank the Leader of the Government and any other senator who on this particular occasion will help to make my course easier. I confess that when I got into the evidence of this mess I remembered my doctor's orders that I was not to get excited, and I took a tranquilizer before entering the chamber.

Some Hon. Senators: Hear, hear.

Hon. Mr. Grosart: The statement that I referred to in the *Financial Times* is to be found at page 9 of the issue for February 11, 1974. The article refers to Mr. Richard Lafferty, head of Lafferty Harwood & Partners Ltd., a Montreal firm of investment analysts. Apparently Mr. Lafferty, in addressing the Winnipeg Society of Financial Analysts at the beginning of February, stated: "The 1972 financial statement of the CNR is not audited". I am not saying that Mr. Lafferty is correct there, but he says that the 1972 financial statement is not audited "because there is a schism within the Cabinet as to who should derive the benefits of the patronage, and so the appointment of auditors is unresolved."

● (1420)

I am not saying I know that to be true, it is just a feeling that has been engendered apparently in the financial community. But he goes on further to say that he would like to address himself to the question of:

how badly the federal government handles those businesses for which it is already responsible.

With that I leave the question of auditing, but I say again that it is an utter disgrace that the financial statements of these two large and important corporations should not have been signed by their auditors in these two years, whatever the reason may be.

Hon. Mr. Benidickson: What two years?

Hon. Mr. Grosart: 1972 and 1973. They have not been signed by the auditors for those two years.

Hon. Mr. Benidickson: We haven't even got the statements for 1973.

Hon. Mr. Martin: The bill was not passed.

Hon. Mr. Langlois: Because Parliament did not legislate at all.

Hon. Mr. Grosart: I would be quite happy if the three honourable senators on the other side wanted to carry on a debate on this subject, but the only suggestion I would make is that they should speak a little louder because I would like to be in on it. I am not objecting, but I would like to have heard what was going on, particularly what Senator Benidickson said, because I am sure he will have some comments on this. There is no member of this Senate, as far as I am aware, who is so fully informed on this matter as he is. I shall be very much surprised if he does not support some of the statements I have made.

Some reference was made in the front bench debate on the other side to the fact that something was not passed through Parliament.

Hon. Mr. Martin: No, not at all.

Hon. Mr. Grosart: Well, I thought I heard that phrase, but it does not matter.

Hon. Mr. Martin: I just said how well Senator Grosart is speaking.

Hon. Mr. Grosart: If the Leader of the Government keeps this up, then I will not have to take the other half of that tranquilizer.

Then we come to the final statement on this matter, Mr. Marchand's statement on March 7 that our transportation policy was in a mess—and there must be a little Irish in Mr. Marchand because he went on to say immediately that we have no transportation policy. But I think we all got the point of what he meant; that is, if we have one, then it is a mess, and what we are dealing with today, of course, is merely a part of that mess.

The question of the slow progress of these bills through Parliament is rather interesting. CNR and Air Canada operate on a calendar year and not on the fiscal year that the government operates on. I have often wondered why in these bills we have provision for a year, usually the year just passed, and then for an ongoing period of six months. That is the case with this bill. The CNR said that the reason is that, "We are never sure if we can get these bills through Parliament, and therefore we are giving ourselves an extra six months so that when the bill does get through, when the government manages to move it up in the priority list to get it through Parliament, we won't be too far behind." So we are in the happy position, honourable senators, if it is a happy position now, of having before us in this particular bill authorizations for 18 months of which only 16 have gone by. That is the situation—16 months of the 18 months in spite of their hope that by giving themselves an extra six months they could put themselves in the position where they could operate without going through some of the very, very strange wordings that I will refer to in a minute.

One of the problems here, of course, as I said at the start, is that we are dealing with so many acts of Parliament, and just to mention a few—and these are not all—that I have run across in my reading, there is, of course, the CNR act itself, the National Transportation Act, 1967—now generally described as one of the disasters of our time, and a continuing disaster, apparently—the CNR Capital Revision Act, the CNR Refunding Act, the Maintenance of Railways Operations Act, the CNR Financing and Guarantee Act which is this one, and the various regional acts such as the Atlantic Region Freight Assistance Act, and many more. Then, of course, there is the Financial Administration Act which governs these companies in their capacity as proprietary crown corporations.

When this bill goes to a committee of the Senate, and I hope that it does go to such a committee and I shall speak to that point later—

Hon. Mr. Langlois: It will.

Hon. Mr. Grosart:—I am going to suggest that this is one of the matters that the committee could address itself to. There is no reason in the world why all these acts could not be consolidated into one act. This would be a tremendous improvement in the situation, because I have no doubt that those who have not inquired into the situation will be saying, "If there wasn't the annual Financing and Guarantee Act covering 1971 and 1972, how did they carry on? How did they operate?" Well, they do so in various ways.

It is fair to say, I think, that I am not generally critical of the CNR or Air Canada in their financing operations. I have great sympathy with their problems, and it is also fair to say that certainly in the case of the CNR, they have generated out of their own revenues most of the capital

[Hon. Mr. Grosart.]

they have required. The large totals, to which one could add up all the amounts in this bill, are in themselves deceiving. We have had talk about "billions of dollars" of public money, but I admit immediately that that is not the case. There is probably not more than a million dollars, most of it in loans, with probably \$23 million or so in the branch lines—

Hon. Mr. Langlois: There are \$21 million.

Hon. Mr. Grosart: Yes, \$21 million, and another \$40 million—which would be two amounts of \$40 million each taking into account the two years 1973 and 1974—in the purchase of preference shares. That, I think, is about the total of actual demand on the government, and that is about the total that we are required to authorize as an outflow of government money. I say that because I want to be fair.

Speaking of the slow progress through Parliament, it is easy for the government to say, "Well, it is very hard to get bills through Parliament." But the reason it is hard to get this bill through Parliament is that it encourages members in the other place to raise every kind of criticism they have from the abandonment of a branch line to the length of the skirts of the hostesses on Air Canada. If the government were to restructure this—and I would hope that this is something our committee might address itself to—so that that kind of debate would take place on the presentation of the annual reports of CN, Air Canada and CP as well, which I think is the proper place, then the debate on this bill could be limited to the problems of the financial structure of CN and Air Canada, both of which are totally inadequate to the discharge of the responsibilities that have been placed upon them by Parliament.

This bill, for example, is the grandson of Bill C-4, which was the annual bill for 1972 and which the government never got through Parliament, and the son of Bill C-164, which would have been the 1973 bill, and now we have Bill C-5 which is in fact almost a dead issue because it is only effective for another two months. Indeed, so extraordinary is the situation that the bill before us is only before us because Parliament agreed to the ministry's suggestion that the bill of last year, March 8, 1973 be advanced to the report stage in this Parliament. In other words, they said we will take all the discussion that has gone on in committee as having taken place with respect to this bill which, of course, it did not. This is the kind of absurdity which the government is getting itself into by its mismanagement of Parliament.

● (1430)

I said one of the problems here is the lack of parliamentary control. This complaint has been made for years. Nobody has received this information, not even as I quoted, the former president of the CNR and the president of Air Canada, who have both pleaded with the government to advise them of their relationship to Parliament.

I do not intend to go into the whole long question of the various types of crown corporations, their responsibilities and the degree of parliamentary control of each kind of corporation, but it is quite clear that there is no definitive understanding on the part of Parliament, the government, or these corporations as to what their relationship is to parliamentary control. I am not saying that every crown corporation should be completely subject to parliamentary

control in all its operations. That would be impossible, but the limits, the parameters of parliamentary control must be laid down. This is another case where a Senate committee could very well at least suggest, if not initiate, legislation to effect.

I said how did they get along for two years? Well, one thing, as Mr. Turner knew well, is that there is an act called the Canadian National Railways Refunding Act, under which he could make some temporary loans, apart from the fact that this bill is intended to cover this whole area. But he said, "We will lend you some money under that act but for the rest you will have to go and borrow from the banks." In one, I think, unguarded moment the minister said it was urgent to get this bill through. That was last year. It was urgent that we get it through before the end of the year. He was asked why. "Well," he said, "because the bank rates are so high and the government can lend the money at much lower rates." This is true, of course, but this is merely another form of subsidy. I am not sure that it would be the worst thing in the world if the CNR and Air Canada were required to borrow their money at current rates. It would result in some difficulties, but with the proper restructuring of both of them they could be put in a position where they would be able to go to the market for their money and not rely on some of these very shadowy, if not shady, devices such as the purchase of preference shares. This was again made possible under a former act—I think it was an act of 1952—under which we were in the fiction that the government bought preferred shares in the CNR but actually just gave them the money, of course. It is true that those preferred shares, I think during the war years, paid a dividend. Perhaps that was also so in an odd year since the war, but it certainly did not occur very often. In my opinion there is a very general realization that the purchase of preferred shares by the government, as is provided for in this bill, is merely a fiction to cover up the real extent of the government financing of the CNR. Again, I am not critical. I am not one who suggests that the CNR or Air Canada should be required to show a profit every year. I am not arguing that point. I am merely saying that it is important that we clarify the situation and, instead of having all these devices to cover up the deficits or to provide the necessary capital, we have it clearly stated and done the way it would be done in an ordinary business, which is certainly not the way it is done here.

Mr. Turner, very much to his credit, did provide the other place with two complete tables showing how the CNR and Air Canada got along and what the sources of their funds were during that period. The tables are to be found at page 49 of the proceedings of the Transport and Communications Committee in the other place of November 8. They are in an appendix.

I do not intend to take time to run down the various clauses of the bill. Senator Langlois explained in perfectly correct and valid language the meanings of these clauses, and I have no quarrel with that explanation within the limits of its intention.

At the moment there is, I think, a general tendency around the country to say, "Well, let's not worry too much about this." We have had Mr. Marchand's confession that the whole thing is a mess, and on two occasions he has

made it clear that if he is not satisfied that it will be cleaned up he will resign. He has said that twice. I see the Leader of the Government looks askance, but I have the references. He has said twice, once on the radio, I believe, and once in the House of Commons, that if this mess is not cleared up, I take it to his satisfaction, he will resign. In my point of view that is very heartening.

Hon. Mr. Martin: I only know of one administration of which that seemed to be a habit.

Hon. Mr. Grosart: It has not been a habit of the present minister, and that is probably what makes it all the more significant. As a matter of fact, there is an administration that has been in office now for about 10 years which has had a good many resignations, due to some of which, I must say, we in the Senate were great beneficiaries, including that of the Leader of the Government.

Hon. Mr. Martin: Would you explain that a little more? I find it subtle.

Hon. Mr. Grosart: I am delighted that the Leader of the Government finds it subtle. Perhaps I should leave it at that, because in my opinion it is always a mistake to attempt to explain a subtle remark that is given as a compliment.

Hon. Mr. Smith: Some of us understand it.

Hon. Mr. Martin: If it was a compliment, I really wish you would go into the details.

Hon. Mr. Grosart: I will conclude my remarks by saying that we are delighted to have this confession and its implications but, as someone else said, and I think very wisely, even a good confession is no substitute for competence.

Hon. W. M. Benidickson: Honourable senators, Senator Grosart indicated that I probably would, or should, say something with respect to this bill. It is true that a bill in this form is something with which I am familiar. For six or seven years I was in the other place the sponsor of a bill of a similar nature. Then, later, for a few years I was on the other side in that house and was asked to speak, if appropriate, in a critical manner with respect to such bills. However, it is my recollection that in those years when such a bill was presented it was more up-to-date in its subject matter than it would appear this bill is today. As Senator Grosart has pointed out, it is a very peculiar situation. As I see it, in accordance with practice and, I think, in accordance with law, the last properly presented bill was for the annual calendar year 1970. Perhaps there is some complicated method of explaining how the Canadian National Railways and its subsidiary corporation, Air Canada, got funds to keep operating in 1971 and 1972, but I personally am not too well acquainted with it. Today I rise chiefly to emphasize the importance of this body in utilizing one of its committees to inquire and get explanations of these rather unusual methods of carrying on business of the substance of these two large corporations.

● (1440)

I want to avoid repeating what has been well said in this debate by other senators, but I do not think there has been such mention of a point that I think the committee should question particularly. I do not think it has yet been point-

ed out that we are being asked in this bill to authorize expenditures required chiefly for the calendar year 1973, and we are doing so without having before us the annual reports for the year 1973. The latest annual reports for the CNR and Air Canada of which I am aware are those for 1972. I say that this bill should go to a committee for study, and I do not think it is proper, or that it is perhaps even contemplated by anybody, that we should dispose of our inquiries prior to the proposed adjournment for Easter. Indeed, it might take a considerable period of time after Easter to inquire properly into some of the transportation questions that have so far been raised in this debate, in the press, and in many other quarters across the country.

With regard to the matter of urgency, I would say that if we got along without legislative enactments for financing expenditures in 1971 and 1972, and if we are going to deal now in this bill with 1973 expenditures retroactively, I cannot see too much pressure or urgency for action in this chamber at this time. I therefore think that this has no effect upon either the time we rise for the Easter recess or the time that we are asked to come back after that recess.

The failure to provide a 1973 report prior to the time we consider 1973 operations is unfortunate. In addition, I do not think it is necessary. Last week the *Financial Post* published a fairly substantial advertisement, which doubtless was presented by the Canadian Pacific Railway, entitled in big letters, "1973 Annual Report." In smaller print it goes on to outline some of the highlights of that report. I personally have not yet received in the mail, as I usually do, and as all members of Parliament usually do, a copy of the report. But here is a summary in this publication. Dealing with the financial figures, it gives a statement of income in 1973 and compares it with the income in 1972, illustrating increases and decreases as they apply. If a committee is properly to consider the 1973 financial requirements of the Canadian National Railways and Air Canada, even in retrospect, we should at least have some statements, even if they are not finally audited, about the 1973 operations. It has been possible to do that, as I say, with the other large railway operation, Canadian Pacific Limited.

When listening to Senator Grosart this afternoon, I was reminded that the last time we had a debate in this chamber of a similar nature to the one we are having today, and continuing on from yesterday, was in 1971. Some of the references Senator Grosart was making this afternoon must really refer to what, for instance, Mr. Vaughan was saying in 1971. It related to the necessity for revisions of our statutes. It was in 1971, I think, that he and senior officers of the Canadian National Railways said that if invited they would be willing to assist officers of the government in designing legislation that might assure parliamentary control, and yet not be as cumbersome as experience forces us to believe the present legislation is. Even when the 1972 CNR report was presented in Parliament as long ago as June 5, 1973, the minister was obliged to say in presenting it:

The annual reports—

That is the reports of the Canadian National Railways and Air Canada.

—are tabled now in order to conform as much as possible to the existing legislation, and to give hon.

[Hon. Mr. Benidickson.]

members the opportunity to examine the activities of Air Canada and the Canadian National Railways for 1972.

I suggest that if a committee is to undertake this examination, we should make some inquiries about what, if any, statutes have been breached in the last several years, and perhaps assist those responsible in designing, or making suggestions for designing, alternative legislation that will prevent a veiled excuse of this kind being necessary when an important report of this kind is presented to Parliament.

There is one other thing that I should like to draw to the attention of the house at this time on second reading debate on the subject. It has been intimated to me that a convenient way of getting parliamentary authority for the financing of these two crown corporations, as an alternative to the method that stems from existing statutes, might be to eliminate the statutes and proceed simply by means of items in the estimates. Senator Grosart and I, and others, have for many years been protesting the increasing amount of legislating being done—recently less conspicuously—in this way, by language attached to items in the estimates.

In this chamber there is no limit to the discussion of any item in the estimates. Under the recent new rules in the House of Commons, however, there is some limitation on the time allotment for debate in that chamber itself of items in the estimates. In committees of the whole for discussion of supply, time is not limited but it is not as widely made known. It is conceivable, therefore, that while discussion might be limitless in committees, it might come to a point where practically all the allotted time for House of Commons chamber debate would have expired before such large items as are mentioned in a bill of this kind, if placed simply in the estimates, came before the main chamber in that house.

● (1450)

Honourable senators, I want to say something about the capital structure. From perusal of some of the last evidence of the committee on Transport and Communications of the other place, which was heard last year prior to December when a final report was made, I note that we got, as we have over the years, particularly from those with socialist ideas, the thought that we should again wipe out some of the capital debt obligations of the Canadian National Railways.

I would like to see the justification of this studied by the Senate because, as I pointed out on I think, March 6 or 7, 1971, there was a massive revision of the capital structure of the Canadian National Railways in 1952. It seemed to be a revision that had then endorsement from senior officers of the Canadian National Railway Company.

There are some members of the other place—usually those with deep socialist philosophy—who think that the lot of a crown corporation should be made as light as possible, without regard to standard business practice or respect for obligations incurred and the ensuing obligation to pay interest on borrowings that have occurred. I want to repeat that I thought the revisions of 1952 made it fair to the railroad to go ahead with the expectation that its operations would generate income adequate to pay interest on the written-down debt as then arranged. The

revised capital structure seems to have been satisfactory to all then.

If it has been forgotten, not only by some members of Parliament but even now by some officers of the railroad, I want to quote from the Annual Report of 1952, after this financial revision, the words of Mr. Donald Gordon, who was then the president of the CNR. Under the heading "Revision of the Capital Structure", he had this to say:

The Canadian National Railways Capital Revision Act, 1952, which received Royal Assent on July 4th, was based on the findings of the Royal Commission on Transportation appointed on December 29, 1948, to examine and report, among other things, on the capital structure of the Canadian National.

The effect on the Balance Sheet of the adjustments made by the Act are illustrated on page 34. The major changes can be summarized as follows:

1. Interest-bearing debt to the amount of \$736,385,405, representing half of the Borrowed Capital outstanding on December 31, 1951, was exchanged for 4 per cent Preferred Stock, on which non-cumulative dividends must be paid to the extent that earnings are available after income tax has been paid.
2. Outstanding loans from Government to the amount of \$100 million were converted into a 3 5/8 per cent twenty-year debenture maturing January 1, 1972, on which no interest is payable for the first ten years.

Before I quote further from this reference to the revision of the capital structure of the CNR, I want to make a personal observation. As Senator Grosart also pointed out, in subsequent years some of this revised debt continued to be a forgiven obligation with respect to interest.

In the 1952 annual report Mr. Gordon continued:

3. The capital stock of the Canadian National Railways Securities Trust was transferred to the Canadian National Railway Company in exchange for a like amount of the Company's capital stock.

Again as an aside, I would suggest that when the committee sits this year it inquire as to the dollar values of that transaction. The CNR president added:

4. In each of the years 1952 to 1960 inclusive the Government will purchase 4 per cent Preferred Stock in amounts equal to 3 per cent of the annual gross revenues, these funds to be used for financing capital improvements.

Of course, these applicable dates have again also been extended by statute. I think, however, we should inquire as to the total funds provided up to the end of 1973 for the purchase of low interest 4 per cent non-cumulative preferred stock. We should find that in the latest report we have, but it is only an amount to the end of 1972. Certainly we should now have not only some preliminary figures for 1973—I am sure they are available—but we should be told the amount of those advances from 1952 to date.

Hon. Mr. Grosart: They got \$1.2 billion.

Hon. Mr. Benidickson: To the end of 1972?

Hon. Mr. Grosart: Yes.

Hon. Mr. Benidickson: Yes, it would probably be \$1.2 billion to the end of 1972?

Hon. Mr. Grosart: Yes.

Hon. Mr. Benidickson: Honourable senators, without taking further time, I would like to draw attention to a very good outline of the problems respecting railway operations today in the eyes of the present Minister of Transport. These views are outlined in a very prominent section of the Toronto *Star* of April 6, last Saturday. The heading is: "Our 'National Dream' Railway is Jean Marchand's Nightmare." I will not even capsule the various items that are said to be of great concern to him, and will be of concern to our committee when it sits to discuss this financing and guarantee bill.

Honourable senators, that is all I will say at the moment. I feel the Senate could fulfil a very important role by taking an objective look over the past, and having a discussion with the Minister of Finance who has presented this bill for our consideration at this time. We should examine also the Minister of Transport and his relationships with senior officials of both crown corporations, and consideration could be given to what is—and I agree with Senator Grosart on this—an urgent need for revision and streamlining for the benefit of Parliament of existing statutes that relate to this type of financing.

[Translation]

Hon. Martial Asselin: Honourable senators, I would like to make a few comments concerning the bill now before us. We need not go into detail since we will probably have the opportunity of doing so before the Senate Committee on Transport and Communications, and putting the questions that not only we but also the Canadian taxpayers have been asking themselves for a while on the operations of the Canadian National Railways and Air Canada.

I will confess quite frankly that I always found the bill now before us extremely strange. If I remember correctly, this bill is introduced annually even though an exception was made in 1972 when the House of Commons did not have time to consider it and neither did we. I find it strange to hear a financier—

Hon. Mr. Langlois: You are clever.

Hon. Mr. Asselin: As I say, what I find strange is that Senator Langlois, a business man, the director of several companies, should have accepted to move a bill through which we are asked to pay the debts incurred, without a financial statement having been submitted by the authorities of the company concerned.

Hon. Mr. Langlois: The godparents do not choose their godchildren: the parents do.

Hon. Mr. Asselin: I know Senator Langlois as an administrator and director of responsible companies, and he is asking us to pay bills retroactively, when he has not been handed a financial statement, when no financial statement has been signed by auditors, as Senators Grosart and Benidickson pointed out. We are asked, under articles 9 and 11 of the bill, to cover debts from January 1973 to July 1974, without in fact knowing whether those debts have really been incurred. In addition, honourable senators, we must study the income and expenditures of a crown company, a company that must finance itself with taxes from the income of the taxpayers. This is not surprising. I could not agree more with Senators Grosart and

Benidickson because I feel it is high time that the transport and communications policy in Canada should be straightened out.

A few days ago we heard a statement which has awakened a number of people when the Minister of Transport, the Honourable Jean Marchand, stated in the House and outside that he had no power to implement the policies which are required to modernize transportation in Canada. Throughout the country, whether in western or eastern regions, attempts have been made for several years to correct our transportation policies. Prime Minister Pearson and his Cabinet tried, I think, in 1968.

Hon. Mr. Langlois: In 1967.

Hon. Mr. Asselin: In 1967. They tried to give Canadians a better transportation system. That was seven years ago and now the Minister of Transport says that no tangible results have been obtained.

I think it is obvious to those who pay for the financing of crown corporations that the time has come for an in-depth study of the policy of crown corporations. Transportation should follow the modernization of industrialized countries such as ours. For the last few years, Canada has been modernized at an extremely rapid rate and our transportation policy in its present form did not follow that rate and consequently, both in the western and eastern regions of Canada, we find acute transportation problems which are basically affecting our economy. This is why I hope that the mover of this bill will agree that we should not pass this bill immediately.

Hon. Mr. Martin: Nobody suggested that.

Hon. Mr. Asselin: No, but I am always afraid of the attempts made by the government leader to make us pass the bills too quickly.

Hon. Mr. Martin: Take your time.

Hon. Mr. Asselin: We have always been told that this house—and I try to understand the government leader—the Senate, is the place where bills are passed swifter than elsewhere.

Hon. Mr. Langlois: Quicker than elsewhere.

● (1500)

Hon. Mr. Asselin: Quicker also and with perhaps happier implications, because we are here not to face the electorate, but to help the people of the other place to consider more thoroughly the bills before us.

Now, the government leader should not tell us that he has never been tempted or never sought, honourable senators, to have the bills swiftly passed.

Hon. Mr. Langlois: Who is never tempted?

Hon. Mr. Asselin: I understand. We could give him many examples of the eagerness he has often shown when seeking the approval of the policies of his government.

In any case I am glad—this is Holy Week—that the Leader of the Government decided to make good resolutions and tell us that we will have all the time we need to examine and scrutinize this bill before us in committee.

Those were the remarks—

Hon. Mr. Martin: I am merely raising a point, I am sorry. This bill could even be discussed during the Easter

[Hon. Mr. Asselin.]

recess. We must take all the time necessary to make that examination.

Hon. Mr. Asselin: I have no objection to staying here during the whole Easter recess provided the Leader of the Government can have some Easter water for us if he still believes in that.

In any case if this bill is sent to committee, as it will be, I will certainly have important questions to ask CNR officials about the implementation of their policy, especially in remote areas of this country because I think that crown companies must serve people in remote areas who are economically weaker.

In passing I would like to give you only one example. I think that in an area such as Charlevoix on the south shore where highway transportation is more difficult, the CNR and Air Canada should play more important roles in trying to help the economy of those remote areas. That is the function of any crown company.

Now, I should say incidentally that in spite of the port facilities we have at Pointe-au-Pic, with companies operating in that area, we have not been spoiled by the CNR in our efforts to get preferential rates so as to develop the economy and the port facilities of that region of our country. Of course, that might be outside the bill before us.

I just wanted to show that if this bill is sent to committee several senators will have important questions to ask. An extensive review of this bill is required. As Senator Grosart said, we have to develop a more consistent policy of the many bills respecting the Canadian National and Air Canada. I think that it will be necessary to stop at one point to find a more logical, more understandable legislation and to give these crown corporations the means to make proper use of the moneys they are provided with by the taxpayers so as to serve the general public.

Therefore, I would thank the sponsor of this bill, especially the Leader of the Government who has agreed that the bill be referred to committee. I think that this bill is of interest to all honourable senators and that a serious study in committee will be of benefit to Air Canada, the Canadian National as well as the population of Canada in general.

● (1510)

[English]

Hon. Leopold Langlois: Honourable senators—

The Hon. the Speaker: Honourable senators, I have to inform the Senate that if Senator Langlois speaks now his speech will have the effect of closing the debate on the second reading of this bill.

Hon. Mr. Langlois: Honourable senators, I shall limit my remarks to answering some of the questions which were put to me last evening and this afternoon in connection with this bill.

My first reference will be to the remarks made by my honourable friend, Senator Grosart, who yesterday seemed to be surprised to see that this bill, which seemingly provided funds to the CNR and Air Canada, was presented to this chamber after the expenditures had been made. I think this impression of his is due to the fact that he must have read the title of the bill too rapidly. To my

mind, the title of the bill is quite clear. Even though it makes reference to moneys, it is not a money bill. It is not a bill to provide the CNR or Air Canada with funds to carry on, or authority to spend the money provided in their capital budgets.

The title of the bill is as follows:

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

Surely the title is clear. This is not a bill to provide funds to Canadian National Railways or to Air Canada; it is to provide the financing of deficiencies, because both of these corporations, as I explained briefly last night, are financed primarily through their own generated revenues, and if those revenues are deficient, or if they are not sufficient to meet the expenditures, then these corporations have to go either to the public to borrow money, or have the Minister of Finance make loans and advances and to guarantee the issue of debentures to provide the funds that are needed to make both ends meet. That is the authority which is being sought in this bill. It is simply to authorize the Minister of Finance to make loans and to guarantee debentures of both corporations. That is the sole purpose of this bill.

As I also said last night, I assume that the capital budgets of both corporations—that is, the CNR and Air Canada—have been approved by the Governor in Council on the recommendation of the Minister of Finance, the President of the Treasury Board, and the Minister of Transport. They have, then, the authority to go ahead and spend the money provided in their capital budgets. They need not come to Parliament to get further authorization to proceed with the expenditures outlined in their capital budgets. I feel that this will dispose of the first remark made last night by Senator Grosart.

Hon. Mr. Grosart: Would the honourable senator permit a question? Would he not agree that from the wording, which is clear in English anyway, this bill is to authorize the provision of moneys? That can mean only one thing in English, and that is to authorize or to provide money. Would he not agree that this bill asks us to authorize the provision of moneys which have already been provided under the guarantee, and would he not also agree that Air Canada went ahead and issued debentures, and raised money through a French financial firm, under a guarantee, to purchase the Rolls Royce engines; that that was done a long time ago now, and that it is now seeking under this bill a guarantee from the government which was part of the original understanding?

Hon. Mr. Langlois: I am happy that my honourable friend gave this example of Air Canada's financing the purchase of Rolls Royce engines and components, because this financing was done without any authority from either the Minister of Finance or the government. Her Majesty's government had nothing to do with it. That is one of the reasons why if there is no urgency, there is at least the necessity of passing this legislation as soon as possible. In

saying that it is not my intention to put pressure on honourable senators, but I am informed that the time is long overdue for this guarantee by the Government of Canada to be given.

Hon. Mr. Grosart: But the deal is already made.

Hon. Mr. Langlois: The deal is already made, but we are in the situation where the deal has been postponed for a long time because of the financial and other problems that Rolls Royce was experiencing. The result was that the signing of this contract between Rolls Royce and Air Canada was delayed for more than a year. But I think the time has now come—in fact it is long overdue—for the guarantee from the Government of Canada to be given if we want the deal to be effective.

Hon. Mr. Grosart: Would not the honourable senator agree that the phrase "long overdue" means, and, in fact, makes it quite clear, that this is retroactive legislation?

Hon. Mr. Langlois: I never said it was not retroactive. What I said was that we are not providing money; we are merely guaranteeing obligations entered into by the CNR and Air Canada.

Hon. Mr. Asselin: That is the same thing.

Hon. Mr. Langlois: We are not providing dollars and cents. We are giving a guarantee, and that is all.

Hon. Mr. Grosart: Not today, but tomorrow!

Hon. Mr. Langlois: I think my explanation is quite clear, and I am sorry if some of my honourable friends do not agree with me. However, even though I am now closing the debate, they will have the opportunity, if this bill is referred, as I hope it will be, to the Transport and Communications Committee of this house, to raise these questions, and officials of these corporations will be available to inform them further.

Senator Grosart also touched briefly on the reply that I gave to his question as to how the CNR and Air Canada were able to proceed without any financing and guarantee bill for almost two years. My answer, as honourable senators will remember, was that they were able to survive and meet their expenditures through their generated revenues and through advances and loans from the Minister of Finance. After I gave this reply to my honourable friend, he referred the Senate to an answer which was given by the Minister of Finance before the Transport and Communications Committee of the other place. He referred to page 9 of Issue No. 18, dated November 8, 1973, of the proceedings of that committee, where the answer given by the minister was as follows:

I might interject here to say that a good many of the temporary advances that I have had to make, because this bill has not been passed for a couple of years, have been made under the CNR Refunding Act, and we will deal with that, I am sure, on questions.

This is not contrary to the answer I gave the honourable senator. For further clarification I have obtained copies of the documents tabled before the committee of the other place, to which I have referred, by the Minister of Finance giving a statement of sources and application of funds for the CNR for the calendar year 1971-72. I have had copies made, and since it is a very lengthy document I would suggest that these copies be distributed now to honourable

senators for perusal to enable them to follow my explanation.

Hon. Mr. Grosart: Might I ask the honourable senator if that is the annex I referred to?

Hon. Mr. Langlois: That is quite right. You referred to it this afternoon. As I say, I thought that for convenience I would have copies made for the use of honourable senators in this debate. These are statements of sources and applications of funds for the calendar years 1971 and 1972 for both Canadian National Railways and Air Canada. If it is the wish of honourable senators, I would suggest that these statements be printed in the *Debates* of today. I am in the hands of the Senate in this matter.

● (1520)

Hon. Mr. Choquette: I think that is a good idea.

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

Hon. Senators: Agreed.

(The tables follow:)

CANADIAN NATIONAL RAILWAYS		
Statement of Sources and Applications of Funds for the Calendar Years 1971 and 1972		
	1971	1972
	(\$ millions)	
Sources of Funds		
Funds generated by CN		
Operations—		
Loss for the year.....	\$ (24.2)	\$ (17.8)
Add back expenses not requiring the current outlay of funds—		
depreciation.....	123.8	126.4
amortization, etc.....	2.2	6.0
	<u>\$ 126.0</u>	<u>\$ 132.4</u>
Net funds from operations.....	\$ 101.8	\$ 114.6
Proceeds from properties retired.....	14.5	14.8
Reduction of working capital.....	1.9*	28.4*
Funds generated by CN.....	<u>\$ 118.2</u>	<u>\$ 157.8</u>
Funds obtained from the Government		
Parliamentary vote to cover deficit.....	\$ 24.2	\$ 17.8
Payment for preferred stock under authority of CNR Financing and Guarantee Act, 1970.....	39.1	—
Temporary loans from Minister of Finance under authority of CNR Refunding Act, 1955, to pay outstanding securities at maturity.....	218.4	100.0
Temporary loans from Minister of Finance under authority of CNR Financing and Guarantee Acts of 1941 and 1942 to purchase unmatured securities.....	6.4	4.2
Funds provided by the Government.....	<u>\$ 288.1</u>	<u>\$ 122.0</u>
Total Sources of funds.....	<u>\$ 406.3</u>	<u>\$ 279.8</u>
Application of funds		
Capital expenditures.....	\$ 180.6	\$ 173.1
Retirement of matured securities.....	218.4	100.0
Purchase of unmatured securities (pursuant to requirements of bond issues outstanding).....	7.3	6.7
	<u>\$ 406.3</u>	<u>\$ 279.8</u>

[Hon. Mr. Langlois.]

	1971	1972
	(\$ millions)	
*Working capital—		
beginning of year.....	\$ 52.5	\$ 50.6
end of year.....	50.6	22.2
Reduction during year.....	<u>\$ 1.9</u>	<u>\$ 28.4</u>

AIR CANADA

Statement of Sources and Applications of Funds for the Calendar Years 1971 and 1972

	1971	1972
	(\$ millions)	
Sources of Funds		
Funds generated by Air Canada		
Operations—		
Net income for the year.....	\$ 1.7	\$ 8.6
Add back expenses not requiring the current outlay of funds—		
Depreciation and amortization.....	57.3	63.1
Deferred income taxes.....	1.1	8.3
Net funds from operations.....	<u>\$ 60.1</u>	<u>\$ 80.0</u>
Proceeds from properties retired.....	0.3	0.9
Funds generated by Air Canada.....	<u>\$ 60.4</u>	<u>\$ 80.9</u>
Funds obtained from the Government		
Loans from the Minister of Finance prior to July 1, 1971 under the authority of CNR Financing and Guarantee Act, 1970.....	84.0	—
Funds obtained from other sources		
Notes amounting to £3,861,000 issued to a consortium of British lenders for the pur- chase of Rolls Royce engines.....	—	8.5
Total sources of funds.....	<u>\$ 144.4</u>	<u>\$ 89.4</u>
Application of Funds		
Capital expenditures.....	\$ 116.4	\$ 85.0
Increase (decrease) in investment in associated company.....	0.5	(0.3)
Increase in deferred charges.....	3.7	0.2
Dividend to CNR.....	0.2	0.2
Increase in working capital.....	23.6*	4.3*
	<u>\$ 144.4</u>	<u>\$ 89.4</u>
*Working capital balance (shortfall)—		
beginning of year.....	\$ (0.8)	\$ 22.8
end of year.....	22.8	27.1
Increase during the year.....	<u>\$ 23.6</u>	<u>\$ 4.3</u>

[Translation]

Hon. Mr. Martin: You see, we want to give all the information possible.

Hon. Mr. Asselin: It is about time.

[English]

Hon. Mr. Langlois: When the Minister of Finance distributed these statements to the members of the Transportation and Communications Committee of the other place, he made a statement which I would like to read in order to provide a fuller explanation of the contents of the tables. I referred a few moments ago to large amounts of cash generated internally by the CNR by its operation, and I think it is important for honourable senators to understand this. The minister said:

Honourable members will also be interested to see how the company was able to operate in the absence of a financing and guarantee act since the 1970 act, which covered the period up to June 30, 1971 . . . For this purpose I have provided a statement of the CNR's sources and applications of funds for the years 1971 and 1972 which you will find in the table at the back.

As can be seen, the CNR was able in 1971 to make its \$180.6 million of capital expenditures from the \$118.2 million it generated from its operation, working capital and property disposal, plus the \$24.2 million voted by Parliament for its deficit and the greater part of the proceeds from the government's purchase of preferred stock.

Hon. Mr. Grosart: Would the honourable senator give the citation for that which he read?

Hon. Mr. Langlois: I was reading from the report of the Transport and Communications Committee of the same day—a statement by the Minister of Finance when he tabled before the committee the very statements that I have tabled this afternoon.

Hon. Mr. Grosart: I have the document before me. I am asking for the page number. It is Issue No. 18 of the proceedings of that House of Commons committee.

Hon. Mr. Langlois: I think it is on page 44.

Hon. Mr. Grosart: No, page 44 is the annex. I am asking the honourable senator if he would tell me from which page he was reading.

Hon. Mr. Langlois: It started at page 9.

Hon. Mr. Grosart: It is just that I wish to follow his statement. Is he perhaps referring to the paragraph commencing at the bottom of page 10?

Hon. Mr. Langlois: Yes, in the lower left-hand corner of page 10. It reads as follows:

For this purpose I have provided a statement of the CNR's sources and applications of funds for the years 1971 and 1972 which you will find in the table at the back. I said I would like to distribute it, but there it is.

The minister continues on page 11:

Let us look at that table, sources and applications of funds for the calendar years 1971 and 1972 for the Canadian National Railways. The CNR was able—

That is the point at which I was interrupted.

—in 1971 to make its \$180.6 million capital expenditures—you will find that under the application of funds, the first item—capital expenditures, \$180.6 million, from a number of sources or you go over to the funds generated by the CNR itself at the top of the table and you get the total amount of funds generated by the CNR of \$118.2 million. That it gets from its operations, from the cash flow of depreciation and amortization which are book figures and, of course, for cash-flow purpose are brought back into liquidity. You get the net funds from operations; you add that to the proceeds from properties that are retired or sold; you have a working capital situation, and then you get \$118.2 million.

The minister continues explaining how this table is made up, and then goes on to explain some of the sections of Bill C-164. The third paragraph on page 11 reads as follows:

Take a look at 1972. You go through the same exercise. The CN had capital expenditures of \$173.1 million, shown in the first item under Application of Funds. It had generated on its own—see Sources of Funds—\$157.8 million. Add the working capital and disposition of property, and then the \$17.8 million voted by Parliament to cover the deficit in 1972, and you have enough left to reduce its debt in the hands of the public by \$2.5 million.

Hon. Mr. Benidickson: Would the honourable senator permit a question?

Hon. Mr. Langlois: Yes.

Hon. Mr. Benidickson: I am sure that Senator Langlois will agree that that information was probably available at that time because 1971 and 1972 were completed calendar years. However, 1973 was not a completed calendar year at that time. Would the honourable senator undertake to obtain, before the committee sits, comparable figures for the calendar year 1973?

Hon. Mr. Langlois: Yes, I will make that commitment provided the information is available. I believe it should be available at this time, and I will do my best to obtain it.

Hon. Mr. Grosart: May I make a suggestion to the honourable senator? I agree with this explanation, and the reference he gave is excellent. It would be worthwhile including it in our proceedings today. I suggest it be left to the honourable senator to select the appropriate paragraphs. For example, he omitted, for obvious reasons, the second paragraph, which deals with the previous year. I think it would be useful to have this explanation by the minister included in our proceedings, with some of the interjections omitted. In fact, I would not object if he left out the reference to the Rolls Royce engines.

● (1530)

It would be helpful if selected portions of the minister's explanation year by year, for both CN and Air Canada, were appended to our proceedings. I would be happy to leave the editing to Senator Langlois.

Hon. Mr. Langlois: I have no objection to that suggestion, but I am at a loss to understand how I should proceed in complying with your request.

Hon. Mr. Grosart: Perhaps I could make my suggestion quite specific. I suggest that that portion of the proceedings commencing with the bottom paragraph on page 10, through the whole of page 11, and down to the first interjection on page 12. That is an excellent explanation. I assure Senator Langlois that I have no political reason for my suggestion. I make it only because I think that when the committee deals with the matter it will be helpful to have this in *Hansard*.

Hon. Mr. Langlois: I am endeavouring to understand what Senator Grosart has in mind. Does he wish this reproduced in today's *Hansard*?

Hon. Mr. Grosart: Yes.

Hon. Mr. Langlois: Without my reading it?

Hon. Mr. Grosart: That is right. The honourable senator was paraphrasing, understandably, to save time. It would take a long time to read it all.

Hon. Mr. Langlois: I have no objection to that.

Hon. Mr. Martin: May I address myself to Senator Grosart, as well as to other honourable senators. What you are asking, in effect, is that we include in *Hansard* the text of a speech made in the House of Commons.

Hon. Mr. Grosart: No, sir.

Hon. Mr. Martin: I wanted to make sure that we are not doing that, otherwise Senator O'Leary would have a fit.

Hon. Mr. Grosart: I think Senator Martin knows that I am sufficiently well aware of the rules to know that that would not be permitted. I am asking that a portion of the proceedings of a committee of the other place be printed in *Hansard*, which on any interpretation of our rules that I have seen is quite proper.

Hon. Mr. Martin: Thank you.

Hon. Mr. Langlois: It is suggested that there be reproduced in today's *Hansard* an excerpt from the proceedings of the Transport and Communications Committee of the House of Commons of Thursday, November 8, 1973, that excerpt being from the last paragraph in the left-hand column on page 10 through to the fifth paragraph inclusive on page 12.

The Hon. the Speaker: Honourable senators, this seems to me to be an unusual request. I have not looked at the rules covering this, but I would not like to ask for agreement unless Senator Grosart can quote the rule under which this is permissible.

Hon. Mr. Choquette: I think we are all agreed.

Hon. Mr. Grosart: It could be done, I presume, with leave, Your Honour. As Your Honour has directed a question to me, might I say that there is nothing in our rules that permits it, but also there is nothing in our rules that prohibits it. We do many things here that are not provided for in the rules.

The Hon. the Speaker: Does the honourable senator wish this printed as an appendix to today's *Hansard*, or included as part of Senator Langlois' speech?

Hon. Mr. Langlois: It will be as if I had read it. It is to save time.

The Hon. the Speaker: This is what I question.

[Hon. Mr. Langlois.]

Hon. Mr. Martin: I certainly do not object to it, but I do not think we should regard it as a precedent.

Hon. Mr. Grosart: Perhaps I might speak to that, if it is intended as a point of order. Our rules prohibit taxing comments or uncharitable references to debates in the other place. There is nothing in our rules, as we have discussed before, that prohibits a reference to what goes on in the other place. However, there is a long tradition that one house does not criticize the other.

Hon. Mr. Martin: A tradition more observed in the breach.

Hon. Mr. Grosart: That is so, but still that is the tradition, and I suggest we are bound by it. Certainly I know of no rule or tradition that would prohibit us in this house from referring to what goes on in the other house, because that would reduce our whole operation to a complete absurdity. If we were to say, for example, that we could not refer to the explanation of a bill given by a minister in the other place, we might just as well go home.

Hon. Mr. Langlois: Perhaps I might add one word. I was in the process of reading part of this record in reply to a question put to me last night, during the course of which another part of the same record was read into *Hansard*. In order to save time, Senator Grosart suggested that this be printed without my reading it. It is as simple as that. I do not see any objection to this being done.

Hon. Mr. Benidickson: For purposes of clarification may I ask if Senator Langlois is proposing to include the portion commencing with the first paragraph on page 12, "Let us do the same exercise for Air Canada..." and concluding at the end of the fifth paragraph, "Under this bill they get it at government rates, and considerably cheaper"?

Hon. Mr. Grosart: That is it exactly.

Hon. Mr. Langlois: That will be included, yes.

The Hon. the Speaker: Honourable senators, is it agreed that Senator Grosart's suggestion be adopted?

Hon. Senators: Agreed.

Hon. Mr. Martin: On division.

(*The extract follows*)

Honourable members will also be interested to see how the company was able to operate in the absence of a financing and guarantee act since the 1970 act, which covered the period up to June 30, 1971. Those were legitimate questions on second reading; the bill has not been passed for a couple of years. How has the CNR and for that matter how has Air Canada been operating without any authorization or so-called authorization? For this purpose I have provided a statement of the CNR's sources and applications of funds for the years 1971 and 1972 which you will find in the table at the back. I said I would like to distribute it but there it is.

Let us look at that table, sources and applications of funds for the calendar years 1971 and 1972 for the Canadian National Railways. The CNR was able in 1971 to make its \$180.6 million capital expenditures—you will find that under the application of funds, the first item—capital expenditures, \$180.6 million, from a

number of sources or you go over to the funds generated by the CNR itself at the top of the table and you get the total amount of funds generated by the CNR of \$118.2 million. That it gets from its operations, from the cash flow of depreciation and amortization which are book figures and, of course, for cash-flow purpose are brought back into liquidity. You get the net funds from operations; you add that to the proceeds from properties that are retired or sold; you have a working capital situation, and then you get \$118.2 million.

You add to that the funds obtained from the government, the Parliamentary vote to cover the deficit, which in 1971 was \$24.2 million. Of course, I am dealing only with the 1971 figures. The 1972 figures are parallel and they operate the same way. So we had a Parliamentary authorization in that year of \$24.2 million to cover the deficit, and the greater part of the proceeds from the government purchase of preferred stock, which is your \$39.1 million. Now with the rest of the preferred stock, of course, the railway was able to reduce its debt by about \$900,000.

Take a look at 1972. You go through the same exercise. The CN had capital expenditures of \$173.1 million, shown in the first item under Application of Funds. It had generated on its own—see Sources of Funds—\$157.8 million. Add the working capital and disposition of property, and then the \$17.8 million voted by Parliament to cover the deficit in 1972, and you have enough left to reduce its debt in the hands of the public by \$2.5 million.

In its 1973 budget, which was tabled in the House by the Minister of Transport, the CNR was authorized by the Governor in Council to undertake the \$225.5 million of projects referred to in Section 3(1) of your bill, of which it anticipates some \$20 million would not be completed during the year. The sources of funds projected for these \$205.5 million expenditures for 1973 were: generated from operations, working capital and property disposal—\$149.5 million, which would correspond with the figures you find on your table of funds generated by the CNR; borrowing on account of branch lines—\$13 million—we are talking about 1973 because the \$8 million is for the first half of 1974, as you recall; issues of preferred stock—\$43 million; for a total of \$205.5 million.

It is these last two—the branch line borrowings of \$13 million for 1973 and then the \$8 million for the first half of 1974, and the issues of preferred stock for \$43 million—that Bill C-164 would authorize the Minister of Finance to provide. The other funds are provided by the CNR itself from its own operations, generated in a similar fashion as indicated for 1971 and 1972 in the table.

All right. Now let us do the same exercise for Air Canada. Bill C-164 provides in Section 7 for loans to Air Canada in the 18-month period ending June 30, 1974, not to exceed \$140 million. It also provides in Section 12 for advances to pay operating and income charges as and when due where the available revenues of Air Canada are insufficient. Section 12 is really a safety precaution in case Air Canada runs into dif-

ficulties, and the \$140 million provided by Section 7 is the only real cash provision for this company.

The bill also provides for the guarantee of Air Canada's borrowings of up to £13 million from a consortium of British lenders to finance the purchase of Rolls Royce engines for the Lockheed 1011 aircraft it is in the process of purchasing.

I have a similar statement for Air Canada. We have already distributed it. Let us look at how Air Canada was able to operate without a CN Financing and Guarantee Act since July 1, 1971.

Let us look at 1971. The statements are drawn in a similar fashion to those for the CNR. In 1971 the company generated \$60.4 million, and \$80.9 million in 1972, just looking over to the 1972 figures. In addition it was able, under its own act, to borrow moneys from the consortium of British lenders for Rolls Royce engine purchases though no government guarantee could be given at the time. Further, due to the bankruptcy of Rolls Royce and difficulties in the Lockheed Aircraft Corporation, deliveries of Lockheed 1011 aircraft were delayed considerably, thereby reducing the amounts Air Canada had to pay for aircraft during the period.

Since the end of 1972, both Air Canada and CN have had to obtain temporary financing from commercial sources. You might ask since we have been able to generate funds and get temporary accommodation, why we need this bill at all. Well the CNR and Air Canada have to get temporary accommodations and have to do it at current bank rates. Under this bill they get it at government rates, and considerably cheaper.

Hon. Mr. Langlois: This disposes of the reference to my answer to Senator Grosart's question as to the refund of CNR debt using the method described in the legislation passed in 1952.

I now come to Senator Desruisseaux' speech of last night. I am sorry that he is not in his seat. As what I will say partly answers Senator Grosart's similar remarks made earlier, I will use the English language in replying.

Senator Desruisseaux began by indicating that he was under some pressure to pass this bill in a speedy fashion. I think I disposed of that last night. I assured him that there was no pressure on anybody, and that this house was expected to take all the time it wished to consider the bill. However, Senator Desruisseaux went much further than that, and made what I consider to be a violent attack on the board of directors of the CNR, reproaching them for not having had their financial statements audited, as would responsible administrators, not only of public corporations but of private corporations as well. In replying, I do not want to appear to be coming to the defence of the board of directors of the CNR. I do not think they need my help in this respect. They are responsible Canadian citizens; I am sure they are doing their best to administer the CNR in an orderly fashion, and according to the long-established practice for such public operations.

● (1540)

Honourable senators, I am informed there is a long standing practice established, that the Canadian National

Railways have what is called a continuous audit. I am informed that in 1972, when the bill was passed appointing new auditors, the CNR board of directors hired as independent auditors the same auditors as those now named in the bill before us today. Therefore, the auditing of their books was carried out, and there was not, as was suggested last night, a long period of time during which there was no audit of the financial statements of the CNR.

The only thing this bill does in that respect is enable the same firm of auditors, who have already audited the books of the CNR, to make a report to Parliament as auditors of the company. They cannot report yet as auditors of the CNR because they were not appointed by Parliament as such in 1972.

I must add that I am at a loss to explain why this bill was delayed in the other place in 1972 up to the time of dissolution of Parliament, with the effect that it died on the Order Paper at the second reading stage. I cannot explain why that could not have been foreseen, or why there could not have been passed a special bill—as was done in one instance in the past—appointing auditors. I do not recall the year in which that procedure was followed, but it was followed once before when the financing and guarantee bill was delayed in the house. A special bill was passed that appointed the auditors for that year, and that was done so that the appointed auditors could report to Parliament in the following session. I do not know why that was not done in this case.

This afternoon my honourable friend Senator Grosart called that "mismanagement by the other place." I do not know how he can attribute this to "mismanagement." I think it is just due to the slow procedure of Parliament.

Hon. Mr. Grosart: Particularly the minority government.

Hon. Mr. Langlois: Our parliamentary system has its faults and it is a process which is much too slow to cope with modern times. I think that some day we will have to realize this. As my leader would say, the situation is more acute when the government is in the minority in the other place. But who is to blame for that? Is it the people of Canada? If my honourable friend wants to say that, I want nothing to do with it.

Is it due to the elected representatives in the other place, or the electors of Canada who elected a house composed in that fashion? I do not know but I think that is the only place where the blame can be laid in this respect.

Hon. Mr. Grosart: I do not want to interrupt the honourable senator's argument, but I would point out to him, in regard to what he said about one of the problems here, that the appointment of auditors has nothing to do with the bill now before us. If the bill was delayed, auditors could have been appointed under another act.

Hon. Mr. Langlois: That is what I said. I do not know why it was not done by a special act. It was done only once during the 43 years of the Canadian National Railways' existence. There must be a reason why there was no recourse to that unusual way of doing things, but it could have been done.

Hon. Mr. O'Leary: There are many explanations, but only one right one.

Hon. Mr. Grosart: That is the one we have not got.

[Hon. Mr. Langlois.]

Hon. Mr. Langlois: That could be right.

In this respect, I should add that the Air Canada Act stipulates that its auditors are the auditors to be appointed by the Canadian National Railways. I understand the two companies have retained the firms named in Bill C-5 as accounting consultants or independent auditors, whatever you like to call them, and that these firms have performed the work for both Air Canada and the CNR in the way it was normally done in the past. One of the purposes of the bill is to appoint these auditors as official auditors of both corporations.

Honourable senators, I come back to Senator Grosart's remark this afternoon. He called this bill "a farce." I cannot accept that qualification of the bill, because it is far from being a farce. I grant you that it is late in coming before us, and that it seeks authority to finance past deficits of the CNR and Air Canada and to guaranteeing obligations entered into quite some months ago, but this bill is not a farce. It is extremely important that this bill receive due consideration, and that it pass the three readings in this place and become law, in order to enable our transport corporations, the CNR and Air Canada, to proceed in a normal fashion in discharging their obligations to the Canadian people.

Senator Grosart this afternoon apparently was critical of the fact that this bill runs for six months into the new fiscal year, to July 1974.

Hon. Mr. Grosart: I was not critical of that. I was merely explaining why it was done.

Hon. Mr. Langlois: This is a necessary thing, as I am sure the honourable senator understands, in order to enable these companies to engage in some advanced negotiations in the discharge of their functions.

Senator Grosart also briefly touched on the speech made in the other place by the present Minister of Transport, dealing with Canadian transportation policy. I have read both of Mr. Marchand's speeches, the one he made in the debate on the motion for an Address in reply to the Speech from the Throne and the short remark he made a few days thereafter when replying to a statement made by the Leader of the New Democratic Party.

Hon. Mr. Grosart: That was on March 21.

Hon. Mr. Langlois: I do not recall the date, but it must have been approximately that. I agree with what Mr. Marchand said, and again I think that Mr. Marchand was quite frank in his remarks. It is a good thing at times—it should happen more often—that ministers of the Crown should openly criticize, if need be, the policy under which they are requested to operate, in order to bring before Parliament some aspects of our legislation which are not quite to the advantage of the nation.

There is one thing to be borne in mind in relation to those remarks made by Mr. Marchand, and that is that he had no easy solution to offer. He underlined the difficulty of drafting for Canada a uniform national policy, because one has to take into account the fact that this is a very large country, with disparities which cannot fit a uniform model of legislation. It is almost impossible to satisfy equally all parts of the country. Any Minister of Transport—and Parliament for that matter—for a long time will have to live with such a situation.

Canada is a difficult country to serve. One only has to watch on television every Sunday evening "The National Dream," that has been interesting so many people for the last six or seven weeks, to understand that when we built our first railroad we discovered then and there that it was not an easy task to try to serve Canada from one coast to the other by such a system of transportation.

The same situation obtains today, and we have to live with it. This does not mean that we shall not be able to find a way out, or a solution, but we cannot entertain the hope now that we shall find a solution which will be acceptable to everyone, and to each and every region of Canada.

● (1550)

When I sat in the other place for some four years I was parliamentary secretary to two Ministers of Transport, during which time there were four Deputy Ministers of Transport. Having worked with four deputy ministers and two ministers it is only natural that I have a certain amount of inside information on the operations of the Department of Transport. Let me tell you it is not an easy department to run. You could almost consider the Department of Transport a catchall. We apparently put in there everything that would not fit in any other place. It all went into the one room and it was left there for the minister to try to live with.

The Department of Transport is quite varied in its operations; in fact, the main complaint made by Mr. Marchand was that the Minister of Transport is responsible for a host of things with respect to which he has insufficient authority or none at all. But where is the blame to be laid for this? It should be placed on the parliamentarians.

Mr. Marchand, like all of his predecessors, has had to live with the legislation passed by Parliament. Naturally, we could simply place the blame on the governments which brought the legislation forward, but it would be pretty hard to find anyone on either side of this house who would be willing to throw the first stone in that respect. Whatever party we belong to, I believe we all share in the responsibility for the mess we are in today so far as national transportation policy is concerned. I need hardly expand any further on that.

Honourable senators, Senator Grosart, if I understood him correctly, suggested that there should be a consolidation of all acts dealing with the CNR. If anyone wants to delay the passage of future bills of this kind, I can think of no better way than to put it with all the other legislation pertaining to that railroad system, because there would be absolutely no end to the debate in either this place or the other. I am afraid that we would merely extend the situation we are in today; in other words, we would continue to go without a financing and guarantee act, we would still not have auditors appointed, and we would still not give to the Minister of Finance the authority to guarantee advances and loans for securities given by the CNR.

Senator Grosart also added that the bill before us provides for \$21 million as loans and advances for financing the building or construction of branch lines, and an additional \$40 million as representing securities on debentures. But according to my information the amount is roughly \$100 million all told, including the branch lines.

Hon. Mr. Grosart: I believe that is what I said.

Hon. Mr. Langlois: I am sorry if I misunderstood you, senator. I thought you left it at \$21 million plus \$40 million, which is \$61 million. Do I understand you to agree with me that the amount is roughly \$100 million?

Hon. Mr. Grosart: What I intended to say, and I believe I said it, was that there were three figures: one of \$21 million and two of \$40 million, the first \$40 million applying to 1973 and the second \$40 million applying to 1974. That was my understanding.

Hon. Mr. Langlois: Quite right.

I should like to make one last observation about Senator Grosart's remarks touching on the budgets of the CNR and Air Canada. I do not believe anyone touched this point either yesterday or today, but we should not forget that these budgets were laid before Parliament in the other place. After they had received the approval of the Governor in Council they were tabled in Parliament. That is a fact worth mentioning. After all, we are not asked, as was suggested today, to approve blindly expenditures of which we know nothing. These budgets were tabled before Parliament in due course for the years in question covered by this bill.

I should like now to pass on to the remarks made by Senator Benidickson today. With most of what he said this afternoon I am in agreement, but I am not at all in accord with him on the question of how urgent it is to pass this legislation. I believe I covered this point a while ago when I said that to my mind it was urgent to give to Air Canada the ability to guarantee the undertakings it had given to British financiers in connection with the purchase of Rolls Royce engines and certain components. The obligations were assumed a long time ago, but no guarantee was extended by the Government of Canada, and to my mind it is urgent that that guarantee now be given—as it will as soon as this bill is passed.

Now I come to the remarks made by my honourable friend, Senator Asselin.

[Translation]

I can understand Senator Asselin being particularly interested, and rightly so, in the CNR's operations in the area of the province he represents.

I am aware of the situation he pointed out, although he did not indicate the place; I think he was referring to Pointe-au-Pic where there is a rather important transshipment port from land to ocean liners. I think Senator Asselin is justified in complaining about the service provided in that part of the constituency he used to represent in the other place. I support those claims and I hope he will succeed in obtaining what he is asking for his former constituents.

With that I shall conclude my remarks. I thank honourable senators for the attention they have given me during this debate.

[English]

Honourable senators, I move that—

Hon. Mr. Benidickson: Honourable senators, is Senator Langlois going to move that the bill be referred to the Standing Senate Committee on Transport and Communications? If so, in view of what he said a moment or two

ago, would he propose as well to move, notwithstanding rule 45(1)(h), that the committee be empowered to sit during the recess of the Senate?

Hon. Mr. Langlois: I had not thought of that. I will give it some consideration and perhaps make a motion to that effect tomorrow. However, in view of the number of committees which it is proposed will sit during the recess, if we were to add another committee we might as well follow Senator Flynn's suggestion and call back the Senate as a whole. We may have to come to that yet. In any event, I will let you know tomorrow what I propose.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Langlois, bill referred to the Standing Senate Committee on Transport and Communications.

● (1600)

THE SENATE

PRECINCTS AND CLERESTORY OF CHAMBER—DEBATE CONCLUDED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Connolly (Ottawa West), calling the attention of the Senate to certain elements within the precincts of the Senate Chamber and in particular to its clerestory.

Hon. M. Grattan O'Leary: Honourable senators, I rise mainly to say that I think the whole house is indebted to Senator Connolly who, with his sense of history, has brought our attention to the matters dealt with in his inquiry. I had intended to say perhaps too much about this matter, but remembering the state of the session and the fact that I have to attend another meeting at 5 o'clock—

Hon. Mr. Martin: Well, then, speak until 5 o'clock.

Hon. Mr. O'Leary: —I shall content myself with saying amen to everything that has been said on this matter by Senator Connolly, Senator Martin and Senator Forsey.

I am always a bit disturbed by proposals that come before us, or rumours that reach us, concerning changes to be made in this chamber or to Parliament Hill. Senator Martin said yesterday that he had been connected with these buildings for 35 years or more. Well, honourable senators, I have been connected with them for a long time too. Although I have not played as important a role as that of Senator Martin, these buildings have been part of my life for 63 years. I was a member of the parliamentary press gallery for seven years in the old buildings—the buildings that were destroyed by fire. So, I always feel something of regret at proposals or propositions that we should move more of Parliament, or things concerned with Parliament, from Parliament Hill. I would like to see Parliament stay on this hill, and I do not like the idea of members of the House of Commons or the Senate being moved to some other building, simply because the Department of Public Works tells us that they have a room for us in the Victoria Building on Wellington Street, or elsewhere. That, for me—having regard to what Parliament

[Hon. Mr. Benidickson.]

has been to me all my life—is not Parliament as I understand it.

I remember, as I am sure all senators will remember, when after World War II certain proposals were made to alter the character of the British House of Commons, which the great Churchill opposed immediately. He said: "We must be careful to remember the history of this place and to remember the urgency of this place. We must not make it bigger. We must restore it as much as possible to what it was before it was destroyed."

I heard some talk yesterday, and Senator Connolly referred to it, about changing the pictures on these walls or removing them, and I would be sorry to have that happen. Where would we put the pictures? Not in the National Gallery, because there is no place for them there, and if we were to put them in the new National Defence building, how many people would see them? Every year tens of thousands of Canadians and Americans come here, enter this chamber and ask about the significance of these pictures. They are part of the history of Canada.

I remember the Honourable George White speaking in this chamber a few years ago on the meaning and significance of those pictures, because he had personal knowledge of them, and I remember the very moving speech he made about them. He gave many reasons why we as senators should not want them removed from this chamber. They are part of history. Actually they are part of the story of our development from colony to nation. They represent the deeds of Canadians who made it possible for this country to emerge from colonialism into full nationhood. If anybody denies that, let him read the history of Sir Robert Borden's fight at Versailles, and how he was enabled to win recognition for Canada at Versailles because of what those pictures show of the participation of Canadians in World War I.

There are people who always want to change things, who think that if a thing is new then it must be better than something old. Honourable senators, as I grow older, and as I near Jordan, I reflect more and more upon the past. I think I mentioned this particular instance to Senator Connolly before. I sometimes now think of the great Renan. He had quarrelled with his Church, and she had appealed to history against him. He became one of her most formidable antagonists. Yet, as an old man, when he was writing his book *Souvenirs of My Youth*, he described how in the eventide he could still hear the church bells of Brittany summoning him to his prayers. "I could not help but hear," he wrote, and in a passage of haunting and mournful beauty he appealed to men not to forget the past, to respect even if they could not agree, and to bow where they could not pray.

I would like to think that more of our young people in Canada, and more of our older people and perhaps more people in this house, would try to remember the past. There were things in it, perhaps, which we would wish to deny or to forget, but what we see in this chamber is as much part of our history as are the men who years and centuries ago went into the wilderness with sword and crucifix in hand, and sometimes left their names and bones in a land of savage wilderness.

Yes, honourable senators, I am a Conservative mainly because I remember the past. Reverence for the past and

high hopes for the future—that is the true creed of a Conservative. And now I want merely to say that I subscribe to everything said by Senator Connolly, to everything said by Senator Forsey and everything said by Senator Martin, and to wish you all a Happy Easter.

Hon. John J. Connolly: Honourable senators, if this debate is not to be adjourned, perhaps I could be permitted a word or two to conclude it. Let me say at the outset that if there is any merit in my having put this inquiry on the Order Paper, I think I have been amply justified in the fact that Senator O'Leary has spoken in such a moving way this afternoon. As a rule, the topic of windows normally does not suggest the idea of great, moving oratory, but we have had it in this instance, not so much because of the windows as because of the themes that have been introduced into the decor of this chamber. I am grateful not only to Senator O'Leary, but to Senator Martin, Senator Cameron, Senator Choquette and Senator Forsey for taking part in this debate.

Frankly, honourable senators, I want to say that I brought this matter to the attention of the Senate primarily because I think all of us would be very much upset if major structural or other changes were to be made in this chamber without our knowledge. We should continue to have the control over this chamber as, in law, we are supposed to have. I remember when these windows which we now see were installed. I was government leader at the time, and I can say—and here I do not think my memory is at fault—that I did not know that they were going to be put there until I saw them in place. If there is to be stained glass, then it behooves honourable senators to ensure that something is placed in those windows which will last as long as the Senate and Parliament—and I hope that the periods of their existence are co-terminate.

● (1610)

Three projects were referred to in the course of the debate. Very little was said about the windows, a little more was said about the Throne area, and a good deal was said about the paintings. Those areas of interest could be examined and placed in perspective if a committee were appointed. It seems to be the consensus of those in the chamber, and of those with whom I have spoken, that there should be such a committee.

Some time after the Easter recess I propose to move that such a committee be established. In that connection I would consult with the Leader of the Government and the Leader of the Opposition. The committee should be small, but I would appreciate it if honourable senators who have a particular interest in the project would contact me in writing in order that I might know the names of volunteers for this work.

The Hon. the Speaker: As no other honourable senator wishes to participate in the debate, this inquiry is considered debated.

THE HONOURABLE JACQUES FLYNN, P. C.

FELICITATIONS

Hon. Mr. Martin: Honourable senators, before I speak to the matter which brings me to my feet, I should like to say to the Leader of the Opposition that I was not aware

yesterday that he had been elevated to a high position of responsibility. If I had been aware I would have risen yesterday.

I well remember, when Senator Molgat was selected from the multitude to occupy an ordained post, the Leader of the Opposition rose and made some appropriate and facetious remarks to an adversary from the goodness of his heart.

No one has had a more pleasant adversary than I during the past six years, and I am happy to be able to rise today, look directly at the Leader of the Opposition, and compliment him on the high designation that has come his way.

I know he will not misunderstand me when I say that I hope that his obligations, even though they are, in a vicarious way, in the interest of the state, will not prevent the Leader of the Opposition from calling in to see us from time to time.

Hon. Mr. Deschatelets: For the benefit of honourable senators, may I ask the Leader of the Government to tell us the nature of the appointment to which he has referred? I make that request in order to put the record straight.

Hon. Mr. Martin: I would prefer to let my remarks stand. I have expressed good will towards the Leader of the Opposition. There may be an occasion between 6 p.m. and 8 p.m. when the Leader of the Opposition and the former Speaker—and perhaps our present Speaker—can get together, and we can offer in a more intimate way our sincere congratulations, if not our best wishes, to the Leader of the Opposition.

Hon. Mr. Flynn: I think I deserve more good wishes than congratulations.

Hon. Mr. Langlois: You mean you need more.

NATIONAL PARKS ACT

BILL TO AMEND—REQUEST TO BRING ORDER FORWARD DENIED

Hon. Mr. Martin: Honourable senators, having established a good basis of friendship with the Leader of the Opposition, and bearing in mind our discussion yesterday, I ask that the Order for the second reading of Bill C-6, to amend the National Parks Act, set down on the Orders of the Day for tomorrow, Wednesday, April 10, 1974, be brought forward and placed on the Orders of the Day of this date.

Hon. Mr. Flynn: Honourable senators, I discussed the situation yesterday with some of my colleagues. I am not prepared at this time to proceed with Bill C-6. If it is the desire of the Leader of the Government to proceed with Bills C-2 and C-9, there is no objection.

Hon. Mr. Martin: I certainly cannot be thrown out for trying.

Hon. Mr. Flynn: It would not be like you not to try.

Hon. Mr. Martin: My colleague, Senator Laing, who knows more about national parks than I do, has pointed out that the amendments made in the other place, to which the Leader of the Opposition directed our attention yesterday, are amendments made in the House of Commons to take account of amendments proposed by the Senate.

Hon. Mr. Flynn: I know.

Hon. Mr. Martin: That being the case, does not the goodness in the heart of the Leader of the Opposition suggest that he might accede to my request? If he says no, I hope he will do so in a kindly way.

Hon. Mr. Flynn: You know that I always say no in a kindly way. Senator Laing, who is sponsoring the bill, may proceed with his speech tomorrow. It is my intention to see to it that the debate is adjourned until we return from the Easter recess.

I am of the opinion that there is no urgency about this bill. I would like more time to look into the amendments which have been made in order to understand them fully. We have two other bills that we can deal with today.

Hon. Mr. Laing: Honourable senators, if I might add an additional plea to that made by the Leader of the Government, I would suggest that the National Parks bill is of great importance to the government. We have been discussing this for three years.

Hon. Mr. Flynn: That is why.

Hon. Mr. Laing: I want to emphasize the point made by Senator Martin that the amendments made yesterday were largely to take care of concerns which honourable senators, such as Senator Norrie, have with respect to the rights of people whose properties are expropriated or purchased for the purpose of establishing a national park.

I agree with Senator Norrie and other honourable senators who raised that point, because we should always pay attention to minority opinion, even if it is a minority of only one. That has now been taken care of by the suggestion that there will be no promulgation of any new national parks without the approval of the House of Commons.

Hon. Mr. Flynn: That is the point that I wish to look into.

Hon. Mr. Laing: In respect of the new parks set out in the schedule, some agreement has already been reached to undertake surveys. Last year there were 12 million visitors to established national parks in Canada. Our national parks represent the number one attraction for tourists.

● (1620)

Hon. Mr. Grosart: Honourable senators, on a point of order, surely the honourable senator is making a speech to the bill and all that is before us is merely a request.

Hon. Mr. Laing: Probably I have made my plea too long. This is a bill of considerable importance to the Canadian economy and, particularly, to the government at this time, which has to make expenditures forthwith.

Hon. Mr. Flynn: We can deal with it when we return.

Hon. Mr. Martin: Both Senator Laing and I have fought valiantly for reforestation and good parks. We can do no more than that.

FISHERIES DEVELOPMENT ACT

BILL TO AMEND—ORDER BROUGHT FORWARD

Hon. Mr. Martin: Honourable senators, I make a second endeavour, in another field. I ask that the Order for the

[Hon. Mr. Martin.]

second reading of Bill C-2, to amend the Fisheries Development Act, which is now set down on the Order Paper for tomorrow, Wednesday, April 10, 1974, be brought forward and placed on the Orders of the Day of this date.

The Hon. the Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

SECOND READING—DEBATE ADJOURNED

Hon. Chesley W. Carter moved the second reading of Bill C-2, to amend the Fisheries Development Act.

He said: I should like to thank honourable senators and particularly the Leader of the Opposition for their indulgence in permitting the explanation of this bill this afternoon, rather than tomorrow as the Orders of the Day would require.

Bill C-2 is relatively simple. It contains a very simple amendment. It merely adds two words to section 5(c) of the Fisheries Development Act. Nevertheless, these two words have, perhaps, fairly wide implications. To assist honourable senators in assessing those implications, I should begin by giving a brief summary of the history of fisheries development.

Prior to 1964 there was no co-ordinated program of fishery development. The expenditures allocated for fishery development prior to 1964 were included as separate items in the estimates. Then, honourable senators will recall, in 1964 a federal-provincial conference on fisheries was held, as a result of which in 1966 the Fisheries Development Act was passed to initiate a co-ordinated program of fisheries development in Canada which would include, among other provisions, four principal programs: (1) A program of exploration and development of known fisheries resources and the seeking of new resources; (2) the introduction and administration of new and improved fishing vessels, new equipment, new methods and new fishing techniques; (3) the development of new technology, new equipment and new fisheries products; and (4) a program of improvement in fish-handling methods, including fish processing and marketing of fish products.

Honourable senators will also recall that last July the Senate passed Bill C-4, which was a short amendment to the Fisheries Development Act and to the same section which is now to be amended by Bill C-2. Last year we added an extra paragraph to section 5, which authorized the minister to provide expenditures for the construction and equipment of commercial ice-making machines, ice-storage facilities and fish-chilling units.

The present bill is a simple amendment to section 5(c), which at present reads as follows:

(c) for the construction and equipment of fishing vessels;

Bill C-2 amends that by adding the words "modification, conversion" after "construction." If this bill becomes law the paragraph (c) of section 5 will read:

(c) for the construction, modification, conversion and equipment of fishing vessels; and

Before I go further I should point out that the word "equipment" does not mean fishing gear, but equipment on the ship itself, such as radar equipment, fish-finding

equipment, and haul-ups and winches for hauling in gear and devices generally required for mechanizing the fishery. Section 5(c) applies to small boats of between 35 feet and 75 feet in length. Subsidies for vessels of over 75 feet in length are provided, not by the Fisheries Development Act, but by the act administered by the Department of Industry, Trade and Commerce.

I endeavoured to obtain figures to indicate the nature of the expenditures being made under the Fisheries Development Act, and I was informed that in the fiscal year 1972-73 expenditures were as follows: Newfoundland, \$659,486; Nova Scotia, \$225,751; Prince Edward Island, \$85,599; and New Brunswick, \$134,891. The total expenditures for the Atlantic provinces therefore amount to \$1,105,727. To that figure must be added \$446,500, which is the share spent in the Maritimes in respect of programs which are national in scope. The actual total expenditures in the fiscal year 1972-73 in the Atlantic provinces amount to \$1,552,227.

Expenditures in other provinces for the same period were as follows: Quebec, \$52,270; Ontario, \$18,399; British Columbia, \$142,500; Manitoba, \$75,000; and the Northwest Territories, \$40,000. These total \$328,169, to which must be added \$105,000 for national programs, bringing the grand total to \$433,169.

Therefore, during the fiscal year 1972-73 the total of expenditures for fisheries development under the Fisheries Development Act was of the order of \$1,985,396. It will be noted that the subsidies payable under section 5(c) are determined by terms and conditions prescribed by the Governor in Council.

● (1630)

I endeavoured to get some information as to what the rate of assistance would be under this clause. The explanatory note in the first printing of Bill C-2 when it was introduced in the other place read as follows:

This amendment, which adds the underlined words, would extend the authority of the Minister to make payments—

And I want to draw the attention of honourable senators to that.

—in accordance with regulations prescribed by the Governor in Council to include payments for the modification and conversion of fishing vessels.

I enquired as to what the payments were under the present regulations, and I was told that the present regulations apply only to new construction and new equipment, with the rate of subsidy being 35 per cent. I understand that rate is now in the process of being reviewed. It is open-ended assistance, but the rate itself is being reviewed and could be changed in the future. A ceiling for assistance could also be established, whereas no ceiling exists at this time.

Of course, 35 per cent is not a great deal of assistance in view of the kind of costs that the fishing industry is faced with at the present time. But, as I pointed out earlier, it applies only to very small boats, 35 to 75 feet in length.

In addition to assistance under the Fisheries Development Act, further assistance can be obtained under the Fisheries Improvement Loans Act. Since both acts provide financial assistance, it is very easy to get them confused.

We should keep them separate in our minds. They both provide assistance to fisheries, but the Fisheries Improvement Loans Act is administered by the Department of Finance, whereas the Fisheries Development Act is administered by the Department of the Environment.

I made some enquiries as to the kind of expenditures being made under the Fisheries Improvement Loans Act. Although I could not get the figures for the whole of the calendar year 1973, I did get the figures from April 1973 to December 1973, and they are as follows: British Columbia, 338 loans for a total of \$4,713,506; Manitoba, one loan for a total of \$4,000; Ontario, nine loans for a total of \$69,000; New Brunswick, three loans for a total of \$30,000; Nova Scotia, 220 loans for a total of \$1,333,420; Prince Edward Island, 187 loans for a total of \$405,207; and Newfoundland, 71 loans for \$178,287. So the loans for the period from April 1973 to December 1973 amounted to \$6,733,420. Incidentally, no loans were made in Quebec or Alberta during the period quoted.

If you look at these figures you will see that of approximately \$6.7 million in loans, \$4.7 million went to British Columbia, which accounts for 70 per cent. The next largest beneficiary was Nova Scotia with \$1.3 million, which accounts for 20 per cent of the total. So British Columbia and Nova Scotia accounted for 90 per cent of the total loans made under the Fisheries Improvement Loans Act for the period under review, which is April to December 1973.

Honourable senators, I am very pleased to have had the opportunity of sponsoring this bill in the Senate. The fishing industry is very important to Canada, and particularly to the Maritime provinces. It has always been an extremely important industry in my province, Newfoundland, where 14,000 people still depend upon it for their livelihoods.

What pleases me most about Bill C-2 is that it is designed to assist the small boat owners who engage mainly in what we call inshore fisheries or near-shore fisheries, which can extend 50 or 60 miles out to sea. There has been some concern in my own province in recent months on the fate of the inshore fisheries. The freeze on shipbuilding, and certain other announcements, caused quite a lot of concern. It was felt that the importance of inshore fisheries might not be fully appreciated, and that such announcements augured the beginning of the end of inshore fisheries. However, the fact that this additional assistance is now being proposed for inshore fisheries will, I am sure, give those people new heart. It will be greatly appreciated by them.

As I said earlier, this amendment concerns only two words, those being "modification, conversion", to be added to paragraph 5(c). For that reason, honourable senators, I see no real reason why this bill should go to committee.

On motion of Senator Blois, debate adjourned.

YUKON ACT, NORTHWEST TERRITORIES ACT AND CANADA ELECTIONS ACT

BILL TO AMEND—ORDER BROUGHT FORWARD

Hon. Mr. Martin: Honourable senators, I ask that the Order for the second reading of Bill C-9, to amend the

Yukon Act, the Northwest Territories Act and the Canada Elections Act, which is now set down on the Order Paper for tomorrow, Wednesday, April 10, 1974, be brought forward and placed on the Orders of the Day of this date.

The Hon. the Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

SECOND READING

Hon. Arthur Laing moved the second reading of Bill C-9, to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act.

He said: Honourable senators, in moving the second reading of this bill, I should like to deal for a few moments with the aspirations of the people in the northern regions of our nation. I believe that north of 60° in the two territories we are going to find, in our lifetime, probably 50 per cent of all the resources in Canada in money value. It has been a habit of people living in the northern territories not to have a very fond regard for, or a very high appreciation of, their governments which reside in the south. In 1965 I found this feeling in the Soviet Union of Khandyga, 3,700 miles east of Moscow and about 2,200 miles from the Pacific Ocean. I was told by people there, "Unless those people in Moscow wake up we won't ship them anything at all."

There is a similar attitude in Canada, I guess because of the remoteness of the people from the centre of administration. They have the impression that the central government does not care enough for them. There has long been a feeling in the north that a greater degree of self-government should be given to those who reside there.

● (1640)

This makes the task of the commissioners of these territories very difficult, because in the Northwest Territories to the present date they have a partly elected and partly appointed council, and in the Yukon there is a fully appointed council, to which they have to give attention. At the same time, the commissioners are directly responsible to the Minister of Indian Affairs and Northern Development here in Ottawa. When I had the department I experienced this difficulty, and I am quite sure that the minister today is in the same situation.

Enormous things are going on in the Canadian North. In the exploration for oil and gas alone last year, \$250 million was expended in the mainland of the territories and in the Arctic, and a greater sum is expected to be expended this year, because there have been major finds of late that have given new heart to the explorers—one in oil and a number in gas.

Hon. Mr. Deschatelets: Has most of this research been done by foreign interests?

Hon. Mr. Laing: The majority of the work in exploration and drilling on the Arctic islands and the mainland at the present time is done by Panarctic Oil, which is a Canadian corporation in which, as Senator Deschatelets knows, the Canadian public has a 45 per cent interest. They started off with a participation by the Canadian government of \$9 million, and got \$11 million from some 18 small Canadian companies. At that time it was thought

[Hon. Mr. Martin.]

they could drill about 16 wells. Now, because we have determined not to dilute our participation in Panarctic Oil on behalf of the Canadian public, I think there is some \$36 million of government money invested. The results are very interesting.

Almost 50 per cent of the population of the Yukon Territory live in Whitehorse, which is the terminal of the railway from Skagway, and has a very good airport. There are several other points in the Yukon where activity is taking place. The largest single silver mine in Canada is at Elsa. There is the Anvil Mine, about 180 miles as the crow flies from Whitehorse. At Cantung, on the border of the Yukon Territory and the Northwest Territories, a mine is producing no less than 17 per cent of the tungsten requirements of the entire Western World. These are notable facts. So much so, that last year the Yukon, with a population of only 19,000 people, had a production from mining alone exceeding \$6,000 per man, woman and child. These are important figures.

A great change is taking place in the population. Whereas formerly a man would go in for a few months to make a stake and come out, today families are being raised there. The school system is excellent, the hospitals are good. These people intend to make a permanent residence there. That inevitably leads to demands that they have more government at site.

It was only in 1967 that we moved the capital of the Northwest Territories from Ottawa, where it had been for so many years, to Yellowknife. It was only in recent years that we were able to appoint residents of the territories as commissioners. Formerly they came from other parts of Canada.

I can understand the reaction of the people. If any of us were living in either of these territories we would have the same reaction. They do not want to be governed by somebody who drops in by airplane three times a year and lays down the law when he gets there. There is still some of that, and I am quite certain that this bill, although improving the degree to which they have self-government, will still not satisfy those people. I agree with the minister that it is a move in the right direction, and is as far as he can go at present.

The great reservation made in Ottawa, with which I totally agree, and which I have espoused all through the years, is that at the present time we must retain control of the resources in those two territories. We cannot develop those resources, we cannot entice capital there, if their control is in the hands of somebody who has not got an adequate amount of money to finance their development. For example, there must be improvements made to roads, airstrips to be built, and accommodation of every kind will be needed. When great things like this are going on the central government has to be in charge. I agree with this entirely at the present time.

Up there they are hopeful of becoming a new province some day. About five years ago I was brash enough to say I thought they would have provincial status in 15 years, and this included the Yukon and the Mackenzie Valley.

Hon. Mr. Martin: In how many years?

Hon. Mr. Laing: I said in 15 years, five years ago. That leaves 10 years. Up there they are more ambitious than

that; they want to drive ahead and become a province earlier than that. I do not know whether that will be possible. I dislike the idea of cutting them off, as it were, and leaving the rest of the Eastern Arctic totally dependent upon Ottawa. There are oil finds on the eastern side. There is a major development on Little Cornwallis Island, where there is lead, zinc and some silver.

Hon. Mr. Asselin: What is the population of the Yukon?

Hon. Mr. Laing: At present the population of the Yukon is 19,000 and the population of the Northwest Territories is 39,000. I think the populations are increasing at the rate of three or four per cent per year. There are a great many people going back and forth, and there are a great number of interests there. One firm in the air transport business has five Hercules planes operating there at the present time. These are men from southern Canada who go back and forth. In my view, the opportunity there is enormous, and an increasing number of people experienced in business and otherwise are showing up. This is all to the good.

In the case of the Yukon, the amendment provides for an increase in the size of the wholly elective council from seven to twelve members. This takes care of the additional areas of development in the Yukon. There will be a great deal of development there when we start drilling in the Beaufort Sea. Already contracts have been let in respect of five islands. The Beaufort Sea is shallow, and they drill through the islands.

I remember talking to the geologist of Richfield Oil immediately after the Prudhoe Bay discovery, and he said that was only one field in that general area. "There will be six or seven oilfields found," he said, "and they will be found on both sides of the border. If this is so, it will provide an enormous development for the northern part of the Yukon. This is the kind of thing that is going on there.

I was saying that the number of council members has been increased from seven to twelve in the Yukon, to give representation to these newly developing areas. Secondly, there is power, as the population increases, to increase or decrease the number of council members to be not fewer than twelve and not more than twenty. This is a gradual development toward the kind of self-government that these people envisage for the future.

● (1650)

Secondly, the bill clarifies the authority of the Commissioner in Council so that he can legislate for the operation and management of prisons. They have a prison system up there that I think might be copied in other parts of Canada. They have mobile camps where the prisoners work, and they have built roads, bridges—

Hon. Mr. Asselin: There is no danger of escape?

Hon. Mr. Laing: There are not too many places to go up there.

Hon. Mr. Martin: That is the point of Senator Asselin's observation.

Hon. Mr. Laing: They always come back to the camp at night, anyway.

This bill will bring the wording of section 44 of the French version of the Yukon Act into line with the wording of section 44 of the French version of the Northwest Territories Act. This has to do with using the words

"police stations" instead of "lock-ups". They used to have a term "lock-up". This has been abandoned, and now it is a "police station". I do not know that the accommodation is any different because of the difference in name.

Next, this bill will identify the commissioner as the authority responsible for the administration of crown lands under section 46. This is very important to them. This concerns the development of townsites. They want that authority there, and I think they should have it on the spot rather than have to come down here for disposition of any lands. It must be administered up there.

In the case of the amendments to the Northwest Territories Act, the proposal is to establish a fully elected council of 15. At present, we have a council of ten or so elected members and Ottawa appoints five, four of those being from southern Canada, and one is the deputy commissioner. But they are appointed from Ottawa, and the people do not care for that.

I think this change is necessary, but I regret its happening, and I will tell you why. It is extremely important to the northern territories that they have advocates living in southern Canada to tell the people of Canada what is going on up there. Some appointed members of that council have done a great deal for the North. Nevertheless, we are under pressure at the present time, and I suppose the Council has to be fully elected. This bill also provides for a Council Speaker selected from among its members, to preside over council proceedings.

Under the general housekeeping provisions, the bill clarifies the authority of the deputy commissioner to act for the commissioner during the latter's inability to act, and deletes the requirement that he must be a councillor. In other words, he is going off the council, which seems preferable.

The bill also will increase the council quorum to a majority of members including the Speaker. It clarifies the authority of the Commissioner in Council to legislate for the management and operation of prisons, as in the case of the Yukon Territory, and to identify the commissioner as the authority responsible for the administration of crown lands under section 46.

The amendments to the Canada Elections Act provide that newly established electoral districts for the two territories are not applicable to a general election of the two councils unless the new electoral districts have been in force for six months before an election is called, or unless the Chief Electoral Officer has been able to make the necessary preparations for the election on the basis of the new electoral districts in a shorter period of time. That is pretty fuzzy, but they are looking toward elections in both of the territories this fall, and that proviso is there so that if the Commissioner can get busy and map out these new areas, it will apply; otherwise, this will not apply.

Honourable senators, I have covered the matter as fully as I can. There is a general wish among all the residents up there to have the conduct of their affairs in their own hands. I agree that these amendments have not gone far enough to make them happy, but I do agree that at this time, with the development of the territories and the enormous things that are going on there, this is as far as the government can go.

Hon. Lionel Choquette: Honourable senators, I know that this is an urgent matter, and this bill should be given third reading and passed tomorrow. Because my good friend, Senator Laing, was brief in his remarks I think I have time to deal with this bill briefly as well, so that it may be read the third time tomorrow. As usual, Senator Laing made an interesting and able presentation, for which we are all grateful.

This bill does not spell the end of colonialism in the Yukon and Northwest Territories. It should, but it does not. It is a small, unimaginative step toward granting greater control over their governments to the people of the territories. That is all it is—a small, reluctant step, by a federal government totally out of touch with the temper of the times.

This government congratulates the people of the territories on their outstanding achievements, on their remarkable social and economic development. Yet, it is reluctant to grant these same outstanding achievers any significant political and economic autonomy.

They are still to be treated as colonials—second class citizens to be protected from themselves by an omniscient central government represented in the territories by the commissioner. That commissioner, honourable senators, is a symbol of an authoritarian paternalism characteristic of other continents and centuries past. Such paternalism, such manifest colonialism, should never have been permitted to exist in this country and should certainly have been laid to rest once and for all in this piece of legislation.

Great things had been promised; little was delivered. The stigma of colonialism will still be there even after we have passed this bill. And pass it we will, because pass it we must, and quickly. The government has given us no choice.

In order, once again, to impose its will on Parliament, the government has used a subtle form of blackmail. They have waited so long to introduce this bill that we have no choice but to proceed in haste. We have no choice but to accept the puny half measures provided here, for, if we do not, we risk losing everything.

If the changes envisaged are to be in effect for the territorial council elections scheduled for 1974—and I think I can be borne out on this—then there is a great urgency about this bill. The boundary changes and other revisions called for will require at least six months' work by the Chief Electoral Officer before an election can be held.

Is that not correct, senator?

Hon. Mr. Laing: It may well be so, yes.

Hon. Mr. Choquette: So, in the interests of making the 1974 election more meaningful, we are forced to accept less, I would say, than half a loaf.

Hon. Mr. Martin: The election for what year?

Hon. Mr. Choquette: The year 1974.

Hon. Mr. Martin: Is there going to be an election?

Hon. Mr. Choquette: In the Northwest Territories.

Hon. Mr. Martin: Je comprends.

Hon. Mr. Choquette: Well, both can be right, here and up there. So, in the interests of making the 1974

[Hon. Mr. Laing.]

election more meaningful, we are forced to accept less than half a loaf.

The bill is a despicable hoax, as phony as a three-dollar bill. The federal government makes loud self-congratulatory noises to the effect that it is showing respect for our fellow Canadians in the northern territories, but it does not deliver the goods. This bill constitutes nothing more than a typical exercise in Liberal window dressing. It allows for a fully elected council in the Northwest Territories, and for the addition of five members to the Yukon Council. But this is not getting to the core of the problem.

We were under the impression that it had been established long ago, and was generally accepted by the Liberals, that there can be no such thing as real parliamentary democracy anywhere, including the Canadian territories, until such time as the people are given real control over their own destinies. That means that the elected councils of the territories must be given fiscal authority. Until such time as this is done, it is hypocritical, it is a callous, cynical mockery, to suggest that we have done anything really significant to establish parliamentary democracy in the North. Where elected representatives cannot influence decisions regarding the expenditure of public moneys, no democracy exists. The people of the North are still dictated to by Ottawa through civil servants.

● (1700)

It is still not lawful for the councils in the territories to adopt, pass, or vote upon a resolution, address, or bill for the appropriation of any part of the public revenues to the territories that has not been first recommended to the council by the commissioner, who represents the federal government. Further, the budgets of the territorial councils are determined by an interdepartmental committee in Ottawa, not by the people of the North through their elected council representatives.

There is nothing in this bill to change that sorry situation. Yet, the government feels it has good cause to congratulate itself on granting the territorial councils more autonomy. That is pure unadulterated hypocrisy.

The people of the North are fed up with colonialism. They find it demeaning and stultifying. They want to control their own lives. They want to make their own laws. They want the right to decide how tax dollars will be spent in the Yukon. In short, the people of the North want an end to rule by federal bureaucrats.

The people of the North have proven their capacity to handle responsibility and authority; they have demonstrated their willingness to accept the challenge of ruling themselves. We should be going much further in this bill towards granting them powers analogous to those of the provinces.

I entirely agree with the introductory remarks of the sponsor of this bill. This bill shows a deplorable lack of understanding on the part of the federal government. The people of the North do not need, nor do they want, federal guardians. They came of age a long time ago. We have no reason to treat them as though they were irresponsible and undeserving of trust. If they are good enough to pay taxes, they should be good enough to govern themselves.

Hon. Eugene A. Forsey: Honourable senators, may I intervene very briefly in this debate? I regret I was absent

for most of the speech of Senator Laing, arriving as he was concluding. I may, therefore, be somewhat repetitive, though I hope not. There are just a couple of things I want to say about this legislation. One of them is provoked by the remarks we have just heard from Senator Choquette.

As far as I can make out, he suggests that unless the people in the territories are granted full responsible government, cabinet responsible government, they are in a condition of colonialism. I must say I find it rather tiresome to hear this word "colonialism" applied to the status of the territories, especially as it is changed by this legislation.

Hon. Mr. Martin: I do not think that Senator Choquette really has fallen for his own extravagant language.

Hon. Mr. Forsey: I am really asking Senator Choquette whether that is what he wants, because if that is what he is proposing, and if he thinks that any territory which does not enjoy full cabinet responsible government is in a state of colonialism, then I think we should hear that stated clearly.

It seems to me a gross exaggeration. I dislike the use of the term "colonialism." It is used very loosely all over the place to describe all sorts of things that people don't like, and when it comes to applying that term to the present status of the territories, I think it is a most outrageous exaggeration of the situation.

I might add that the reason I mentioned this about responsible government is that the particular phrase which Senator Choquette referred to, about the necessity of money bills being introduced on the recommendation of the commissioner, is of course taken straight from the British North America Act in relation to provincial legislatures, the difference being that in the provincial legislatures you have responsible cabinet government and in the territories you have not.

This seems to me to bring out the essential point of Senator Choquette's contention, and I should be very grateful if he could enlighten us as to whether that is really what he wants, responsible cabinet government.

Honourable senators, I think there is a minor improvement here, but a not insignificant one, in what I might call the tidying up of at least the Northwest Territories Act. Some little time ago I was consulted by certain people for what I call one of my illegal legal opinions on the powers of the commissioner under the Northwest Territories Act. I looked at the thing rather carefully, and was struck by the fact that the commissioner appeared to be a curious sort of hybrid. He was not only a sort of lieutenant-governor in miniature, but he was also a speaker in miniature. It seemed to me most anomalous that in any kind of legislative body, like the council of the Northwest Territories, the person who in effect represented the Crown, represented the central government at all events, should also be the Speaker.

Hon. Mr. Flynn: In the Senate that is the case.

Hon. Mr. Forsey: I am sorry. Perhaps I might just finish, and then I may be able to hear Senator Flynn better.

I am delighted to see that in clauses 3 and 12 this anomaly is got rid of. I think this is a distinct improvement. I see Senator Flynn shaking his head but I do not know why he is shaking his head, because the terms of

clauses 3 and 12 seem to be perfectly clear, that the council shall elect a Speaker, and as far as I know there is no Speaker elected by either council now.

I can speak with some positiveness about the Northwest Territories, unless the legislation has been changed in the last few months. This is a tidying-up operation and I think it is a useful tidying-up operation, and will help to make things work more smoothly in the territorial council and put the commissioner in a somewhat less anomalous and embarrassing position. I think it is a step forward, a reasonable step forward.

The Conservative Party seems, if Senator Choquette is expressing its opinion, to have become suddenly very advanced and avant-garde indeed, and wants to make what in another and different jurisdiction might be called a "great leap forward". I am inclined to think that possibly it is better to proceed in the time-honoured way of British and Canadian governments, and move step by step as conditions warrant towards the full provincial autonomy which "in due course", as Sir Robert Borden used to say, will doubtless be granted to the present territories.

Hon. Mr. Flynn: That was 60 years ago.

Hon. Arthur Laing: Honourable senators—

The Hon. the Speaker: Honourable senators, I wish to inform the Senate that if Senator Laing speaks now, his speech will have the effect of closing the debate on the second reading of this bill.

Hon. Mr. Flynn: We will have third reading, of course.

Hon. Mr. Laing: Honourable senators, I first want to thank Senator Forsey for coming to my aid.

Hon. Mr. Choquette: I am sure you did not need it.

Hon. Mr. Laing: After listening to Senator Choquette, I was not sure that we were both talking about the same area of Canada. I know that area and I am not sure that he does. It is 42 per cent of the land mass of Canada. The population on the eastern side of the Arctic is one person per 178 square miles. Governance in an area like that is pretty difficult. There was a time up there when they never got any Canadian news at all, and the only radio they got was from Moscow. We have bettered that by Telesat, and communications have improved enormously. Things have changed a very great deal up there. But to exaggerate the position is not going to help us very much.

The conditions described by Senator Choquette, I want to assure him—and I rather think he will be glad to know—are not as he represented. That is the situation. However, the demand will increase for greater governance. I feel very strongly for the position of the commissioners. As Senator Forsey says, they are in a difficult position. They are in the meat grinders, because they have elected representatives there on their councils to whom they have to give attention, and yet they are appointed by the minister here.

I do not know that we can do any better than this in this transitional period. The dominant position of the federal government has to exist because of the money we are putting into that area. Tremendous amounts of the money of taxpayers in southern Canada, are going there for development purposes. We built a \$9 million road into the magnificent mine at Faro at no charge to them. We built

the power line, for which they are repaying us over 20 years.

Hon. Mr. Flynn: How much money does the mine bring to the federal treasury?

● (1710)

Hon. Mr. Laing: When the party of my honourable friend was in power, they did the same in respect to Pine Point.

Hon. Mr. Flynn: I agree.

Hon. Mr. Laing: I should like to pay a tribute to the former Prime Minister of Canada for having had the courage to build that railway to Pine Point, with Hay River as a terminus. That was good thinking. They called it vision. It was a good vision. When you get a mine like Pine Point, where it cost \$22 million to install the concentrator, and then you make \$32 million net in 18 months, you've got a mine!

Hon. Mr. Flynn: It is worth spending federal money for that purpose.

Hon. Mr. Laing: Of course! And we are putting in a tremendous amount up there. In the last year the Northern Transportation Company, which is a federal crown corporation, spent \$22 million on tugs and barges. They have one of the most efficient tug-and-barge services anywhere in the world, for that type of river. But such enormous expenditures place the government in the position where they cannot give away all of the authority to spend that money.

With respect to development, we hope to put a pipeline through that territory at a cost of \$5.7 billion. Obviously, consideration has to be given to the native people, but consideration must also be given to the council there. The financial strictures are such, however, that at the present time control of those areas will have to remain here in Ottawa. It will have to remain here regardless of what party is in power.

Hon. Mr. Asselin: For how long, though?

Hon. Mr. Laing: It will depend on what happens from now on. I think they will get an increase in population, although not great. The extraction of those resources up there will never require a large population. It is the service industries behind the resources which will require the increase in population. It will not be an increase in the number of men out in the field.

The fact is that those mines, although they will produce millions of dollars, will employ only about 200 men, because they are open-pit mines for the most part. An exception is the silver mine which employs about 360 people. It has been suggested that about 7,500 people will be occupied in building the pipeline I referred to, but I would think that no more than 200 or 300 people will be required after the pipeline is in operation.

It is a difficult situation to judge, but the important aspect is that there is an increasing number of competent young people who are willing to serve on these councils, and while the progress made to date may not satisfy them, nevertheless we are moving in the right direction.

Hon. Mr. Flynn: That is the only point we tried to make. 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 Laing, bill placed on the Orders of the Day for third reading at the next sitting.

BUSINESS OF THE SENATE

Hon. Mr. Martin: Honourable senators, I point out that there may be a meeting of the Standing Senate Committee on Transport and Communications tomorrow morning. Senator Langlois and Senator Bourget, who is acting chairman of that committee in Senator Haig's absence, are endeavouring to arrange for a meeting. If there is a meeting tomorrow morning, notices will be distributed.

Hon. Mr. Flynn: What is on the agenda?

Hon. Mr. Martin: They hope to have some of the officers of the railway present.

Hon. Mr. Flynn: The CNR officers?

Hon. Mr. Martin: Yes.

Hon. Mr. Flynn: Why should they rush into that?

Hon. Mr. Martin: I do not think they are rushing, because they hope to have that meeting anyhow. At any rate, they are out doing that now and if there is to be a meeting notice will be given.

Hon. Mr. Flynn: I do not think that you could extract all you want in two hours.

Hon. Mr. Martin: In any event, if we are here it is far better to use our time to full advantage. I am sure Senator Flynn, with his new responsibilities, will agree that that is the case.

Hon. Mr. Flynn: It could wait until after the next election. After all, it would be only the third election without such a bill.

Hon. Mr. Martin: Honourable senators, I think we have made good progress, and I thank my honourable friend for facilitating it up to this point. I continue to hope that he will do so with respect to the National Parks bill, and I serve notice that we are going to try our best.

Hon. Mr. Flynn: We have to have something to keep us busy when we return after Easter—if we do return.

Hon. Mr. Martin: That is right.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, April 10, 1974

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

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1973

QUESTION OF PRIVILEGE RE DEBATE ON SECOND READING

Hon. Mr. Desruisseaux: Honourable senators, I rise on a question of privilege. During the debate yesterday on the second reading of the Canadian National Railways Financing and Guarantee Bill, 1973, my good friend Senator Langlois made a statement—

Hon. Mr. Martin: He is just arriving in the chamber now.

Hon. Mr. Desruisseaux: I am glad, because I was not in the chamber when he spoke last night. In closing the debate, Senator Langlois placed certain documents on the record and he took the occasion to comment on the speech I had made the previous day on this bill. It is my belief that his comments as to what I had said were incorrect, and I wish to speak about this now. At page 269 of yesterday's *Debates of the Senate*, Senator Langlois is reported to have said:

Senator Desruisseaux began by indicating that he was under some pressure to pass this bill in a speedy fashion. I think I disposed of that last night. I assured him that there was no pressure on anybody, and that this house was expected to take all the time it wished to consider the bill.

I have little to say about that, except to note these remarks made by the Leader of the Government as reported at page 264 of the *Debates of the Senate*:

I am merely raising a point, I am sorry. This bill could even be discussed during the Easter recess. We must take all the time necessary to make that examination.

The implication was clear, to me at least, that this was a possibility, if we were to go ahead, that we would sit during the normal recess. I referred in my speech to the recess of Parliament as something which we should respect.

Senator Langlois continued at page 269:

However, Senator Desruisseaux went much further than that, and made what I consider to be a violent attack on the board of directors of the CNR, reproaching them for not having had their financial statements audited, as would responsible administrators, not only of public corporations but of private corporations as well. In replying, I do not want to appear to be coming to the defence of the board of directors of the CNR. I do not think they need my help in this respect. They are responsible Canadian citizens; I am sure they are

doing their best to administer the CNR in an orderly fashion, and according to the long-established practice for such public operations.

I made no reference whatsoever to the directors of the Canadian National Railways or Air Canada. I did say, however, that in connection with the administration of the CNR, Parliament was at fault because it did not pay attention to the auditing of reports. I mentioned that we had some reports that were not audited. That is quite different from what Senator Langlois accused me of saying.

If the Deputy Leader of the Government will again read what I said—it appears at page 255 of the *Debates of the Senate* for Monday, April 8—he will form another opinion of what I said. It was this:

The Canadian National Railways and Air Canada are outgrowing Parliament. They have gone beyond the priorities set in the National Transportation Act when those companies were established.

That was not an attack on the directors, and I defy Senator Langlois to say that it was. I continued:

I am not blaming the companies for what has happened.

That is clear enough:

Parliament makes the rules and the companies abide by them.

Possibly it was not intended that I should be accused of making a violent attack on the directors of the Canadian National Railways and Air Canada. I have some very good friends with the company and I do not have to, nor did I, make an attack on them. I blamed Parliament for not doing what it should have done at the right time.

Hon. Mr. Langlois: Honourable senators, since I was unavoidably delayed and was not in the house when the honourable senator commenced his remarks, I assume that he rose on a question of privilege.

Hon. Mr. Desruisseaux: That is right.

Hon. Mr. Langlois: That being so, I apologize if I misinterpreted his remarks. However, that was the meaning conveyed to me. In my remarks I said I considered it to be such. I did not say that Senator Desruisseaux, in fact, attacked the board of directors, but that I considered it as being an attack on the directors of both the CNR and Air Canada. It is true, he did not refer to them specifically. However, in blaming a corporation, you blame its directors.

Hon. Mr. Flynn: No.

Hon. Mr. Langlois: There is no getting away from it. A corporation does not speak on its own behalf; it speaks through its board of directors.

Hon. Mr. Flynn: Oh, no.

Hon. Mr. Langlois: If a corporation makes a mistake, the blame should be laid on the board of directors.

Hon. Mr. Asselin: You are going too far.

Hon. Mr. Langlois: That was my interpretation. Perhaps I was wrong. I can only interpret what I hear. I did not charge or accuse Senator Desruisseaux of having said that. He made what I considered to be a violent attack on the board of directors. That is the impression he left with me. Based on my discussions with some other senators, I was not the only one left with that impression. As I say, if my impression was not a correct one, I apologize. I cannot add anything further.

Hon. Mr. Desruisseaux: I am pleased to accept the apology of the Honourable Senator Langlois. However, I should say that most senators who heard my remarks did not give them the same interpretation as did Senator Langlois. As a matter of fact, I was told by many members of Parliament, especially members of the Opposition, that I was quite right in making the remarks I made.

Hon. Mr. Langlois: You have the wrong reference there. Of course, you are sitting on that side of the chamber.

Hon. Mr. Martin: If Senator Desruisseaux will permit me, only this morning Senator Langlois made the remark that if there is one senator who really does his homework seriously and assiduously, it is Senator Desruisseaux, and I fully agree.

Hon. Mr. Desruisseaux: I am pleased to hear that he feels that way, but I am not prepared to let the type of interpretation Senator Langlois made stand.

Hon. Mr. Flynn: The Leader of the Government should not foist his opinions on others.

AGRICULTURE

STANDING SENATE COMMITTEE—LETTER TO MINISTER OF AGRICULTURE TABLED

Hon. Mr. Argue: Honourable senators, at a meeting of the Standing Senate Committee on Agriculture on April 4, the Minister of Agriculture, the Honourable Eugene Whelan, suggested that recommendations or comments from the committee on farm credit policies would be welcomed by him, and he indicated there was some urgency in this respect.

I wish to inform honourable senators that our committee has considered its recommendations, and these are being submitted today to the minister in a letter approved by the committee and signed by me as chairman. I wish to table this letter now for the information of the Senate.

Hon. Mr. Grosart: Honourable senators, I know that we all have great respect for the important work Senator Argue has done in setting up this committee and in conducting its proceedings. However, I have some doubt as to whether a committee of the Senate should communicate directly with the government in this manner. My impression is that a committee of the Senate should report first of all to the Senate, because those are usually the terms of reference.

● (1410)

I am not being in any way critical of Senator Argue. I raise the point in case the situation should arise again,

[Hon. Mr. Flynn.]

because I believe it would be the consensus of the Senate that any committee reaching a decision should report to the Senate under its terms of reference rather than communicate directly officially as a committee with anyone outside the Senate. I trust that Senator Argue will not take this as a criticism, but rather as a suggestion that could be of some importance if this precedent were followed. I can think of situations where it might be embarrassing to the Senate, although not in this case, of course.

Hon. Mr. Argue: I might say that the committee, in its wisdom or otherwise, considered this point, and it was the unanimous wish of the committee, including a representative from the official Opposition, that we do it this way. We hoped to avoid criticism when the letter was being sent to the Minister of Agriculture, by informing the Senate of what was being done. I discussed this procedure with officials of the Senate and was advised that this was the proper way to do it. I am in no way trying to bypass the authority of the Senate. I am trying to conform with its authority, but also trying to assist the agricultural industry in any way we can by submitting our recommendations to the place where it counts when we are asked for recommendations. I was highly flattered that a minister of the Crown should come to the Senate—

Hon. Mr. Flynn: Why?

Hon. Mr. Argue: Let me finish my sentence—and ask the committee for advice. I was impressed by that, and we as a committee are trying to follow through.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

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 1971, pursuant to section 18(1) of the said Act, Chapter C-31, R.S.C., 1970.

Copies of a report entitled "Foreign-owned Subsidiaries in Canada 1964-1971" issued by the Department of Industry, Trade and Commerce.

Copies of Terms and Conditions for the Venture Capital Exemption under the *Foreign Investment Review Act*, Chapter 46, Statutes of Canada, 1973-1974, issued by the Minister of Industry, Trade and Commerce.

Report of The Canadian Wheat Board for the crop year ended July 31, 1973, including its financial statements certified by the Auditors, pursuant to section 7(2) of the *Canadian Wheat Board Act*, Chapter C-12, R.S.C., 1970.

Report of the Standing Senate Committee on Internal Economy, Budgets and Administration, dated April 1, 1974, covering revised rates of pay for certain employees of the Senate.

Copies of a Proclamation, dated March 26, 1974, extending until March 31, 1979, the period of application of the *Shipping Conference Exemption Act*, Chapter 39 (1st Supplement), R.S.C., 1970.

Copies of a document entitled "Tax Measures Review Survey: Respondents and Non-Respondents",

dated April 9, 1974, presented by the Minister of Finance.

INTERNAL ECONOMY

BUDGET OF BANKING, TRADE AND COMMERCE COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Committee on Internal Economy, Budgets and Administration, I desire to table the Committee's report approving the budget presented to it by the Chairman of the Standing Senate Committee on Banking, Trade and Commerce for the proposed expenditures of the said Committee on Banking, Trade and Commerce with regard to its examination and consideration of matters 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, authorized by the Senate on March 27, 1974.

BUDGET OF FOREIGN AFFAIRS COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the budget presented to it by the Chairman of the Standing Senate Committee on Foreign Affairs for the proposed expenses of the said Committee on Foreign Affairs with regard to its examination of the Canadian relations with the United States, referred by the Senate to the said Committee on Foreign Affairs for examination and consideration on March 26, 1974.

SUPPLEMENTARY BUDGET OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the supplementary budget presented to it by the Chairman of the Standing Senate Committee on Legal and Constitutional Affairs for the proposed expenditures of the said Committee on Legal and Constitutional Affairs with respect to its examination of the Parole System in Canada, referred by the Senate to the said Committee on Legal and Constitutional Affairs for examination and consideration on March 20, 1974.

BUDGET OF AGRICULTURE COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the budget presented to it by the Chairman of the Standing Senate Committee on Agriculture for the proposed expenditures of the said Committee on Agriculture, with respect to its examination from time to time of any aspect of the agricultural industry in Canada, which were authorized by the Senate on April 8, 1974.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

FIRST REPORT OF STANDING JOINT COMMITTEE PRESENTED AND ADOPTED

Hon. Eugene A. 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.

Your committee further recommends that the committee have power to sit during adjournments of the Senate.

He said: Honourable senators, I should like at the appropriate moment to move the adoption of this report, but I think it would be premature to do so now.

The Clerk Assistant (*Reading*):

The Standing Joint Committee of the Senate and House of Commons on Regulations and Other Statutory Instruments presents its first report—

Hon. Senators: Dispense.

Hon. Mr. Martin: May I ask Senator Forsey, as one of the co-chairmen—

Hon. Mr. Flynn: A motion has not been made.

Hon. Mr. Martin: No motion has been made.

Hon. Mr. Flynn: That is right.

Hon. Mr. Martin: Of course, a motion could not be made without leave, but if Senator Forsey does not proceed today by asking for leave, does that prejudice in any way the work of the committee? I know that no one has worked as hard as Senator Forsey on this joint committee. It is an important committee. There was very considerable debate in this house. It arose out of a complaint registered three sessions ago by Senator O'Leary and I would hope that the fact that the senator is not asking for leave now would not in any way prejudice the work of the committee.

Hon. Mr. Forsey: Honourable senators, I am—

Hon. Mr. Flynn: I rise on a point of order. I can understand the attitude of the Leader of the Government—it is the customary one—but he is speaking prematurely. A motion will be made. Leave will be asked to proceed. If it is refused, the Leader of the Government can speak then, but why assume that leave will be refused?

Hon. Mr. Martin: I do not think that Senator Flynn should, in this happy period of Easter, engage unnecessarily in controversy—because I am not in controversy.

Hon. Mr. Flynn: No, no, but you are about to provoke it.

Hon. Mr. Martin: I am not. I am simply asking the question, and that question is this—

Hon. Mr. Flynn: It should be asked later.

Hon. Mr. Martin:—whether the work of the committee will be prejudiced in any way by the fact that leave is not now sought on this occasion.

Hon. Mr. Flynn: You are creating confusion.

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

Hon. Mr. Flynn: Now.

Hon. Mr. Forsey: Honourable senators, that is what I wished to speak to, the matter just raised by the Leader of the Government. I am sorry if I have transgressed in any way—

The Hon. the Speaker: Are you moving that the report be taken into consideration now?

Hon. Mr. Forsey: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(f), I move that the report be taken into consideration now.

Hon. Mr. Flynn: Agreed.

Hon. Mr. Forsey: I have discussed this matter with the Leader of the Opposition.

The Hon. the Speaker: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(f), it is moved by the Honourable Senator Forsey, seconded by Honourable Senator Lafond, that the report be now adopted.

Is it your pleasure, honourable senators, to adopt this motion?

Hon. Mr. Flynn: Senator Forsey, for the record you can now reply to the question put by the Leader of the Government.

Some Hon. Senators: Oh!

Hon. Mr. Flynn: I think it is essential for the record, otherwise—

The Hon. the Speaker: Adoptée,—

Hon. Mr. Flynn: No, Your Honour, with great respect. A motion has been made, but I think—

Hon. Mr. Langlois: Is this a point of order? Is this a point of order?

Hon. Mr. Flynn: Would you remain silent when you are sitting on your—

Hon. Mr. Langlois: Madam Speaker, the honourable senator has no right to speak at this time unless he rises on a point of order.

Hon. Mr. Flynn: No, the motion has not been adopted— or otherwise Your Honour has decided in advance.

Hon. Mr. Langlois: You have not the right to speak.

Some Hon. Senators: Sit down.

The Hon. the Speaker: Honourable senators, the motion has not yet been adopted, and I think the honourable senator has the right to speak to the motion.

Some Hon. Senators: Hear, hear.

Hon. Mr. Flynn: The honourable mover of the motion was to give us an explanation. Of course, he may, if he wishes, reply to the question which was put premature-

[Hon. Mr. Flynn.]

ly by the Leader of the Government. But I do want this answer on the record. If the honourable mover of the motion does not want to do it, I can do it for him.

Hon. Mr. Forsey: Honourable senators, if I may be allowed, I should like to defer my statement until I have presented the second report, so that I can do the two together, if the house would allow, because I think it would save time and difficulties of every kind.

Hon. Mr. Flynn: Agreed.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion? Adoptée, carried.

Motion agreed to and report adopted.

SECOND REPORT OF STANDING JOINT COMMITTEE PRESENTED

Hon. Mr. Forsey: Honourable senators, I beg leave to present the second report of the Standing Joint Committee of the Senate and House of Commons on Regulations and Other Statutory Instruments.

Perhaps I may simply allow the Clerk at the Table to read it to save time, and I can dispense instead of his dispensing, and then I shall speak to it in a moment or two. I can speak in fact briefly to both, to explain something of what has been going on and why the committee is presenting these particular proposals.

● (1420)

Hon. Mr. Grosart: Honourable senators, I rise on a point of order. I would direct your attention to rule 78:

78.(2) A report presented to the Senate shall be received without debate.

(3) A report which by its own terms is for the information only of the Senate shall be laid on the table but may on motion be placed on the orders of the day for future consideration.

Hon. Mr. Martin: Or it may be discussed, as it is now, if the Senate so wishes.

Hon. Mr. McLraith: Consent was given by the Leader of the Opposition a few minutes ago.

The Clerk Assistant (Reading):

The Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments presents its second report, as follows:

In considering its permanent reference relating to the review and scrutiny of statutory instruments, your committee is aware that a comparable committee exists in Great Britain and is of the opinion that a visit to England to study the committee's activities and to meet with its members and staff would be of great benefit. Your committee, however, considers it to be unnecessary for the entire committee to travel to Westminster.

Your committee therefore recommends that the joint chairmen, after the usual consultations, be authorized to designate a member representing each House and the staff to travel to London, England, to study and report to your committee on the procedures

and methods of work of the comparable Westminster committee.

Respectfully submitted,

Eugene A. Forsey,
Joint Chairman.

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

Hon. Mr. Forsey: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(f), I move that the report be considered now.

Hon. Mr. Cook: Could Senator Forsey give us the reasons why it is so urgent that this be adopted now?

Hon. Mr. Forsey: Honourable senators, if there is any feeling that this is hurrying the matter, I am not disposed to press the thing at all. It is not a matter that is extremely controversial. I discussed the matter briefly with the Leader of the Opposition and he seemed to feel there was no difficulty about leave being given. I trust Senator Grosart or other experts in the rules will not object if I ask to be allowed to give a rather brief statement of what the committee has been doing, and what it proposes to do; and this might meet the point raised first by the Leader of the Government and then by the Leader of the Opposition.

The committee had great difficulty in getting under way because of the necessity of finding staff, and owing to the new arrangements which had been adopted in regard to the staffing of committees of both houses, under which the staff would be provided by the research branch of the Parliamentary Library.

There were a number of discussions on this, lasting over some time, which were somewhat impeded by the absences of the Commons chairman of the committee and by preoccupations of mine with other matters of public affairs, but eventually we succeeded in getting our staff. We have Professor Eglington, formerly of the Department of Law of Carleton University, an Australian, and also, I think, an English, barrister, and Mlle. Lise Mayrand, who is a member of the Quebec bar. Both of them are members of the staff of the Parliamentary Library research branch and they have already gone to work and have set to on the enormous task which confronts them of dealing with these orders which were referred to the committee, now dating back to the beginning of January 1972.

Because they have such a great backlog of work, the committee is proposing that they should during the summer have the help of some summer students—students in law—and the suggestion has been that there might be a maximum of 12, although I think there is little hope of getting as many as that, in order to help them catch up with the enormous backlog of work confronting them.

The suggestion has also been made that it would be useful if the committee could be informed directly of the work being done by the corresponding joint committee in the United Kingdom. That committee, as a joint committee, is relatively new. I think it goes back only two or three years—something of that sort—but there have been predecessor committees running back for about 40 years, or so, I think, from each of the two houses. So there is a considerable volume of experience to draw upon and the proposal, as stated in the report of the committee, is that

two members of the committee, a senator and a member of the House of Commons, designated by the joint chairmen, and after the usual consultations, should proceed to Westminster sometime in May or June,—the date has not been precisely settled yet—to look into the procedures of the joint committee in the United Kingdom.

It is not intended to be a prolonged visit; something of the order of three or four days is contemplated. Furthermore, if I may venture to say so, it is the hope of the committee that it may be possible to reduce the expense of this by asking to have the people concerned taken across in one of the regular flights of the Department of National Defence. So, honourable senators, we are not proposing any prolonged or elaborate junket. I may add that as one of the joint chairmen, if he happens to go, happens to be a teetotaler, that particular item of expense will not be a large one. A few ginger ales possibly will satisfy the situation as far as he is concerned. I don't know if he will go, but it is possible that he may be designated.

I don't know if that covers the ground adequately. If there are any questions that any honourable senators would like to ask, I shall be prepared to answer them to the best of my ability. But I think that gives a bird's-eye view of what the committee has been trying to do, what it has so far accomplished, and the methods by which it proposes to proceed with its work henceforth. I might also add that the committee staff has had excellent co-operation from both the Privy Council office and the Department of Justice. Everything seems to be going very smoothly in that respect, although there have been certain difficulties about physical accommodation and even about telephone lines, the latter, I believe, having now been suitably dealt with.

That is about all I need to say, except to say once again that there is no special urgency about this. I suppose it could be dealt with after the recess. But on the other hand, it seems to me rather unnecessary to make two bites of a cherry, and we can, if the Senate is willing, deal with the thing now and get the housekeeping items settled before the recess, so that we can write to England and find out what would be the best date for the four people to go over.

Hon. Mr. Lafond: On a point of clarification, honourable senators, I gather that as Senator Forsey in his report as well as in his remarks refers to staff going over to England, his reference is confined to the two official members of the research staff, Mr. Eglington and Miss Mayrand?

Hon. Mr. Forsey: Precisely.

Hon. Mr. Grosart: I wonder if I could direct a question to Senator Forsey. My understanding is that the report suggests that there will be four people only who will be going to make this inquiry at Westminster. It occurs to me that it would be far more appropriate if all parties in both houses were represented on any such committee of inquiry. I don't know who the four might be. There probably would be the two joint chairmen. But if only four members of the committee are going, it seems quite obvious that some parties will not be represented, and it would seem to me to be of the utmost importance in a situation such as this that all parties be included in this, what will be, I suppose, a subcommittee. This may have been discussed in the committee, but I would welcome Senator Forsey's comments.

● (1430)

Hon. Mr. Forsey: Honourable senators, I do not recall that the matter was discussed in the committee, except very briefly and I was obliged to leave before all the proceedings were concluded. Perhaps other members of the committee who were present may have a better recollection of that than I. I am confident, however, after reading the proceedings, that I did not miss anything vital with respect to this particular point. My recollection is that the first suggestion was that the two research officers, the two barristers that I referred to, or one barrister and one avocat, to be precise, should go; secondly, that two members of the committee, one representing each house, should go. I cannot recall anything being said by any member of the committee about the representation of parties.

Hon. Mr. Martin: No; two co-chairmen.

Hon. Mr. Forsey: What was that?

Hon. Mr. Martin: As I understood your remarks, it was two co-chairmen, not two research people.

Hon. Mr. Forsey: No, two designated by the co-chairmen. The Commons co-chairman said it would be very difficult for him to go and thought it was probably impossible. I said that as far as I was concerned it would be inconvenient but if it was the desire of the committee to designate me, I would be prepared to go. The proposal, however, was that one senator and one member of the House of Commons should go, these to be designated by the co-chairmen.

Whether the one from the House of Commons, for example, might be a member of the NDP or the Social Credit Party, I do not know. Obviously we could not designate a member of the NDP in the Senate, because there are none here.

Hon. Mr. Choquette: Oh, yes, there is.

Hon. Mr. Flynn: A former member of the NDP.

Hon. Mr. Forsey: I think that probably the feeling of the committee was that we wished to have someone from each house and it was largely a technical and non-party matter, anyway, and the question of representation of parties was never raised. My assumption would be that it would be very unlikely that the two that were chosen would come from the same party. This would surprise me very much. On the other hand, if we find that all the members of the committee from other parties than the Liberal Party and all members of the committee except one Liberal from this house are unable to go, I suppose it may be conceivable that we would have a couple of Conservatives or a couple of Liberals. I do not know, but I do not think that point was raised, nor that anyone thought that party politics were involved in this.

Hon. Mr. Martin: Of course not.

Hon. Mr. Forsey: But I am not a mind reader, so I may be completely wrong.

Hon. Mr. McIlraith: This important matter, it seems to me, poses some questions of a peripheral nature that are rather important. I notice, however, that the honourable senator speaking dealt with dates in fairly specific terms and, of course, did not deal with the situation that might

[Hon. Mr. Grosart.]

arise if there were no members of the House of Commons at that time. At any rate I wish to inquire of him for information and clarification. He spoke in rather glowing terms of the work of two research officers and I heartily concur in that. It does raise, however, a question to which the Senate must address itself, as I see it, on which he said nothing whatsoever. That is the explanation as to why that work was not being done by the Committees Branch of the Senate with the assistance of these research officers, whose services are available to this place and the other place at any time and which is competent assistance.

I wonder if he would care to enlighten us as to just what efforts he made to obtain adequately qualified personnel from the Committees Branch and if he was unable to obtain them, whether he raised the matter with the Commissioners of Internal Economy in this place—

Hon. Mr. Flynn: We have none here.

Hon. Mr. McIlraith:—for their consideration, or what steps had been taken. There is a part of our establishment that, it seems to me, should be capable of providing the information being sought, having obtained it in the normal course of their work through the mails in the last number of years and being experts on the subject. In my opinion, that is a matter which it would be foolish of us to overlook entirely. You will note that the treatment of that subject does not necessarily go to the root of the motion made by the honourable senator, but I do believe it should be raised and considered at this time.

Hon. Mr. Forsey: Honourable senators, in reply to the Honourable Senator McIlraith's first point, I should have thought that if by the time the arrangements have been made the Parliament has been dissolved there will be no members of the House of Commons to be sent and the whole matter will be adjourned *sine die*, indefinitely, until some date unknown. Obviously, we cannot send a member of the House of Commons if there is no member of the House of Commons. However, I gather that Senator McIlraith raised that question rather in a Pickwickian spirit, so I will not dwell upon that further.

Hon. Mr. Grosart: Senator McIlraith knows what he is talking about.

Hon. Mr. Forsey: Of course he knows what he is talking about; there is no senator better qualified to speak on these subjects than Senator McIlraith. I do not say there are none as well qualified, but there are none better qualified than Senator McIlraith, and if I seemed to cast a reflection on his competence, it was entirely unintentional and I stand corrected. There is no one for whose competence in these matters I have greater respect than Senator McIlraith.

As to the other matter, of the staff: First of all, after discussion between the two joint chairmen and some other members of the committee it was felt that the Committees Branch did not have, to the best of our knowledge, specialized personnel available with the specialized experience necessary for this type of work. If they had, we would have obtained lawyers there who could do the job for us. The second point is that, as I understand it, arrangements had been made with the authorities of the two chambers that committees requiring technical assistance shall henceforth obtain it from the research branch of the Par-

liamentary Library, whose staff has been extended and enlarged expressly for this precise purpose. A number of new personnel have been engaged and here we have available in the research branch of the Parliamentary Library two members of the staff who are excellently qualified. In fact, we had originally, before these arrangements were made by the authorities of the two houses with the Parliamentary Library, attempted to obtain on our own account a certain person from the Parliamentary Library Research Branch. The Parliamentary Library was extremely reluctant to allow that person to leave. Meanwhile, before we went further, these arrangements were made with respect to the staffing of all committees, as I understand it. So we proceeded in what we thought was the appropriate way. We got these two highly qualified people from the research branch of the Parliamentary Library. We are, of course, getting the services of the Committees Branch of the House of Commons. We have, for some reason I do not know, not been provided with a joint clerk, but I suppose we can be if it is necessary. It did not seem necessary to impose that task on the Committees Branch of the Senate. Mr. Mackenzie from the other side did the job and no one raised the question. Perhaps I should have shown more collective *amour-propre* in this matter and insisted that we have a joint clerk from the Senate. It did not occur to me, however, and this was perhaps a serious oversight on my part.

I do not know whether that answers Senator McIlraith's inquiry? He seems to think that perhaps we can obtain all this information adequately by writing letters. Well, possibly so and if we can, certainly I have no desire to make a voyage to the United Kingdom, more especially as I am scared stiff every time I get on an airplane, and have been for years, after a couple of unpleasant experiences. I shared this dislike with the late Honourable George Nowlan. However, if we can obtain the information by mail, all right, but the opinion of the members of the committee seemed to be different, that it would be much more useful to have people there who would ask questions and look at the thing point by point, "What about this?" and get the advice of the people concerned on that particular point.

● (1440)

Hon. Mr. McIlraith: I am sure the honourable senator would not wish to misquote me. I did not say at any point that the committee could get this information by mail. I raised the point as to why there was no one in our Committees Branch who was competent to do this job, with the assistance of research officers of whom he spoke.

Hon. Mr. Argue: I wonder if I might make a comment. I quite understand that our Committees Branch does not have the kind of highly technical personnel that this joint committee requires. I should bring it to the attention of honourable senators that in my opinion the quality of our own Committees Branch might well be improved in order that research assistance can be provided for our committees. It is my experience that the Committees Branch does not attempt to provide any research assistance whatsoever for our committees. That has bothered me, quite frankly, a great deal.

I wonder how many senators know that if the Committees Branch is asked by a senator for simple research

assistance, it refuses to try to give it. Not only does the Committees Branch not give assistance but, I repeat, it refuses to try. This is an important matter which should be thoroughly examined by the Senate. I agree with the line which I think Senator McIlraith was beginning to follow, namely, that the quality and scope of our Committees Branch should be improved and upgraded. I see no reason why it should not be prepared to try to provide general research assistance. The personnel of the Committees Branch should try to provide that assistance.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I do not wish to be a bull in a china shop, and I hope that Senator Forsey will not consider my remarks as being directed at him. It seems to me that we have got away from the main point proposed concerning the second report of the committee. The proposal is to send four people—two members of Parliament and two officials, specialists—to the United Kingdom for four days to see what is done there with regard to statutory rules and orders.

The United Kingdom Parliament has had a committee doing this kind of work for many years, and its reports are available here. In view of that, why is it necessary to send four people to the United Kingdom for this purpose? In all probability there will be little opportunity to do anything more than talk briefly about their procedures. In four days a busy official at Westminster will not be able to devote much time to this matter.

Just as much experience could be gained if those involved were to consult our records here and thoroughly familiarize themselves with the procedures, methods and purposes that characterize the work of the committee at Westminster. It may be necessary for someone to visit Westminster at some future date to see what is being done there, but this does not seem to be the appropriate time. I should think that after the committee and its experts gained some experience they would be able to speak at Westminster with a good deal more knowledge. In my opinion, the committee should take another look at this matter. The committee is a new one. The statute was passed not very long ago. The committee has not been going for too long.

An Hon. Senator: For three years.

Hon. Mr. Connolly (Ottawa West): Our own approach to the problem is more important than an examination of what is done elsewhere. I would have confidence in what our committee would do rather than rely on what is done elsewhere.

Hon. Mr. Forsey: May I speak to the points which Senator Connolly has raised? I am sorry to be on my feet so often—really, it is quite irregular—but perhaps I might have permission to do so.

First, I have to say that one of the reasons for the suggestion was that we might be able to see the United Kingdom committee actually in operation as well as have discussions with the Commons and Lords staff.

Originally I think there had been the suggestion that one of their people should come out here. The feeling in the committee was that it would be more satisfactory if we sent people over there.

Why cannot we wait a while until we get things going here? The answer to that is, what is happening here now is the setting up of a system for dealing with these things, and it was thought that perhaps we could benefit from seeing the kind of system that has been working there for a long period of years. This, I think, was in the minds of the committee.

I do not know that I can elaborate on that in any useful way. That was the reason why the committee wants to do it now, as I understand it.

Hon. Mr. Grosart: May I address a question to the mover of the motion? Would he consider, as co-chairman, seeking the advice and consent of the leaders of any parties in the Senate and the House of Commons who will not be represented on this group going to Westminster, to ensure that they are satisfied that the group can do its work satisfactorily without representation from all parties in both houses?

Hon. Mr. Forsey: I would be delighted to give that undertaking myself, and I am confident that the co-chairman of the House of Commons would be equally pleased to do so. It is an admirable suggestion, in which I heartily concur.

I should make one other point. Reports substantially the same as these have already been presented in the other place. I do not know what they involve in the way of further proceedings if this report is not adopted. I suppose we shall go back to them and say, "Sorry, you chaps will have to change your minds because the Senate is not going to be pushed around by any decision you make."

Hon. Mr. Flynn: Honourable senators, if I could have some clarification: I do not know whether we are discussing adoption of the first or second report, or the objection Senator Cook raised when leave was asked. The last thing I heard was Senator Cook objecting to leave being granted, until an explanation was given, for the adoption of these reports now. I do not know whether there are one, two or three questions before the Chair. Perhaps clarification could be given.

Hon. Mr. Cook: I asked what was the urgency for leave being given. I think the mover said there was no urgency.

Hon. Mr. Forsey: I said there was no particular urgency. I think we should get things under way as soon as we can and not make two bites of a cherry. I thought the first report had been adopted, about the quorum. I presume there is no difficulty about that?

Hon. Mr. Flynn: Agreed. I thought you asked that the first report be discussed at the same time as the second. If leave was not granted for the second, then I do not know how it could be granted for the first. I think we should have this clarified. If Senator Cook would withdraw his objection—

Hon. Mr. Cook: No. I am not satisfied about the urgency. I do not think there is any urgency.

Hon. Mr. Forsey: Does Senator Cook object to the adoption of the first report providing for the quorum?

Hon. Mr. Cook: Of course not. It is purely a matter of form. I am not objecting to the first report. I am objecting to the second report being considered now.

[Hon. Mr. Forsey.]

Hon. Mr. Martin: Then what about the second report?

Hon. Mr. Forsey: I suppose leave has been refused for the second report and I must simply give notice.

The Hon. the Speaker: Shall notice be given?

Hon. Mr. Martin: Honourable senators, we have had a useful discussion and it would appear that honourable senators would like to read the second report. Senator Forsey might find in the long run that his objective will be better attained if consideration of the second report were left until after the Easter recess.

Hon. Mr. Flynn: It probably would have been adopted had not the Leader of the Government tried to help Senator Forsey.

Hon. Mr. Langlois: That is a false assumption.

The Hon. the Speaker: May I ask Senator Forsey whether he is continuing his motion or is making another?

● (1450)

Hon. Mr. Forsey: I gather, honourable senators, that leave has been refused. Therefore, I beg to give notice as required ordinarily, under rule 45(1)(f).

Hon. Mr. Flynn: Next sitting.

Hon. Mr. Forsey: At the next sitting.

The Hon. the Speaker: I think you are moving that the second report be placed on the Orders of the Day for consideration at the next sitting. Is that what you wish to move?

Hon. Mr. Forsey: Yes, please.

Motion agreed to.

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Monday, April 22, at 8 o'clock in the evening.

Honourable senators, in fixing the date for the return of the Senate following the Easter recess we had to take into consideration the fact that Bill C-5, the Canadian National Railways Financing and Guarantee bill, is still in the committee stage. As honourable senators are aware, yesterday Bill C-5 was referred to the Standing Senate Committee on Transport and Communications, which met this morning. A number of witnesses were heard this morning, but the committee was unable to conclude its examination of the bill. As there is some urgency in connection with Bill C-5—and I realize we do not all agree as to the degree of that urgency—the committee will have to meet again early in the week commencing Monday, April 22.

The Standing Senate Committee on Foreign Affairs has meetings scheduled for April 24 and April 25, when it will continue its examination of Canadian relations with the United States. The Standing Senate Committee on Agriculture will be holding a number of meetings during that week. A large number of witnesses are now listed to appear in respect of Bill S-2, to amend the Animal Contagious Diseases Act. During that week the Senate Standing

Committee on Banking, Trade and Commerce also will proceed with its study of competition legislation in Canada, the first meeting probably being held on April 24.

In addition to the two bills now referred to committees—Bill S-2 and Bill C-5—there are two bills on the Order Paper still being debated on second reading, those being Bill S-4, to amend the Criminal Code (control of weapons and firearms) and Bill C-6, to amend the National Parks Act.

Hon. Mr. Flynn: Honourable senators, I agree that the Senate should reconvene on April 22. However, I cannot find anything in what the Deputy Leader of the Government has said which would necessitate our coming back on Monday evening rather than Tuesday evening. In normal circumstances, we should be returning on Tuesday evening, April 23. Surely we are not being asked to come back on Monday evening, April 22, because Bill C-5 is still under consideration by the committee.

Perhaps the Deputy Leader has other motives inspired by the Leader of the Government. In my view, having honourable senators return on Monday evening rather than Tuesday evening will disturb the usual programs of many honourable senators.

Hon. Mr. Langlois: Honourable senators, I think the Leader of the Opposition should be more careful in making assumptions. The reason I am suggesting we come back on Monday evening, April 22, is that, in my view, we will need all of that week to proceed with Bill C-5 in committee. Following the committee meeting this morning, I had occasion to discuss this matter with officials of the CNR, Air Canada and a representative of the Department of Finance. During that discussion I was given some information which leads me to believe that it is very important that Bill C-5 be passed during the week of April 22. I think the additional day will be necessary if we want to give due consideration to Bill C-5 and avoid delaying its passage any more than is necessary.

The fact that we will return on Monday evening will allow us to hold committee meetings on Tuesday morning and Tuesday afternoon, if need be, and no one will be under any pressure in those circumstances. Honourable senators will have all the time they require to deal fully with Bill C-5. The House of Commons also will be returning on April 22.

Hon. Mr. Flynn: The Deputy Leader of the Government was much more convincing on his second try than on his first.

Hon. Mr. Langlois: I am glad I succeeded.

Hon. Mr. Grosart: Honourable senators, I wonder if I might ask the Deputy Leader of the Government to disclose this "very important information" which he received as to why it is necessary that Bill C-5 be passed during the week of April 22. This is the first intimation we have had that there is a deadline or a matter of urgency relating to this bill.

I say this for reasons the Deputy Leader of the Government will understand. Both the CNR and Air Canada have been able to get along without this legislation for two years.

Hon. Mr. Langlois: Honourable senators, I am afraid that in my reply to the question put to me by Senator Grosart I might be accused of putting pressure on honourable senators to deal with this bill quickly. I was much impressed when I was told by the representatives of the CNR, Air Canada and the Department of Finance that at the present time Air Canada is operating on bank loans, and that there is a margin of credit. This margin of credit is to expire within two weeks, and the officials are worried about the renewal of it. They do not want to fail their bank commitments. I was impressed by that. This is a public corporation, and I do not think it should be put in that position.

We must realize that they are not to blame for the situation in which they find themselves. It is the fault of Parliament, and Parliament alone. I think we should do our best to remedy the situation as quickly as possible. As I said in committee this morning, we are faced with an unusual situation. We should not allow that situation to continue any longer than is necessary. We should do our best to remedy it, and the sooner the better.

Hon. Mr. Grosart: I thank the Deputy Leader of the Government for that information. The fact that Air Canada is in danger of being denied its line of bank credit is vitally important information for the Senate to have.

Hon. Mr. Langlois: I have explained the situation, and I need not comment on Senator Grosart's last remark. I gather it was made in a light manner. I do not want my reply to be interpreted as putting pressure on the committee. I am simply endeavouring to provide the time necessary for Bill C-5 to receive proper and adequate consideration. I will leave it at that. I repeat that I was very impressed by what these officials told me this morning following the committee meeting, and I think anyone in my place would have been impressed.

Hon. Mr. Grosart: I, too, am greatly impressed by the information.

Hon. Mr. Sparrow: Honourable senators, may I ask the Deputy Leader a question? Has Air Canada found it necessary to use its bank credit since January 1, 1973, or is he suggesting that they will find it necessary to use it during the week of April 22?

Hon. Mr. Langlois: According to the information I received this morning, Air Canada started operating on bank loans about a year ago, with a credit margin of \$50 million. That credit margin was subsequently raised to \$100 million, and at present it is up to \$140 million. That credit margin, I am told, will be exhausted within 10 or 15 days from now.

Hon. Mr. Grosart: They are hard up.

Hon. Mr. Martin: They have been hard up ever since they went into business.

Motion agreed to.

● (1500)

FORT-FALLS BRIDGE AUTHORITY
CONSTRUCTION OF NEW INTERNATIONAL BRIDGE—QUESTION ANSWERED

Hon. Paul Martin: Honourable senators, on March 21 Senator Everett asked me a question regarding an interna-

tional highway bridge between Fort Frances, Ontario, and International Falls, Minnesota. His question was:

What action is being taken to build the new bridge as an entry into Canada from the United States to replace the present privately owned toll bridge entry?

The reply prepared by the Department of External Affairs is as follows:

The Governor of Minnesota has recently written to the Secretary of State for External Affairs proposing the conclusion of an agreement between appropriate government agencies in both countries for the construction of the Fort-Falls Bridge. There is some question as to whether all the necessary legislative requirements in the United States have been met and whether an inter-agency agreement is required in this case. Our Embassy in Washington will be consulting presently with the Department of State to determine these points and to examine the compatibility of American and Canadian legislation for the construction of this bridge. No work is to proceed until such questions are resolved.

YUKON ACT, NORTHWEST TERRITORIES ACT AND CANADA ELECTIONS ACT

BILL TO AMEND—THIRD READING

Hon. Arthur Laing moved the third reading of Bill C-9, to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act.

Motion agreed to and bill read third time and passed.

FISHERIES DEVELOPMENT ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Senator Carter, for the second reading of Bill C-2, to amend the Fisheries Development Act.

Hon. Fred M. Blois: Honourable senators, I wish to make a few remarks on this bill. Before going further, I should like to compliment Senator Carter on the very thorough manner in which he explained this bill to us yesterday. If we had to go on the explanations given in the bill we would be just as ignorant in respect of it as before it was even printed, but Senator Carter did a good job yesterday and I thank him for it.

As I understand the bill, its purpose is to provide financial support for the conversion and bringing up to date of small and medium-sized boats. At present subsidies are available only for new vessel construction. I think the idea behind this bill is basically sound, and the measure deserves the support of all members of this house.

With certain modifications some existing vessels could greatly increase their harvesting capabilities. In some instances the present equipment is inadequate, and in other cases it is inappropriate in every way. There are some species of fish that even today remain unexploited or under-exploited. What is lacking on many vessels is adequate equipment. This bill will provide subsidies to help

[Hon. Mr. Martin.]

in the cost of converting those vessels and preparing them for other types of fishing.

This bill offers fishermen help to modernize their operations, help to make them more efficient, and even competitive with other vessels that are fishing off our coasts. This is something that is definitely needed by many fishermen, and this is particularly true of those in my own province, Nova Scotia.

However, I feel I should draw attention to the fact that the subsidy is for 35 per cent of the cost of conversion or modification. In a day and age when the rate of inflation is running at approximately 10 per cent per year, there is not a very reassuring future for these people. I think the subsidy might have been increased to 50 per cent. The reason I suggest 50 per cent is that that is what we did in another fisheries bill last year.

It will be recalled that last summer the Fisheries Development Act was amended to provide subsidies for the construction and equipping of ice-making stations on the shores, and also for equipping the boats with seawater refrigeration. There was a serious situation, and from information I have gathered in Nova Scotia I understand that prior to the construction of those facilities many thousands of pounds of fish were ruined, simply because they were not properly taken care of. Some fish were refused by the fish packers for various reasons, the main one being that they had not been properly stored because of lack of refrigerating equipment on the boats or the docks. Since the passage of that amendment last year there has been a considerable change, and it has been of great help to our people.

Last year, if I recall correctly, the bill before Parliament was amended to provide grants equal to 50 per cent of the cost of such facilities up to a maximum of \$25,000. If this bill now before us were amended to make a similar provision it would be of even greater help to the fishermen, who need all the help we can give them. It must be remembered that in certain provinces of Canada the fishing industry brings a great deal of money into the local economy, and provides work for many people.

I wish we were able to provide the same amount in Bill C-2 as was provided by the amending bill last year. However, as I understand it, an amendment coming from this chamber right now would be out of place, so I shall not pursue that matter further.

I am sure that all members of the Opposition, and, indeed, all members of the Senate, will support the bill. I hope that the regulations will not be so heavy as to sink the vessels while the fishermen are waiting for the assistance. This is one of the problems. Legislation is passed by Parliament, but it seems to take a long time for the regulations to be promulgated.

● (1510)

I spoke recently to some fishermen—not the presidents of the big fishing companies, but people who fish in their own boats—and found they are very critical of the regulations and the red tape that confronts them before they get such help as is provided by this bill. One of the men I spoke to said something like this, “We get hundreds of regulations and dozens of forms; in my opinion there are two many pin-striped, highly-educated, over-specialized,

desk clerks from Upper Canada." In Nova Scotia the fishermen do not have much use for this kind of thing. I have heard other uncomplimentary remarks, such as, "We do not have much use for the bureaucrats who handle a lot of these things. These bureaucrats know little about fishing, and they have not enough sense to realize their ignorance. Our fishermen in Nova Scotia do not mind help to improve their efficiency, but they do not want their entire lives re-organized."

There is some reason for that sort of feeling, not only in fishing but in other fields of endeavour. A few weeks ago I was speaking to some leading farmers—I know it does not affect this bill—and they said there is too much information required. One man had made an application for an increased loan. He had bought another farm, and had asked for an increased loan on his greater acreage. An investigator came around to look into his situation, and then proceeded to tell the farmer how to operate his farm. This investigator had no experience of farming. He had not even been born on a farm. The farmer in question was a graduate of an agricultural college, yet he had to listen to this man telling him how to run his farm. I shall not tell you the exact words the farmer used, but I gather he told the investigator in unmistakable terms to get off his property.

That tells us how things are. The fishermen have the same feeling, when they are told that they are not working properly by these people who try to educate them but who know nothing about the job.

Hon. Chesley W. Carter: Honourable senators—

The Hon. the Speaker: Honourable senators, 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 second reading of this bill.

Hon. Mr. Carter: Honourable senators, if no other senator wishes to speak to this bill, I should like to close the debate with a few words.

I wish to thank Senator Blois for the very kind remarks he made regarding my efforts in presenting the bill, and I compliment him on his contribution to the debate. He brought us down to earth by giving us first hand the experiences of fishermen in Nova Scotia with this type of legislation, and the way in which those fishermen complain of things to which they are subjected.

Yesterday, due to the lateness of the hour, I did not wish to prolong my remarks. The two words which this bill adds to section 5(c) of the act are themselves explanatory. We all know what "modification" is, and what "conversion" is. This conversion is not the kind that Saul experienced; this is the "conversion" of a boat, but I do not wish to delay you on that.

I should have pointed out that there are many fishermen who found they could not take advantage of the provisions of Section 5(c) of the Fisheries Development Act, which provides assistance for the installation of chilling facilities in boats in order to upgrade the quality of the fish. They could not take advantage of that assistance without substantial modifications to their boats, because the assistance under section 5(c) applies only to new construction, and that meant they would have to lay a new keel and start from scratch. That is one of the reasons why it is necessary to insert the word "modification" now.

As to "conversion," some species of fish are becoming over-exploited, and fishermen are faced with the need to alter or convert their boats so that they can go after other species of fish. That is the object of this particular amendment.

With respect to the 35 per cent rate of subsidy to which Senator Blois referred, this is determined by regulation approved by the Governor in Council. Thirty-five per cent is the general rate which applies under section 5(c), which is being amended. At present it applies to new construction and equipment. I am informed that this particular rate of 35 per cent is being reviewed, and possibly a new regulation will be issued which may set a ceiling and a different rate—much the same as was issued with respect to section 5(d) which, as Senator Blois pointed out, is 50 per cent of the approved cost, up to a ceiling of \$25,000 for any one particular individual.

Honourable senators, this amendment does not imply that any modification or any type of conversion would automatically be eligible for subsidy under this legislation. It applies only to approved conversion and approved modification. The criterion on which the grant or subsidy will be based is that it will contribute substantially to an improvement in either the economics or the efficiency of the operation of the boat of the fisherman who is seeking this assistance.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Carter: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(b), I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

● (1520)

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that she has received the following communication:

GOVERNMENT HOUSE
OTTAWA

10 April 1974

Madam,

I have the honour to inform you that the Honourable Louis-Philippe Pigeon, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Cham-

ber today, April 10th, 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.

NATIONAL PARKS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Arthur Laing moved the second reading of Bill C-6, to amend the National Parks Act.

He said: Honourable senators, I should like to put on record a few facts concerning the national parks system of Canada. Although I trod into this area somewhat yesterday, it was only an abortive attempt to bring the bill before the Senate.

No federal institution in Canada is more broadly accepted by all Canadians than the national parks system. It has even been said by other peoples that Canada has the best national parks in the world. When I was in the department we had 17 national parks. I said at that time that some day we would have 50 national parks, and Mr. Chrétien has said that in his view some day we shall have 60 national parks in Canada.

Going back in history, it all started with the Father of our country, Sir John A. Macdonald. If you remember the history of those days, Pierre Berton had just finished building the railway and Sir John A. wanted to move some of the population out to Western Canada. When he sponsored the bill in the House of Commons by which Banff Springs was established, he said that it was his desire and wish to encourage wealthy people from Canada to build elegant homes in the parks, and he accomplished that by giving those wealthy people what I consider the most ridiculous lease arrangement I have ever heard of. Generally speaking, the lease was for \$7 a year and was to continue for 21 years, at the expiry of which time the lease would be renewed for a further 21 years, and so on forever.

I am not a lawyer, only a farmer's boy, but that sounds to me as if the land is being held in fee simple and not under a lease arrangement at all, and I think most lawyers would agree with me. However, we tested that in court and lost our case. Nevertheless, some day there has to be an amendment, because everyone in Canada would just love to live in a park on that basis and it is quite unfair that certain people are living in a park without in any way being required to conduct a business within the park.

Well, that was Banff in 1887 and 1888. Since that time significant progress has been made in the establishment of national parks, and some of the most popular parks of today are the five parks situated on the Atlantic coast.

I remember very distinctly that when I first came to Ottawa in 1949 a young man from Saint John, New Brunswick, strongly and energetically urged the government of the day to establish the national park now known as

[The Hon. the Speaker.]

Fundy Park. I am glad, in paying tribute to him, to be able to associate myself with him as a senator. I refer to Senator Riley. When he was in the House of Commons at that time he created such a stir that Fundy Park was, indeed, established.

Another beautiful park area is the Cabot Trail in Cape Breton Highlands National Park. It is an area of surpassing beauty which I consider the second best national park in Canada—the first one being not Banff, in my view, but Jasper.

Honourable senators, we have built these parks up one after the other across the years despite the fact that there have been many difficulties owing to the nature of the operation of a park. I said the other day in the presence of Senator Hicks that 75 per cent of the people who visit national parks do so within a three-month period. He responded by suggesting that in the Atlantic area a more accurate figure would be 90 per cent.

One can readily see the difficulty involved in providing within that time frame the kinds of services visitors to the parks expect. Last year there were over two million visitors to Banff National Park. Incidentally, a visitor is considered to be a person who stays more than 48 hours within a park. In Jasper the number is up to about a million and a half visitors annually. For many years quite a significant number of the visitors to our parks have been Americans, and thus the economic impact of our parks system upon Canada as a whole has also been significant.

I should like to point out, however, that Canadians, generally speaking, have also become world travellers, many of them going to Europe, to the Caribbean and, from the West Coast, to Hawaii. Indeed, the travel bill for Canadians going abroad now exceeds \$1 billion per year. In respect of travel, therefore, Canada has been in a deficit position each year with the single exception of 1967, the year of our Centennial and Expo.

Of the many and varied attractions Canada has for visitors from abroad, the main attraction, particularly for Americans, is our national parks. The greatest feeling of freedom an American can experience is being able to go some place where he can just fill the gas tank of his car and get going. In 1965 we found that with respect to the people who drove into the two mountain parks the average distance driven was 1,200 miles. I would predict that this year, owing to the action of the government of Alberta in reducing its gas tax from 15 cents to 5 cents, there will be standing room only in those two western parks. The Americans will be flocking in. I believe the same will hold true in our Atlantic parks, because today more than 60 million people are within two days' driving distance of the parks on that coast.

Honourable senators, I think the commercial value of the parks is obvious. But they are an important asset for Canadians for other reasons than the money they bring in from tourism. Today the visitors to those parks are, by and large, young families with children. They are the ones who are coming in vast numbers, and in many instances a high proportion of their holiday budget is spent on gasoline and the expenses involved in getting to the parks. Therefore, when they arrive at a park they want the most economic kind of accommodation possible. So far the amount of that kind of accommodation, although it is forthcoming, is

inadequate. There must be a rapid and widespread increase in the number of areas where people can park their cars and put up tents. There are such areas in the Western provinces, the best example of which, in my opinion, is to be found in Kootenay National Park, where there is also provision for the tying up of trailers entering the park to a sewage disposal system, and to water and power systems.

Honourable senators, Bill C-6 which is before us today is an amended version of Bill S-4, which was first introduced on March 27, 1973. On May 22, 1973, Bill S-4 was referred to the Standing Senate Committee on Banking, Trade and Commerce, where it was considered on four separate occasions. On July 4, 1973, Bill S-4 was passed as amended. The amendments made by the Senate emphasized the publication in the *Canada Gazette* of due notice relating to the establishment of new national parks. This amendment has been retained and reinforced in Bill C-6 currently before us.

I might say that this pressure from the Senate has been felt, and is recognizable in the amendments made by the House of Commons. Obviously, the Commons took note of the representations made here by a number of senators, including Senator Norrie, with respect to the effect that expropriation proceedings were having on people remaining in an area which was to be designated a national park. The amendment made by the House of Commons provides that no promulgation of a park shall take place without reference to the House of Commons again. So, I am quite certain that the representations made by the Senate have been listened to in the House of Commons. It is evident that the content of this bill has been subject to intensive scrutiny and lengthy debate.

● (1530)

One of the highlights of Bill C-6 is in clause 2, and it is that lands may be added to existing national parks after publication of adequate notice and, in the case of significant additions, referral to the Standing Committee on Indian Affairs and Northern Development of the House of Commons for hearings. Subsection 6(3) of the National Parks Act will be amended to delete a specific reference to the expropriation of Indian lands.

Under clauses 3 and 4 the Governor in Council will be given the authority to control traffic on highways and to provide for the voluntary payments of traffic fines in lieu of appearing before a magistrate. We have found before that if somebody goes home, having been in breach of some traffic regulation, he does not want to return simply to pay a \$10 fine.

Under clauses 7 and 9 Forillon and Kejimikujik will come under the National Parks Act, and have their boundaries defined in the schedule. This will facilitate the administration and management of these parks.

Clause 10 concerns lands to be set aside as national parks. You know, there is some criticism of the name we give the Pacific Rim Park on the west coast of Vancouver Island where one of the greatest beaches in the world presents itself to the Pacific waters. People were saying that the term "Pacific Rim" sounds too commercial, but they do not know the background of the name. It was coined by the publisher of the *Vancouver Sun* in 1920, Bob Cromie, who made a tour of the Pacific countries. When he

returned he wrote editorials and features in that paper for a year, and he was the first man to use the term "Pacific Rim." As I say, there is a historic attachment linking this park to the Vancouver *Sun* and Bob Cromie, so I would leave the name alone. However, Pacific Rim, Pukaskwa, La Mauricie, Kouchibouguac—I wish somebody here from New Brunswick would tell me how to pronounce that properly—

Hon. Mr. Riley: Kouchibouguac.

Hon. Mr. Laing: Well, you said it a little faster than I did.

Those parks and Gros Morne can be proclaimed as national parks by the Governor in Council when legal descriptions have been finalized. Provision is made for public hearings to be held on the development plans for these parks.

Then under clause 11, Kluane, Nahanni and Baffin Island Parks will receive—

Hon. Mr. Martin: What was that first name again?

Hon. Mr. Laing: Kluane, in the Yukon Territory. A beautiful place. You should see it some time.

Hon. Mr. Martin: I remember a lady named Kluane Miller, perhaps you remember her. She was a famous Yukon lady.

Hon. Mr. Laing: You are a man of knowledge.

Hon. Mr. Martin: That is well recognized!

Hon. Mr. Laing: These parks will receive the status of national park reserves managed under the provisions of the National Parks Act, pending the settlement of any right, title or interest of the people of native origin.

My last point is a very important one. I commend the minister most highly for setting out these areas where, by this action of intent, he has let it be known that they are going to be national parks of Canada. I prophesy, so far as our far North is concerned, that some day the Arctic is going to be a very attractive place for people who want to travel. Some people have been everywhere in the world except the Arctic, and the only Arctic on this continent is ours. The Americans do not have "an Arctic" in Alaska. I have said that in those sultry days of July and August you could sell the idea of going from New York to an icefloe. A fellow might get pneumonia and die—but he would die happy. Look at what Linblad is doing in Antarctica. You find them selling 18-day cruises for \$5,000. These are important things for us to remember, and I commend the minister for his prescience in respect of the North.

Following settlement of any such right, title or interest, the Governor in Council may proclaim those areas as national parks of Canada.

We have a great park in Wood Buffalo National Park, 17,000 square miles, where there are 10,000 or 12,000 bison—the biggest herd in the world. These are remote areas, but, as time goes on, they will become better known to Canadians because transportation will be facilitated by the airplane.

Hon. Mr. Martin: I would like you to say something about Point Pelee National Park.

Hon. Mr. Laing: It is the most overcrowded national park we have in Canada—there are 763,000 visitors annually to that little strip of land. It gives great comfort to many people living close by, and it gives equal comfort to a tremendous number of Americans out of Detroit who come over and fish. I do not know the square mileage, but it is a very small area.

Hon. Mr. Langlois: Perhaps we should keep the Americans out of it.

Hon. Mr. Martin: Oh, not at all.

Hon. Mr. Laing: For the first time in our history we will have national parks in all 10 provinces and both territories. This is worthy of note by all Canadians. I am particularly pleased to have been involved in the early negotiations for some of these parks, and that these have been pursued with vigour by the Honourable Jean Chrétien.

Honourable senators, Bill C-6 will assure all Canadians an outstanding parks system and I ask your unanimous support in its passage.

I want to make just one further remark. The American parks are fantastically overcrowded. Last year at Yellowstone they had four million visitors. This year they are preventing cars from operating in the park. Visitors have to leave their cars at the entry points, and from there they are shown the park by bus. This is the situation in the United States, and while it should not be part of our policy to build parks for Americans, nevertheless we are going to get a tremendous increase in tourism because of our national parks as time goes on.

Hon. Daniel Riley: Honourable senators, I shall not take more than a few minutes of your time in discussing this particular bill, but there are one or two points which I should like to bring to the attention of those who administer the national parks.

I was discussing with Senator Laing, before he rose to speak, the necessity of increasing facilities for campers, trailers, camper-trailers and tents in these national parks. It recalled to my mind that when I was chairman of the New Brunswick Electric Power Commission we were planning for the building of the Mactaquac dam on the Saint John river, and the necessity of providing recreational facilities along the head pond and the tributaries entering the head pond. At that time a division of the Ford Foundation dealing with resources for tomorrow, or resources for the future, brought in a team of young men who called themselves recreational engineers. I had never heard of a recreational engineer before, but I was very much impressed by their report. They said that within a very few years, as the work week shortened in the United States—and it has begun to shorten now—people with their families would be getting into their cars and station wagons and, hauling their trailers and camper-trailers behind them, would be rushing headlong for the Atlantic coast where they would expect to find proper accommodation.

In these national parks, at least as far as New Brunswick and Prince Edward Island are concerned, I understand there is an urgent need for proper facilities to accommodate the visitors now, and who will be coming in legions in the next few years. As the work week shortens

[Hon. Mr. Martin.]

in the United States they will come from the great eastern cities. Pollution and high temperatures and humidity, which are so injurious to the health of their families, will drive them down to the coast of the Atlantic provinces.

● (1540)

In New Brunswick, of course, we would like to have more facilities than in Nova Scotia, Prince Edward Island and Newfoundland because we would like to arrest those people in their headlong flight to the sea at either Fundy National Park or Kouchibouguac National Park, which is presently being developed.

This one point should be borne in mind by the parks officials. They should plan, and plan well ahead, for this terrific influx of tourists looking for camping facilities and rest areas in the national parks as well as in the provincial parks.

I have a friend who used to own a motel. During the last few years he used to sit outside in the late afternoon, swear softly under his breath and say "There goes another one of my potential guests down to the national park," when a car towing a tent-trailer or a trailer went by.

This is a most important point, and if they have not already done so the officials responsible for the national parks should avail themselves of the facilities offered by this branch of the Ford Foundation. They should bring in and put to work some of these recreational engineers, at whom I first balked but for whom I have now a very deep respect. They gave us enough information and advice to enable us in New Brunswick at the time of the building of Mactaquac to build all sorts of rest areas, a fine park at Mactaquac and other facilities which increase every year, for the accommodation of these tourists. They must be accommodated, and it means a great deal to the economy, at least of the Atlantic provinces.

Before I conclude, I should like to make passing reference to Senator Martin's mention of the name of one of the national parks. Senator Laing suggested that Senator Martin should go out and see it. I shall never forget—and it was brought to my mind when he said this—that I was at the Dalles Dam on the Columbia River in the fall of 1963. When members of the United States Corps of Engineers were showing us the physical facilities and so on, and describing the features and how the locks operated, they told us, "By the way, a man from your country was down here yesterday swimming in the head pond right behind the lock." I asked who it was, and they told me his name was Paul Martin. So you never know where you will run into him, and I am sure that he will find the occasion to visit the particular park mentioned by Senator Laing.

Hon. Mr. Martin: What is the name of that park?

Hon. Mr. Riley: I was referring to the Dalles Dam on the Columbia River.

Hon. Mr. Martin: I will go there on my next holiday.

Hon. Mr. Laing: The temperature of the water was 36 degrees that day.

Hon. Mr. Hicks: Honourable senators, I do not intend to speak on this legislation. I am in favour of it, and certainly feel that it is in the interest of the people of Canada that we continue to develop, expand and improve our national parks. I welcome the provisions that have been added to

this bill to ensure that we do not ride roughshod over the interests of persons who own property in an area destined to become a national park. At the same time, the Government of Canada must adopt fairly firm measures if parks are to be developed. We ought not to allow one or two selfish persons to frustrate the national enterprise. I assume that these measures will work satisfactorily, and I hope they will.

In rising it was really my intention to ask a question, which may have been answered in Senator Laing's exposition, but unfortunately I was called out of the chamber and I am not sure. Will Senator Laing please explain to me and other honourable senators the significance of clauses 5 and 7 of the bill, which have the effect of deleting the descriptions of Fort Beauséjour Historic Park and Fort Anne Historic Park from the schedules to the act? Does this mean that they are now taken out of this act and, if so, are they now to be administered as historic parks under some other legislation?

Hon. Mr. Laing: Honourable senators, I should have explained that, and I can understand the question being asked. They were known as national historic parks, and will now be transferred to the group of national historic sites. In other words, Fort Beauséjour and Fort Anne will join Louisbourg and Fort Garry. They are being moved into the category of historic sites, and will no longer come under the nomenclature of national historic parks. However, they will still be operated fully by the department, but in a different manner.

Hon. Mr. Hicks: They are operated by the same department, but under a different statute.

Hon. Mr. Laing: Yes.

On motion of Senator Bélisle, debate adjourned.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Louis-Philippe Pigeon, 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 Louis-Philippe Pigeon, Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk Assistant.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Fisheries Development Act.

An Act to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

Hon. Mr. Flynn: Honourable senators, may I offer, on behalf of myself and my colleagues on this side of the house, best wishes for a happy Easter and—although it is very short—a restful recess.

Hon. Mr. Langlois: Honourable senators, I am pleased to join the Leader of the Opposition in wishing a happy Easter to my colleagues on both sides of the House. I hope they will return on April 22 in the best of health and ready to do a good job.

The Senate adjourned until Monday, April 22, 1974, at 8 p.m.

THE SENATE

Monday, April 22, 1974

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

FARM IMPROVEMENT LOANS ACT SMALL BUSINESSES LOANS ACT FISHERIES IMPROVEMENT LOANS 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-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act.

Bill read first time.

Senator Martin moved that the bill be placed on the Orders of the Day for second reading on Wednesday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin: Honourable senators, before tabling certain documents I should like, on behalf of Senator Flynn and all honourable senators, to welcome Senator John Macdonald back to the chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: I table the following documents:

Copies of a Statement by the Secretary of State for External Affairs, dated April 10, 1974, respecting the Turks and Caicos Islands.

Copies of seven contracts between the Government of Canada and various municipalities in the Provinces of Alberta, Manitoba 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 on operations under the *Regional Development Incentives Act* for the month of February 1974, pursuant to section 16 of the said Act, Chapter R-3, R.S.C., 1970.

Report of the Canadian Egg Marketing Agency for the year ended December 31, 1973, including its financial statements and the auditors' report thereon, pursuant to section 31 of the *Farm Products Marketing Agencies Act*, Chapter 65, Statutes of Canada, 1970-71-72.

Copies of interim financial statements 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.

Copies of financial statements 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.

Copies of a document showing details of the Canadian system of tariff preferences for developing countries, dated April 11, 1974, issued by the Minister of Finance.

Actuarial report on the operation of the *Canada Pension Plan* and on the state of the Canada Pension Plan Account, as at December 31, 1973, pursuant to section 116(3) of the said Plan, Chapter C-5, R.S.C., 1970.

Revised Capital Budget of Atomic Energy of Canada Limited for the fiscal year ending March 31, 1974, 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. 1974-731, dated March 28, 1974, approving same.

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, 1973, pursuant to section 15 of the *Queen Elizabeth II Canadian Research Fund Act*, Chapter Q-1, R.S.C., 1970.

Report on operations under the *Clean Air Act* for the fiscal year ended March 31, 1973, pursuant to section 41 of the said Act, Chapter 47, Statutes of Canada, 1970-71-72.

Report respecting operations of the *Medical Care Act* for the fiscal year ended March 31, 1973, pursuant to section 9 of the said Act, Chapter M-8, R.S.C., 1970.

Hon. Mr. Choquette: Could we hear the Leader of the Government on the Turks and Caicos Islands? I would love to be there next winter and find out all about it.

Hon. Mr. Martin: Let us look at the document first.

[Translation]

POST OFFICE

STRIKE NEGOTIATIONS—QUESTION

Hon. Martial Asselin: Honourable senators, I should like to put a question to the Leader of the Government.

As the postal strike, from an economics point of view, is costing huge amounts to the Canadian taxpayers, can the Leader of the Government tell us what progress is being made through negotiations and whether the cabinet hopes to settle the conflict in the very near future?

Hon. Mr. Martin: Are you speaking of the postal strike? As the Postmaster General announced in the House of Commons today, a mediator is now discussing the matter with the interested parties. We will therefore have to wait for the results of those negotiations.

[English]

HEALTH, WELFARE AND SCIENCE

NOTICE OF COMMITTEE MEETING

Hon. Mr. Carter: Honourable senators, before the Orders of the Day are called I wonder if I might have leave to make an announcement on behalf of the Chairman of the Standing Senate Committee on Health, Welfare and Science?

The Hon. the Speaker: Is it agreed?

Hon. Senators: Agreed.

Hon. Mr. Carter: The chairman has asked me to announce that a meeting of his committee will be held on Wednesday afternoon when the Senate rises. The purpose of the meeting is to draw up an agenda and develop procedures with respect to the committee's hearings in connection with the subject matter of Bill C-17, to amend the Veterans' Land Act, which was referred to the committee on April 3.

● (2010)

NATIONAL PARKS ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, April 10, the adjourned debate on the motion of Senator Laing for the second reading of Bill C-6, to amend the National Parks Act.

Hon. Rhéal Bélisle: Honourable senators, I feel highly honoured to participate in this debate, and especially to follow Senator Laing and Senator Riley, who in their respective distinguished careers have contributed so much to the development of Canada's national parks, and who are most qualified to address us on this legislation.

We have heard views from both the East and West Coasts, and as a representative of northern Ontario I feel I must present some observations from central Canada on our national parks. I have no claim to fame on this subject. We in Sudbury can boast of a topography that is second only to the moon in character. Perhaps the federal government might consider creating in that region an international moon park for aspiring astronauts and persons wishing to vacation on other planets.

Canada's national parks are areas of unusual beauty, set aside to preserve the environment and its wild life in its natural form. They reflect the rich diversity of Canada's geography, seen in either the marine shorelines of the Arctic, Atlantic and Pacific, or the inland waters of the St. Lawrence, Georgian Bay, Lake Erie and Lake Superior; in either the glacial parks of the Rockies or the open plains of the Prairies. Our parks are, therefore, living national museums of nature that belong to all Canadians.

It is right and proper that we should acknowledge on behalf of all Canadians the significant progress that has been made in the last five years. During that period the number of national parks has increased from 18 to 28, and the acreage has doubled. Only four new national parks were created in the previous 40 years. I know that all honourable senators would wish to extend congratulations to the Minister of Indian Affairs and Northern Develop-

ment and his predecessors for carrying out this magnificent program of expansion.

National parks are to be found in every province and territory of Canada. Provinces such as Quebec and Ontario had not cooperated previously in establishing national parks, but they are now doing so. Prior to 1970 there were no national parks in Quebec; now there are two. In Ontario there were three small national parks, all of which had been established on federally-owned land. However, in 1971 the Pukaskwa National Park was established in the area west of Wawa on the northern shore of Lake Superior. Covering an area of 725 square miles in the wilderness of northern Ontario, this magnificent park has a rugged grandeur that should appeal to any eye.

I believe that we can only meet the rapid increase in demand for national park facilities if the federal government and the provinces show a willingness to cooperate and consult in a meaningful way with the people who are involved in the area.

Let us not forget the purpose of the parks and the objectives of their management as set out in the legislation. The National Parks Act dedicates the parks to the people of Canada for their "benefit, education and enjoyment," and states that they are to be maintained and used so as to leave them unimpaired for the enjoyment of future generations. In a recent statement by the minister before the Indian Affairs and Northern Development Committee of the House of Commons, I was pleased to find him say:

—the decentralization of the administration and operations of Parks Canada's activities in the major regions of the country, the sustained effort to offer all our services to the visitors in the two official languages, and the participation of the public in the various stages of the planning process have undoubtedly created an awareness among all Canadians and a responsibility concerning the goals pursued by a program that responds directly to their aspirations for the benefit of future generations.

This awareness among Canadians of our national parks is further expressed in the marked increase in the number of visits to our parks—10.9 million visitors in 1968, 14 million in 1972-73 and 16.8 million in 1973-74. Thus, visits last year to the national parks increased by 21 per cent over the previous year, and by 54.3 per cent over 1968. This upward trend is significant. It points to the discovery by the Canadian public of the various elements of their natural and cultural heritage. In a society where working hours are reduced, mobility is increased and money is more available, Canadians are now spending a higher percentage of their annual net income on recreation, leisure and holidays. The national parks are an obvious tourist attraction. They provide popular forms of recreation such as sightseeing, camping, fishing, hiking, photography and nature study. In 1973-74 approximately \$1 million was spent by Canadians on outdoor recreation alone, and that excludes the money spent on recreational equipment.

Another significant factor in this upward trend is the increase in American visitors to Canada. This may be even more noticeable this year because, as a result of gasoline

restrictions in the United States, American families may choose to come to Canada for their vacations.

Thus, the economic repercussions of tourism, the protection and conservation of park resources and facilities, and the improvement of park services, will have a significant impact on the future development of national parks in Canada.

The amendments before us, honourable senators, only help to regularize the operations of the national parks. They add a number of new parks to the schedules, and they include a number of procedural changes, such as public hearings and public notification with respect to lands added to, or set aside for, national parks. These provisions are highly commendable and necessary for the smooth administration of our national parks, and they have my wholehearted support.

However, I would like to emphasize one important matter, and it relates to the future development of national parks. There has been much discussion recently of the need for greater cooperation between the various levels of government, and for greater participation of local groups and citizens in the planning and development of the areas designated for national parks. Too often new policies are stated and initiatives taken with little or no consultation with the parties involved. It is heartening to see, therefore, that the amendments before us include safeguards for those parties who might be affected by expropriation, loss of traditional rights, or other developments.

I would like to remind honourable senators that nearly ten years ago the federal government issued a consolidated policy statement with regard to its objectives for the planning and development of our national parks. After several years of study, this remains the operational blueprint for the national park system. Those objectives, six in number, are as follows:

● (2020)

1. National parks are established to preserve for all time the most outstanding and unique natural features of Canada for the benefit, education and enjoyment of Canadians as part of their natural heritage. They are dedicated forever to one use—to serve as sanctuaries of nature for rest, relaxation and enjoyment. No exploitation of resources for any other purpose is permitted. All development must contribute to public enjoyment and conservation of the parks in a natural condition.

2. Zoning will be used to guide development and to preserve park values. Visitor services will be grouped generally into visitor service centres, a definition that applies to existing town sites.

3. National parks cannot meet every recreational need; the most appropriate uses are those involving enjoyment of nature and activities and experiences related to the natural scene.

4. The federal government assumes the cost of administration and protection in the parks and provides basic facilities for public use, such as roads, trails, campgrounds, picnic areas, nature interpretation and utilities. Other facilities beyond basic requirements, such as hotels, motels, restaurants, gas

[Hon. Mr. Bélisle.]

stations, stores and other special services, are provided by private enterprise.

5. Park residents and businesses should be in the same economic position as those operating outside the national parks and this principle governs the approach to charges, rentals and fees. The users of special services such as swimming pools, marinas, golf courses and fully serviced campgrounds should pay the operation and maintenance costs of these publicly operated facilities. In general, permanent and seasonal residents should be limited to persons providing basic services to the park community.

6. All decisions affecting public development and the activities of private enterprise must be governed by the national interest as expressed by the National Parks Act.

In conclusion, honourable senators, it would appear that those six objectives are true and still apply in 1974, and that the amendments contained in the bill before us do not alter the original intent of the National Parks Act, but rather strengthen the establishment, operation and future development of the national parks system in Canada.

On motion of Senator Flynn, debate adjourned.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Cameron, seconded by the Honourable Senator Perrault, for the second reading of the Bill S-4, intituled: "An Act to amend the Criminal Code (control of weapons and firearms)".—(Honourable Senator Davey).

Hon. Donald Cameron: Honourable senators, Senator Davey is not here and he has sent word that he does not wish to go on. If no other senators wish to take part, I shall be glad to ask leave to close the debate.

The Hon. the Speaker: Honourable senators, does the Honourable Senator Cameron have leave to proceed in place of the Honourable Senator Davey?

Hon. Senators: Agreed.

Hon. Mr. Cameron: Honourable senators—

The Hon. the Speaker: Honourable senators, I wish to inform the Senate that if the Honourable Senator Cameron speaks now his speech will have the effect of closing the debate on the motion for second reading of this bill.

Hon. Mr. Cameron: Honourable senators, so far six senators have participated in this debate, and they have brought to the attention of the Senate a lot of useful information.

Senator Molgat, who was the second speaker, said on April 4 that we should not allow the gun situation in the United States to determine Canadian attitudes. Although I am sure that most of us would agree with this, we cannot help but be influenced greatly in many facets of our lives by what happens in the United States. There is no use in closing our eyes to the fact that the attitudes, actions,

publicity and information that flows across the border from the United States do play an important role in shaping the mores and the actions of the Canadian people, although it is quite true that Canadians do not have the same "gun mystique" that the Americans have. The Americans pride themselves on the fact that it is their divine right to bear arms, and they are very reluctant to see anything happen that would curtail this right.

Senator Molgat suggested that the Legal and Constitutional Affairs Committee might hold hearings in various parts of Canada to listen to the views of people who are concerned about the introduction of any kind of gun control. If the committee did feel it desirable to hold hearings across the country I would think they would be useful, and I am quite sure the committee would meet with an enthusiastic response. I am sure the organization known as FARO can be relied on to see that there is a good turnout in every community. The letters "FARO" stand for "Fire Arms and Responsible Ownership." This is a vigorous and enthusiastic organization which has been most active in presenting the viewpoint of its members at public meetings in either one part of the country or the other.

The point has been made that many citizens who may hold strong views on the subject of gun control cannot afford to come to Ottawa to appear before the Standing Senate Committee on Legal and Constitutional Affairs. I agree, and I think it is a matter that the committee should consider in deciding whether public hearings should be held in places like Hamilton, for example. There was a good deal of correspondence from Hamilton, and also some from Montreal, Winnipeg, Edmonton and Vancouver. This is a decision that would have to be made by the committee.

Senator Choquette, in his intervention the other day, referred to the cowboys in Calgary going around with revolvers on their hips. I suggest that he has been seeing too many Hollywood movies. I have lived out there for 40 years and I have yet to see a cowboy with a gun on his hip. However, I would like to assure Senator Choquette that if he would come to Calgary and attend the Stampede we would be quite prepared to dress him up in a pair of chaps, spurs and a ten-gallon hat, and we would get him a revolver to make him feel good, and put him in the parade.

Hon. Mr. Asselin: Would you provide the gun?

Hon. Mr. Cameron: We would do that. We would see that the bolt was pulled, however.

Senator Williams raised the question of how we would handle the matter of the use of guns by native peoples. This is a very good point, because native peoples and people in pioneer areas depend on the gun as a means of supplementing the food on the table. This bill makes no special provision for people in circumstances of that kind. The age limit under this bill is 16, and I think that in many pioneer areas a youngster of 14 years, or even younger, is able to handle a .22 rifle or a shotgun, and help to get additional food for the table. Provision must be made for circumstances of that kind, if not under the bill, then under regulations. However, this is something that can be discussed in committee.

Senator Rowe made a very good point when he said that many of the popular so-called outdoors magazines on our

newsstands are vehicles for the gun lobby in the United States. There is no question that this is true. There are no gun magazines, as I understand it, in Canada, but there are certainly lots of them in the United States, of which the most prominent is probably the National Rifle Association magazine, the *American Rifleman*. They come to Canada in large numbers. In fact the slogan of the American Rifle Association has been seen on many a telephone pole in Western Canada.

● (2030)

It is hard to obtain proof of this, but the suggestion has been made that sales of guns in Canada amount to approximately \$25 million a year, and sales of ammunition to \$27 million a year. This is no small amount of money, honourable senators, and it could well be that some of these organizations which are concerned with the manufacture of guns and ammunition are able to help what I call the gun lobby. I have no wish whatever to reflect unkindly on the people who are members of FARO, or similar organizations. As a matter of fact, last evening I spent two hours as the target of a panel of some 150 members of this organization in the CBC studios here in Ottawa, and I can tell you that it was a pretty lively discussion.

Many times in the course of that discussion the suggestion was made that the purpose of Bill S-4 was to legislate the legitimate hunter, the legitimate rifle-shooter and the legitimate gun collector out of existence. But I have underlined before, and I want to underline again, that the intent, the purpose and the effect of Bill S-4 in no way interferes with the rights, the privileges or the recreational pleasure of the legitimate hunter, rifleman, sportsman, target-shooter, or member of a handgun club. As a matter of fact, I have gone on record before as saying that I would encourage these organizations because they, at least, make a point of training their members in how to handle guns properly and safely, and this is all to the good. So that rather than being opposed to the actions of the gun clubs, I think they are organizations that should be encouraged.

Senator Rowe was quite right when he emphasized that there is a definite correlation between the availability of guns and the number of assaults and homicides. This has been clearly demonstrated time and again. But it would be naive to think that if there were no guns there would be no homicides, because there would be. It is also quite clear that the availability of a gun as a lethal weapon facilitates murder in a number of instances where, if a gun had not been present, death might not have resulted—that is to say, if the individual had to use a knife, a club or an axe which are, I am told, more messy instruments for the dispatch of an opponent. The gun is certainly a favourite in the United States. In that country the revolver, or handgun, is the weapon most frequently used in murder.

The same results have, at times, been achieved with machine guns. Fortunately, honourable senators, machine guns have not been used in Canada, and I hope they never will be. Under this bill the machine gun is a prohibited weapon. Yet, I have had letters from people saying that this provision is an interference with the democratic right of the citizen to practise with a machine gun in his backyard. I suggest that if a citizen wants to practise with a machine gun there is a perfectly legitimate way of doing

so, and that is to join the Canadian Armed Forces which will provide the ammunition free and the gun too.

Senator Laing mentioned that he was brought up on a farm. I was too, and I grew up with both rifles and shotguns which I used for sport and hunting, and I enjoyed both. I think that rifle associations and rifle clubs are recreational organizations that should be encouraged. They find favour with most Canadians because not only do their activities involve good outdoor exercise, but the organizations help to train people in the care and proper use of lethal weapons. Senator Laing also raised the valid point of the essential role of the gun among native peoples particularly those in the North and homesteaders opening up new land. The gun is an essential weapon to the Indians, the Metis, the Eskimos and to many white settlers in the new territories along the foothills of Western Canada, in the North and in the northern parts of Ontario. The gun has a rightful place in helping people to earn a living. As Senator Carter rightfully pointed out, the idea has been spread abroad that the purpose of this bill is to deprive the hunter, the sports shooter, the rifleman and the gun collector of his right to pursue his recreation. I wish to repeat again that nothing could be further from the truth.

Now, apropos Senator Molgat's remarks that we should not let what happens in the United States influence us in Canada, may I recall the excellent contribution Senator Davey made during the debate on this subject in the last session. His remarks are worthwhile repeating. On March 15, 1973, as reported at page 353 of the *Debates of the Senate*, he said this:

Whatever it is in the separate histories of Canada and the United States that has created these distinctions, they are clear and unequivocal. I will mention just two or three examples dealing only with violence and robbery. Try to listen to these statistics, if you will. In 1970 the number of people who died by gunfire in the United States was 6,200. In Canada, which has almost exactly one-tenth the U.S. population and, as I have noted, relatively far more recent immigrants, the corresponding figure was 99.

Perhaps particularly interesting are comparisons between the city of Detroit and the town we generally consider the most Americanized in Canada . . .

Senator Martin's home town of Windsor.

. . . just five minutes away across the river by bridge or tunnel.

I am mindful as I read these figures, if I may digress, that Senator Rowe in his excellent speech on this debate made a comparison of crime statistics between Toronto and Detroit, cities of approximately the same size. As I recall, Senator Rowe, you suggested that Detroit had 20 times as many murders as Toronto and had 20 times as many handguns.

Well, these are the comparisons, and they are equally interesting, between Detroit and Windsor.

The inhabitants of Detroit, who number rather more than two million, owned between them in 1970 some 500,000 handguns. The people of Windsor, whose population is just under 200,000, owned 322

handguns in 1970, a reduction of 86 from the figure for 1969.

In Detroit's Tenth Precinct alone, which is home to 250,000 people, 1970 brought 70 murders and 3,500 robberies. Among the 197,000 residents of Windsor that year there were seven murders and 162 robberies.

Hon. Mr. Flynn: Windsor where?

Hon. Mr. Cameron: Windsor, Ontario; Senator Martin's home town, the benign influence of which makes this comparison so favourable to Canada.

Hon. Mr. Choquette: He will be elected there some day.

Hon. Mr. Cameron: I have received quite a number of letters and shall quote from two. The first letter is from Mr. D. J. Morris of Senator Rowe's country, Conception Bay in Newfoundland.

● (2040)

This is what he said:

I would like to make some comments concerning Bill S-2 which is now before the Senate and which passed first reading on Feb. 5, 1973. While I do not doubt that the honourable senator was sincere when he introduced this bill, I believe he was misguided.

He is not the first man to have said that.

My letter is meant to outline some reasons for that belief. The RCMP estimates that there are 500,000 handguns registered in Canada. If the government were to prohibit ownership of these guns and was forced to purchase them from their owners at an average worth of \$50 it would cost \$25 million plus paperwork, etc.

He is very modest, because some people have written to me and said it would cost \$450 million to purchase those handguns. I have yet to see any suggestion that the government is interested in acquiring all of those guns.

Licensing all firearms (including rifles and shotguns) would require a bureaucracy and an expenditure almost equal to that currently expended on automobiles. There are 5 million rifles and shotguns in Canada almost as many guns as cars.

The cost of testing for "competence" of gun owners would be as economically out of reach as testing for "competence," in a meaningful way, is for driver licensing.

Canada's present handgun control laws are among the most stringent in the world. Handgun owners must have a permit, and another permit is required to transport these guns. Despite these laws unregistered handguns are used in crimes. Strict gun control laws fail because those who want to use guns for illegal purposes simply ignore the law. Those who obey the law, collectors and competitive shooters do not wish to use their guns for violent purposes, and these are the only people whom stricter laws would affect.

While I agree that effective measures must be taken to reduce crimes of violence involving firearms, I feel that the most effective measures would be as follows:

1. Tougher penalties for the use of firearms in perpetration of a crime.

2. Strict adherence to these penalties by Canada's courts and the related legal systems.

3. More effective enforcement of Canada's gun control laws.

It is my sincere hope that you will weigh my arguments carefully, and realize that, we the shooters of Canada, have a valid reason to be opposed to this bill.

Here is another from a thoughtful gentleman from Lindsay, Ontario, Mr. David Lawrence.

I have read Bill S-2 and would like to comment on your proposed amendments. I have been a hunter for approximately ten years and have been pistol shooting for about six months. As chief range officer of my pistol club, I am aware of the importance of safety when handling firearms. In all honesty, I must admit that until becoming range officer I didn't believe just how dangerous a handgun or an untrained shooter could be. Briefly, I believe that measures to train people in the use of firearms would be much more effective than legislation which would prohibit them altogether.

First of all let me explain your bill from my own point of view—that of a law-abiding hunter and shooter.

These measures would be tremendously expensive to institute. The estimates that I have come from a report called "Preliminary Cost Analysis of Firearms Control." To the best of my knowledge this is the only study that has been done on this subject.

That study was done in the United States.

It estimates the cost of setting up a registration program at \$25 million and would require at least six months. My brother, Mr. R. Douglas Lawrence, a systems analyst with the provincial government, confirms this cost but estimates that it would take at least one year. To administer the program would cost from \$1 to \$70 per firearm—

I would like to join that fellow who is going to collect \$70.—depending on the restrictions of the actual program. Very roughly, we are talking about \$450 million if we institute measures similar to the Sullivan Laws of New York.

One part of the bill that I strongly object to is Par. 82 sec. (c) which would prohibit handguns altogether. As you may be aware in Canadian history, a registered handgun has never been used in the commission of a crime by the registered owner.

He does not say anything about the unregistered operator.

This section would discriminate against honest citizens and have no effect on criminals who won't register their handguns no matter what the law says.

Bill S-2 would also prohibit the ownership of fully automatic firearms. While I don't own any "machine guns" myself, I do know a few collectors who have several. From my own experience and from the fact that "Murder Statistics" doesn't even mention their use, I don't see the necessity of this measure. At present, only recognized collectors can obtain a permit to transport them, and there are no cases of registered "machine guns" being used in crime.

This non-use of registered guns in crime is not because of present registration procedures. It results from the fact that people who register their guns are decent law-abiding people who treat guns like others treat stamps or coins. They cause neither harm nor threat to society.

Now let us stop and see what benefit we would receive from this expenditure of \$450 million. We get a list of honest law-abiding shooters—that's all. The only other reference on this subject, "Firearms Control" by Colin Greenwood, confirms this.

Mr. Greenwood is a U.K. superintendent who is quoted by the anti-gun control people. Mr. Lawrence quotes Superintendent Greenwood as saying:

"... to continue with the process of attempting to deal with the criminal use of firearms by placing more restrictions on legitimate users is not likely to achieve anything..." Surely a cost-benefit analysis is in order before this type of legislation can be considered.

I am sure that retired Superintendent Nicholson of the RCMP would agree with him. Last night, while sitting behind me, he said that the bill was a complete waste of time. So we know where he stands.

Since there are two sides to every story, let me now explain the situation from the point of view of a citizen concerned with law and order.

I believe that the problem of rising crime is due to people, not availability of firearms. If these measures are passed, the gun abuser is supposedly penalized by the withdrawal of his possession privileges for ten years. This is of no value when, either by too light a sentence or easy parole, he is free to roam the streets and kill another policeman with a second unregistered gun. What are required are stiffer minimum sentences, mandatory non-parolable prison terms and enforcement of capital punishment.

There is one part of your bill with which I do agree. Thank goodness.

As a range officer I strongly believe in requiring someone to prove their competence before they obtain a firearm. I would support measures that would make membership in a shooting club a condition for obtaining a firearm of any kind.

That is a very good suggestion.

This membership would include probationary periods and records of attendance at range sessions. These local clubs, through their elected executives, could be responsible to local police departments. What would result is a group of serious shooters looking after their sport to ensure its good reputation. This could be done with minimal cost and red tape to the government, and still provide the training and supervision that is the key to responsible gun handling.

Again let me point out that the problem is people, not guns. As Mr. Greenwood put it, "But the great danger lies, not in the ineffectiveness of such measures but in a belief that they will solve the problem. Whilst this mistaken belief persists, the real problem will not receive the attention and the action which it clearly and urgently requires."

That is a very good letter. It is a thoughtful one, and typical of many I have received.

As I indicated, last evening I spent two hours as a target of the organization called FARO, which is very active in this country. As each person came through the door he was given a brochure—which is a democratic right in this country—which read:

WHAT IS FARO?

FARO is a non-profit corporation comprised of concerned Canadians who have united because of a growing conviction that unless all firearms enthusiasts in Canada organize to counter demands for further restrictive firearms legislation, the shooting sports in all their facets may soon be legislated out of existence.

This is the kind of irresponsible statement that is being made. There is no intention of legislating shooting sports out of existence. The FARO people should know better. Reading further:

THE AIMS OF FARO

1. To unite all firearms enthusiasts in Canada into an interested and informed group.

That is a good idea.

2. To advise the membership of legislation pending at all levels of government which could adversely affect the legitimate firearms users.

3. To assist all levels of government in designing effective legislation that will combat crime without further hindering the shooting sports.

I said to these men, "Look, we are going to hold a public hearing of the Standing Senate Committee on Legal and Constitutional Affairs. We would welcome your participation, but come prepared to suggest amendments and improvements to the present bill." I think they will come. Reading further:

4. To present the position of the law abiding firearms enthusiast to the government and the general public.

5. To achieve responsible representation at all levels of government and recognition of the validity of the legitimate firearms enthusiasts contributions to and position in our society.

● (2050)

6. To achieve realism in legislation reflecting our contributions to society which specifically outline benefits for the legitimate firearms enthusiast.

FARO'S CONVICTIONS

We believe that many politicians to-day would sooner blame the rising crime rate on the availability of firearms than face up to the real social and economic causes of crime, such as the failure of our penal system, the weakening power of our police, the moral and spiritual breakdown of the fiber of our society and the general permissive attitudes prevailing to-day.

It is time governments at all levels pay heed to the 3,000,000 and more active shooters across Canada who do not wish to see their activities curtailed by many well-meaning, but ill-informed members of our society who can not, or will not, appreciate the shooting

sports as one of the most useful and satisfying sports available to Canadians.

He did not say so, but he implied that a lot of these "misguided people" are in Parliament. Again, I emphasized to them that there is no intention to legislate the shooter out of existence.

We believe that any individual engaged in the shooting sports has a duty to act in a lawful and RESPONSIBLE manner while engaged in those activities. The majority of firearms enthusiasts are law abiding and willing to respect the normal restraints of law which allow each citizen the RESPONSIBLE use of firearms.

We know that the criminal does not pay heed to any firearm restrictions. Criminals can be, and should be, severely punished by existing laws. Further restricting firearms only succeeds in putting pressure on the law-abiding firearms owner.

We believe firearms enthusiasts, whatever their particular interests, cannot afford to agree to the concept of banning a specific firearm as a practical method of "crime control". To do so fosters the inevitable acceptance of similar actions being applied to other firearms.

I asked what their position was with respect to machine guns and they said that it is a man's right to have a machine gun if he wishes.

We urge the government to make distinctions in the law which clearly recognize the differences between the criminal and the noncriminal, and between responsible and irresponsible acts.

My question is: Do we not do that now?

We believe that present day attempts to curtail shooting activities have one aim in mind: the eventual elimination of all firearms from the hands of law abiding citizens.

My answer to that is: not so. The Honourable Bert Lawrence took part in the debate last night and his view was that we should eliminate all guns because their only purpose is to kill. His opinion was that the sooner we get rid of all guns, the better. That would be a very difficult task. In fact, I disagree with Mr. Lawrence in principle, because I believe there is a legitimate place for rifle shooting and handgun shooting as a recreational activity. Under proper circumstances, such sport would be a good thing in which to participate.

There is an increasing concern across the country arising out of the horrendous statistics respecting murders, suicides, accidental shootings, assaults and robberies involving guns. An average of 222 people in Canada, excluding police and custodial officers, were murdered in each of the seven years 1961 through 1967. During that seven-year period the death penalty was in effect in Canada. The average for the four years 1968 through 1971 increased to 376 murders. In 1971 alone we had 422 murders. So, there has been a tremendous upsurge in the number of murders since the death penalty was suspended. Whether these two factors are related, I do not know, but those are the statistics. In the comparable 11-year period, the number of police and custodial officers mur-

dered was 3.6 annually before the suspension and 4 every year following the suspension.

In the United States, more people have been killed by firearms since 1900 than have died in all the wars from the American Revolution in 1776 up to and including the war in Vietnam. Between 1900 and 1966, firearms were used in 280,000 murders, 370,000 suicides and 145,000 accidental deaths, making a total of 795,000 deaths by firearms. The total number of deaths in all wars was 550,000.

The statistics in the United States covering 1971 alone are as follows: murders, 11,300; gun accidents, 2,400; suicides, 10,000; accidental woundings, 20,000; aggravated assaults, 92,000; robbery at gunpoint, 160,000—a total of 295,700.

In 1972 there were 292 murders in Canada. The murder rate has been increasing in Canada and the United Kingdom at the rate of 17 to 24 per cent per annum.

No sensible person pretends that stricter gun laws will eliminate the use of guns by criminals. The criminal element in our society will get guns regardless of the legislation we have to prevent it. However, such legislation will restrict the availability of guns, thereby making it more difficult for the criminal element to get them; it will reduce crimes of passion involving guns; it will enable us to have more complete records, making it easier to trace guns used in crimes; it will prevent such people as known criminals, the insane and the irresponsible from owning guns legally.

There must be a stiffening of penalties for all criminals. The mollicoddling of criminals will have to stop. For example, there was an armed robbery over here at the armouries within the last few months. Two men, one armed with a rifle and one with a revolver, were caught by the guards and charged in the courts. Those individuals received a nine-month sentence in jail, which means that they will probably be out in six months at the most. That is the kind of thing that is weakening our respect for law and order, and a great many people are getting thoroughly fed up with it. A sentence of life imprisonment today can mean as little as seven years. Some of us feel that life imprisonment should mean life imprisonment, or certainly at least 20 years. We have to provide stiffer penalties for criminals.

Just to recap, clause 1 of the bill would place machine guns and shortened guns (sawed-off shotguns), which are now "restricted weapons", in the category of prohibited weapons. It would also place rifles and shotguns which are unrestricted in the category of restricted weapons. As a result, all weapons will be either prohibited or restricted. If this bill is passed, all guns will have to be registered, and I do not think that imposes any great inconvenience on anybody.

Clause 2 would make all transfers of weapons, whether commercial or private, subject to authorization. In other words, to make a transfer would require a permit.

Clause 3 of the bill would make all offences relating to guns indictable, and consequently eliminate all summary convictions. Section 92 of the act would become unnecessary due to the new section 87.

● (2100)

The purpose of clause 4 is to require a permit for all "restricted weapons," which in fact includes all firearms.

With respect to clause 5, under the present law a judge may order that a person involved in a crime be prohibited from possessing any firearm for a maximum period of five years. This amendment would require the judge to make such a prohibition order for at least ten years.

Clause 6 adds paragraph (e) to subsection 97(2), and the purpose of this is to provide that a permit may be granted to use a rifle or a shotgun for hunting subject to the granting of a hunting licence. As those who have hunting licences know, before you can get one you must have demonstrated competence in the handling of a gun.

The new section 97(2A)(a) makes it mandatory that a test be passed before any weapons permit is granted. The test would concern knowledge and handling of weapons, and the laws pertaining to them. Section 97(2A)(b) sets out those persons who are prohibited from being granted a weapons permit.

Honourable senators, that is the gist of the bill. If it receives second reading, I should move that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs. Senator Goldenberg, the chairman of the committee, is not here tonight, but I think he can be prepared for fairly lively sessions. There will be a substantial number of witnesses, and I would ask that he give them enough time to get here, because they will be coming from various parts of Canada. We must be careful to lean over backwards in making sure that the people who are afraid of this legislation have every opportunity to express their reservations and fears, and to have them allayed as far as possible.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Cameron, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONSIDERATION OF SECOND REPORT OF STANDING JOINT COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the second report of the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments which was presented on April 10, 1974.

Hon. Eugene A. Forsey: Honourable senators, the last time I discussed this matter I came a cropper, I think probably due to insufficient preparation and taking too much for granted. I hope that this time I shall not fail in that particular way, and shall not fall into the rather different fault of believing, like the heathen, that I should be heard for my much speaking.

The first thing I want to draw attention to in connection with this is an unfortunate misprint in the text of the report as it appears. If honourable senators will look at the record, they will see that the report says in part:

Your committee therefore recommends that the joint chairmen, after the usual consultations, be authorized to designate a member requesting each house and the staff to travel to London, England.

The word "requesting" should, of course, be "representing," so that it reads "representing each house." I trust that misprint will be corrected in the report of today's proceedings.

As I said, I do not want to go into a long dissertation on this subject, though some colleagues have suggested to me that it would be appropriate. However, the hour is getting on, and I doubt very much whether a long speech by me is necessary or desirable from any point of view. I merely wish to emphasize the very great importance of this committee, and in doing so I am not trying to magnify my office. I was very reluctant to take the co-chairmanship of the committee, and subsequent events have increased my reluctance, which came originally from my feeling, which I still have, that the co-chairman should be a lawyer. I may remark parenthetically that if the other members of the committee have decided on reflection that they share my opinion, I should be most happy at any moment to make way for anybody else whom the committee may wish to designate as Senate co-chairman. I do not regard this as a position which is likely to be very greatly sought after. I am inclined to think that the holder of it may get more kicks than ha'pence.

However, I want to emphasize, regardless of who holds the chairmanship, regardless in fact of who the members of the committee may be, that this committee is a matter of very great importance. That is indicated in the first place by the fact that in 1969 the House of Commons appointed a committee to go into this whole question. It presented a monumental report. I have here the mimeographed version, which runs to something like 130 foolscap pages, and a most thorough and admirable report it is, judging from the somewhat cursory examination I have given to it. The committee was chaired by one of the most eminent constitutional lawyers in the other place, Dr. Mark MacGuigan, the former Dean of Law at the University of Windsor. We seem to be coming round every now and again this evening to flattering references to the home town of the honourable Leader of the Government.

Hon. Mr. Martin: That is to be expected.

Hon. Mr. Forsey: This is, of course, purely fortuitous, and I hasten to assure honourable senators that I am not engaged in apple polishing.

A second indication of the importance of this matter is that in the early part of 1970, on the motion of the honourable Leader of the Government, the Standing Senate Committee on Legal and Constitutional Affairs was instructed to go into this matter, and a prolonged debate took place, extending from February 12 to May 7 of that year, extending over something like a dozen or more sittings, and with the participation of 16 members of this house, all of them I think still members, some very distinguished lawyers and some very distinguished lay members of this house. In the first category I should mention the Leader of the Government, the Leader of the Opposition, Senator Hayden, Senator Croll, Senator Connolly (Ottawa West) and Senator Prowse. Among the non-lawyers—at least to the best of my belief they are non-lawyers—there were Senator

[Hon. Mr. Forsey.]

Grosart, Senator O'Leary, Senator Lamontagne, Senator Carter and Senator Cameron. I have not given an exhaustive list, for the simple reason that in some instances I am not quite sure whether the other senators whose names I have not mentioned are learned in the law or otherwise.

What I wish to indicate is that there was a very elaborate debate and a very prolonged debate, I think an excellent debate, to which people of varying qualifications contributed, and I think the sum and substance of it was that this was an important matter, a very important matter, and perhaps in some ways an almost crucial matter.

A third indication of the importance of the subject is that in 1970 Parliament passed an act dealing with it. That act makes provision for either a standing committee of the other place, a standing committee of this place or a joint standing committee to which all regulations and other statutory instruments shall be referred. It is because of that provision in the act that the Joint Committee on Regulations and Other Statutory Instruments has been created and is now beginning to function with a certain degree of effectiveness.

● (2110)

I do not think I need labour the intrinsic importance of this subject matter. One of my early recollections of such subjects is of the publication of a book by the then Lord Chief Justice of England, Lord Hewart of Bury, which bore the attractive and alarming title of *The New Despotism*. Lord Hewart pointed out, as many other people have done since, the extraordinary importance of subordinate legislation, the increasing importance and, of course, the inevitability of such legislation.

In the complex society in which we live, it is perfectly impossible for any parliament to pass or even consider all the details of legislation required to deal with such complexities. More and more the habit has arisen, the practice has arisen, of drawing the broad lines of legislation in acts of parliament and leaving the details to be filled in by regulations, ministerial orders, orders in council and statutory instruments of one kind or another. It is absolutely necessary, but it also involves certain dangers to the liberties of the subject. These have been illustrated over and over again here and elsewhere. My mind turns to certain instances in which the courts have set aside regulations under the Immigration Act which in their view were not authorized by the legislation, and infringed on the liberty of the individual. My mind turns also to a celebrated case a year or so ago where, under an order in council or some other statutory instrument, a civil servant was compulsorily retired early. He subsequently took the case to the courts, and won, the courts deciding that the government had not the authority under the act to pass the regulation in question.

Well, in the absence of proper measures to prevent it, there are bound to be cases of this sort and, of course, one can say, "After all, everybody can get to the courts, don't worry about it, justice is available to every citizen." This is true enough, except that there is not absolute economic equality among citizens, and the process of taking a case to the courts can be expensive and also very time-consuming.

Some of us saw recently that dramatic film on the *Roncarelli* case, and to the best of my recollection, although it was not a matter of subordinate legislation—it was another matter, in that particular instance—the process of getting the thing through the courts took something like 13 years.

The process of dealing with the infringements of liberty under the Padlock law of Quebec, of infamous memory, also took a very long time. My recollection is that it took well over a dozen years, and perhaps more than that. The same thing happens about taking cases to the courts where the citizen finds himself injured or aggrieved by subordinate legislation, orders in council, regulations of one kind or another, statutory instruments of one kind or another.

There has grown up a widespread belief that it is desirable to prevent as much as possible, rather than to attempt to cure by judicial proceedings, abuses of power under the process of subordinate legislation.

Honourable senators, I want to say something now about the committee itself. The first thing that should be noticed about it is that it is obviously a non-partisan committee. Its duties make it such, if it is to carry out those duties at all adequately. There is the happy factor also, that the two chairmanships are held by people of different political parties. I shall not say anything about your humble servant, honourable senators, but I can say with truth that one of the happiest things about this committee is that the chairman from the other place is one of the most eminent, respected and judicious members of the Progressive Conservative Party. Everybody who knows Mr. Fairweather will concur in that description of him. I think we were extraordinarily fortunate in having, as the first chairman from the other place, a person of Mr. Fairweather's temperament, distinction and knowledge. The proceedings that have taken place in the committee so far have amply illustrated and proved the fact that it is a body which looks at this subject in a completely non-partisan way, and attempts to deal with it in that spirit.

I venture to think that the role of the Senate members in such a committee can be of rather special importance. When I was a member of the Joint Committee on the Constitution, I was impressed by the fact that the contributions of senators were really very notable, and I think this was true of the senators generally—with possibly some exceptions, to which some of my friends will add a hearty "Amen", as they think of one particular person! Anyway, the bulk of the senators on that committee made very important and valuable contributions to its work. Their doing so was facilitated by the fact that, as with most joint committees of the two houses, the Senate membership was rather more stable than the membership from the other place. I do not mean by this any reflection on the intellectual stability of any individual; I simply mean that the membership on our side of the thing stayed more nearly the same, more nearly continuous, than that from the other place. This is almost inevitable.

I should think that that would also be the case with this committee. I venture to think also that in spite of some speeches which are made from time to time in this place which are not notable for their non-partisanship—and I have been guilty in this matter myself not too long ago—on the whole we do tend to take a rather less partisan view

of affairs than people in the other place, for obvious reasons. It is possible to exaggerate the degree to which we are non-partisan, but especially in a committee of this sort it is likely that we shall, if anything, approach the matter in an even more objective spirit than our colleagues from the other place.

I want to say one or two things to clear up certain misunderstandings which seem to exist about the committee and, notably, its staff. I think I was guilty of speaking rather loosely about the staff, and people may have got the impression that we were already building up a vast empire or a vast bureaucracy. This is not the case nor, I may add, have we any ambitions of that sort. Our staff consists, at the moment, first, of a clerk of the committee. Obviously, there must be one. He comes from the Committees Branch of the other place. I asked him the other day if he would find it convenient or helpful to have a clerk from our side and he said he did not think the pressure of work was such that he needed it, but, of course, if the Senate wished to provide a clerk from the Senate Committees Branch he would be very happy. He had no strong views about it one way or another. I am inclined to think that unless the clerk's duties become much more onerous than at present they seem likely to be, it would be unnecessary for us to trespass upon the time and resources of our own Committees Branch simply to provide a second clerk. But I am perfectly prepared to consider any opinion to the contrary. There is also at present an administrative officer of some sort who, however, I believe will shortly no longer be available.

So you can see, honourable senators, that we have not got any vast staff. It consists mainly in fact of the two highly qualified legal practitioners whom I mentioned before when I was talking about this.

● (2120)

There is a proposal embodied in this report to take on some summer students, students-at-law. This was originally suggested by the principal research officer, Professor Eglington. He suggested six people. Various members of the committee, for reasons not altogether clear to me, seemed to think that that might be too few, and, eventually, the motion provided for not more than twelve. I think it extremely unlikely that we shall get anything like that maximum number. I am inclined to think that we do not need more than the half-dozen originally proposed by the research officer. I think we should find it very difficult to get accommodation for more than half a dozen, and at this time of the year the chances of getting good summer students available are, I should think, rather small. So that I do not think there need be any qualms on the part of any honourable senator about this maximum figure of twelve which appears in the report—

Hon. Mr. Choquette: They'll be playing cards all the time, anyway.

Hon. Mr. Forsey: I don't know. Not being a member of the legal profession I don't think I am qualified to make any remark on that. I suspect that Senator Choquette might well be right, but I am not prepared to contest the thing in any case.

I might remark in passing that there were some comments from certain senators last time to the effect that it was probably rather superfluous for us to get these people.

There was a suggestion, or perhaps I should say, rather, a question, from Senator McIlraith. He wanted to know:

—why that work was not being done by the Committees Branch of the Senate with the assistance of these research officers, whose services are available to this place and the other place at any time and which is competent assistance.

I wonder if he—

That is, I.

—would care to enlighten us as to just what efforts he made to obtain adequately qualified personnel from the Committees Branch and if he was unable to obtain them, whether he raised the matter with the Commissioners of Internal Economy in this place—

I think that should be “Committee.”

—for their consideration, or what steps had been taken. There is a part of our establishment that, it seems to me, should be capable of providing the information being sought, having obtained it in the normal course of their work through the mails in the last number of years and being experts on the subject.

Well, there are a number of things I want to say about that. One is that I doubt very much whether in the Committees Branch we have any experts on this subject. I shall explain in a moment why I did not find out about this beforehand. But even if I had I should have drawn a blank, because I have since found out by inquiry that there is nobody in the Committees Branch who is a lawyer, except the head of the Committees Branch, and I think it would be presumption on our part, on the part of any committee, to suppose that it could take on the head of the Committees Branch for its own purposes on an almost quasi-permanent basis. Otherwise, there is simply nobody there with the expert legal knowledge which, in my humble lay opinion, is necessary to do this kind of work.

In the second place, I doubt very much whether anybody in the Committees Branch in the normal course of his or her work has obtained over the years through the mails any great amount of information on this subject, because it is not something which the Committees Branch, to the best of my knowledge, has been concerned with.

It is possible that Senator McIlraith's surmises on this point are better founded than mine, but that is what I should have thought.

I might remark also that Senator Connolly (Ottawa West) had something to say about this.

Hon. Mr. McIlraith: I wonder if Senator Forsey would permit a question for the sake of clarification? I take it that he is not suggesting that I put forward the view that there were people in the Committees Branch capable of doing this work. The point I raised, I think he will agree, was as to why we did not have in the Committees Branch people who are trained and knowledgeable in this field. And I suggested that that was the point that should be looked into.

Hon. Mr. Forsey: I shall be dealing with that in a moment, if I may, Senator McIlraith.

The second point is that some little time ago the Library of Parliament, having done a certain amount of work both for individual members of both houses and for committees,

[Hon. Mr. Forsey.]

decided that it might be useful if it were to equip itself to provide such technical assistance for committees on a regular basis.

I have here a letter from the Parliamentary Librarian on this subject, in which he says:

And on February 26, 1970, the Joint Committee on the Library of Parliament recognized that “In order that Parliament's research organization be kept intact . . . the Research Branch of the Library should have the prime responsibility for satisfying parliamentary research needs whether for a committee or an individual parliamentarian. The Library should be called on first. If special assistance is required by the committees beyond what the Library can supply then they have the authority to hire extra research assistance”—

The subject was then taken up with the Speakers of both houses. The Librarian mentions that he was extremely anxious to see that senators were not treated as second-class citizens, or the Senate as a second-class part of Parliament in this matter, and so the matter was taken up with the Speakers of both houses and a decision was arrived at that, in general, in future, the prime responsibility for satisfying parliamentary research needs for committees as well as for individual parliamentarians should be the responsibility of the Parliamentary Library Research Branch.

So by the time this committee was getting to work on getting its assistance—which, I said the last time I discussed this matter, it first tried to do on its own—by the time it got down to it, the question of where we would get the assistance, in the first instance at least, had been largely taken out of our hands. The arrangement had been made that, normally, this should be sought through the Research Branch of the Library of Parliament; and, accordingly, we proceeded in what we thought was the way that had been agreed to by the Speakers of the two houses and, I might add, by the chairmen of all committees in both houses. The whole matter had been taken up thoroughly with them.

Now this decision may or may not have been a wise one. I am not going to go into that. I think it is too early, perhaps, to say. But as this was the considered judgment of the Parliamentary Librarian and of the Research Branch of the Library of Parliament and of the Speakers of both houses and of the chairmen of all the committees, I think it would be very rash on my part to suggest that we ought to have tried to get round it or have tried some other game of our own.

I hope that answers Senator McIlraith's point about why we did not seek either to get help through the Committees Branch of the Senate or to get the Committees Branch of the Senate increased in staff; the Parliamentary Research Branch had just been increased for this precise purpose. He wondered why we did not try to get the staff of the Committees Branch of the Senate increased to deal with this matter, but it would have struck me as a very cumbersome arrangement when the whole thing appeared to have been decided by higher authorities than the committee.

Well, I gather that my explanation does not suit Senator McIlraith. This is the disadvantage of having as a co-chairman of the committee somebody who is not a lawyer; and, frankly, I wish to mercy somebody else would take the chairmanship of this committee. I was very reluctant to take it in the first place, and I should be very glad to get rid of it in the second and place it in the hands of a competent lawyer. Anyway, there is the explanation about that.

● (2130)

Now, as to this proposed trip to England of the two research officers and one member from each house, there was some misunderstanding there also, I think. In the first place, some honourable senators seemed to get the idea that it is going to be a very prolonged trip. Well, it isn't. The proposal was that these people should be in England for something like three days. With a day or two to get back and forth, I suppose you might have them away for five days.

In the second place, it was not proposed that the two co-chairmen should go, it was proposed that two members, one from each house, designated by the co-chairmen, should go; and I might add that nearly everybody who spoke on the subject in the committee took the line that he couldn't go, or wouldn't go, or didn't want to go. There seemed to be no desire at all on the part of any individual to go along with the two research officers.

The original suggestion of the research officers was simply that they should go, and nobody else, simply to deal with their opposite numbers and with the parliamentarians concerned on the other side. The committee seemed to want to add somebody from each house. I suppose it was a wise provision, but anyway that is what it was. So there was no prolonged excursion proposed.

Some question was raised about whether there was any real necessity for this, or any necessity for it at least at this time: could it not all be done by studying the reports? Well, the reports of these committees in the United Kingdom now go back for a great many years, and I don't know that a prolonged study—and it would have to be a very prolonged one—of all the reports, would yield as much as a series of interviews and contacts with the people most concerned, in the United Kingdom, which would make available quickly to the research officers, and whatever parliamentarians accompanied them, the crystallized wisdom and the experience of the British Committees.

The original idea, as I think I mentioned, was to have somebody come over from the United Kingdom and talk to us about it, but after some discussion with the people there, and discussion, I think, also, between some of the officials of the other place and their opposite numbers in Great Britain whom they knew well personally, the considered opinion seemed to be that it would be better for the two research officers of our committee to go over there; and then the suggestion was further made that they should be accompanied by a member from each house. That was the reason for that. The expense involved, I understand, was to be provided out of funds available from the other place. It would not involve the Senate in any expense, to the best of my understanding. I still think that this would be a useful exercise on the part of the research officers, at least.

It is to my mind, now, somewhat doubtful whether anything of the sort will come off at all, for some considerable time, because rumours of elections are abroad. It is quite possible that before anybody can get off on this thing there won't be any committees to have members go, and the whole thing will be postponed until a new Parliament has met.

Hon. Mr. Martin: You should not pay much attention to rumours.

Hon. Mr. Forsey: I do not pay attention to rumours as a rule, Senator Martin, but the din on this subject—the noise on it—has begun to make some impression on even my somewhat sceptical mind. So it is possible that this trip to England will not come off. Well, I suppose the two research officers, being employees of the Library of Parliament, might be able to go, even during a time when there was no Parliament and no committee, and pick up the information and come back, with much less expense. The senator and member of the House of Commons who might otherwise have gone might be saved the trip, and everybody be saved expense, time and trouble.

I do not know if I have succeeded this time in making clear why I think this report should now be adopted. I do not think I have left out anything that seems to me to be relevant, though I may well have failed to answer some questions which were in the minds of honourable senators, or which were put forward last time and which I failed to take proper note of.

I am very anxious to see this committee succeed. I shall be glad to do anything I can to help it succeed, but I again assure all and sundry that I was reluctant to take the chairmanship of this committee. I did not think I was the person who should have it, and I should be more than happy to surrender it to anyone else that the committee sees fit to name, at any time. The late Charles Evans Hughes once remarked that no man was fit for high office who was not prepared to leave it at a moment's notice. I have never been in a high office. This is not a high office, it is only a modest office, though I think of some importance; but I am certainly prepared to leave it at any moment if the committee decides it would prefer to have somebody else. I think it would be highly desirable to have somebody who is learned in the law, and not a mere layman, a mere amateur like myself, dealing with this matter, which is of great complexity, and perhaps even beyond the knowledge—the ordinary knowledge—of some members who are learned in the law but who have not specialized in this particular branch of it.

Hon. Paul Martin: Honourable senators, the reason I rise now is that I want Senator Forsey to know that there is wide appreciation, I think, in Parliament and in its two houses, for the work that this committee has done.

We must not forget the two extraordinary debates that we had in this house, arising out of a motion that we should give consideration to the report of the House of Commons Committee on Statutory Instruments. Senator Forsey has paid tribute to Dr. MacGuigan, the member of Parliament for Windsor-Walkerville, for his work on that committee. It is not necessary for me to repeat my view of the contribution made by Dr. MacGuigan. It is well that we should not hesitate to do so, and recall the circumstances of that report. It followed a speech made in this

house by Senator O'Leary when he complained of the danger to the liberty of the subject because of the vast number of regulations which came into being, oftentimes never examined by Parliament and arising out of authority in the statutes for the promulgation of these many regulations.

In addition, Senator O'Leary called our attention to the numbers of orders in council, to the vast number of other restrictions, as he called them, again on the liberty of the subject, which exceeded in quantity, oftentimes, the statutes in any one Parliament.

The difference between regulations that are not carefully examined, or not examined at all, and statutes, was that the latter are examined by the two Houses of Parliament, and by committees, oftentimes, of these two houses.

It was shortly after Senator O'Leary spoke that the report on statutory instruments was tabled in both Houses of Parliament, and it was as a result of that that it was proposed that action should be taken on this report to provide for protection against any violation of the liberty of the subject within the terms that had been envisaged many years ago by Lord Hewart of Bury in his book, *The New Despotism*. It was as a result of the campaign in the United Kingdom at that time that there came into being an operation in the United Kingdom somewhat similar, at least in principle, to the proposals in the report to which Senator Forsey now asks our consideration. I say to honourable senators that if we recall those two lengthy debates, in which an extraordinary number of senators on all sides took part, we will recall that we regarded this matter as one of the greatest importance. Senator Forsey need not apologize for seeking to convince us that this is an important matter, because we all regard it as such. I think we are all grateful to him for his work on the preliminary body of the two houses which gave consideration to this matter.

● (2140)

Senator Forsey seemed to me to belittle his own competence. He kept repeating that if there was anyone who wanted to take his job as Senate co-chairman there would be nobody more willing that this should be done than Senator Forsey himself. I want to say for my own part, honourable senators, that I think Senator Forsey is eminently qualified in every way—

Hon. Senators: Hear, hear.

Hon. Mr. Martin: —to assume what is not an easy task, and which may very well in time prove to be a thankless task, but, nevertheless, an important one. Oftentimes in our committees when we examine various statutes, we complain about the authority given to the Governor in Council or to a particular minister to make regulations based upon the statute then being examined. Now we are given an opportunity—and in fact, honourable senators, not only are we given an opportunity but we are imposing upon ourselves the obligation—of examining regulations passed or promulgated as a result of statutory authority. If we really want, as I know we do, to protect the liberty of the Canadian subject, then it is most desirable that we should have a body designed to examine regulations and orders in council and the like that do not fall within the parameters of security. This is the proposition, and Sena-

[Hon. Mr. Martin.]

tor Forsey should feel that there we are not taking exception to it.

He speaks of his competence. Well, honourable senators, I have just finished reading this past weekend the essays on Canadian constitutional and other problems which appear in his book. It has just been published. Anyone who examines the book will recognize that Senator Forsey is an eminent student of the Constitution, and is, in my judgment, eminently qualified to accept the responsibility which I, for one, feel he can discharge with great ability and with great results.

The only complaint I have—and it is not a complaint against Senator Forsey—is that it has taken this length of time for both houses to reach a decision to provide the machinery for joint action, machinery which we in this Senate urged on Parliament three years ago. The fact that two co-chairmen, one representing this house and supporting the Liberal Party, and the second from the other place, representing the Progressive Conservative Party, have been selected, shows the bipartisan quality of this committee. That is exactly what Parliament expects, and it is what the nation expects. Let no one think that this is a frivolous matter. It is no frivolous matter. If we examine the records of this house we see that we have regarded this matter as one of the most important potential functions that we could and should assume.

I am not going to concern myself with the details of this report in what I want to say this evening. I am rising to support the general principle which Senator Forsey has put before us, because I think there should be such an examination. What we have in mind is well established in the United Kingdom where in fact this was done many years ago. As a result, it is always possible in the United Kingdom for a parliamentary body to say that an examination has been made of regulations and orders in council—that is to say, orders in council that, having in mind the interests of the security of the state, may be tabled. It is important for Parliament to be able to do this, and this is what the committee has in mind.

Let no one say that this will be easy. Senator Forsey himself said that he did not think the work would be as extensive—and here I may have misunderstood him—as had been suggested. My view is that it will be an onerous task, a tedious task, a task that will require the care of the kind of person that Senator Forsey is, a man who likes to put a semicolon or a dash or a period in the right place and does not hesitate to spend the time necessary to do so. I should have thought that Senator O'Leary—and I do not expect him to do so tonight because I know he has other things to do—in view of the outstanding speech he made three years ago in this house, would be among those to rise and recognize the contribution made in the proposal before us. I am sure he does, as I am sure he strongly supports the suggestions that Senator Forsey has made.

When we debated this matter we gave consideration to the question of whether we should have a joint committee, or whether there should be a committee of one house only. I expressed my personal view, and here I was thinking of the work done by Senator Roebuck over the years in the Divorce Committee. We all know that that work was done essentially by Senator Aseltine, and later by Senator Roebuck. It was tedious work, a judicial function that took

hours and days, but work that was discharged by Senator Roebuck, as it had been by Senator Aseltine before him, in a way that enabled the Senate to say to both Houses of Parliament that the judicial function in respect of divorce was well performed.

However, it was decided by both houses that there should be a joint committee. I should not be surprised, however, if in time it should be found so arduous, so tedious—and, some have said, even so boring—that, not denying the importance of the process and the effort involved, it would have been better left to one house, namely, the Senate. Why? Because, as Senator Forsey himself said, when elections take place—and I do not think one is imminent—there is only one part of Parlia-

ment that continues, and that is the Senate. However, the resolution envisaged action by a joint committee.

This is an important task. Those who are concerned about what they allege to be the encroachment by the Executive on the liberty of the subject are given an opportunity in this proposal to meet that admitted danger. I do not say that such a situation exists at the present time, but certainly there is a possibility of it. Therefore, this is the kind of proposal that deserves examination, and it must be examined. I, for one, as a senator, applaud what the committee has done. I applaud Senator Forsey for his leadership in the matter, and I hope that he will persist in it.

On motion of Senator Grosart, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Tuesday, April 23, 1974

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin: Honourable senators, I beg to table certain documents required to be tabled by law.

Report of the Cape Breton Development Corporation, including its financial statements and Auditor's Report, for the year ended December 31, 1973, pursuant to section 33 of the Cape Breton Development Corporation Act, Chapter C-13, R.S.C., 1970.

Copy of a contract between the Government of Canada and the Corporation of Labrador City, in the Province of Newfoundland, 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).

Hon. Mr. Martin: Honourable senators, the Leader of the Opposition usually has some happy remark to make when I table documents. I suppose it is because he wants to tease me. May I explain that the reason I do name certain documents is that they are documents which do not have to be tabled by law. The documents which I do not take the time to name are required to be tabled pursuant to various statutes.

Hon. Mr. Flynn: What is the use of tabling them if they do not have to be tabled? If you do not name them no one will be interested.

Hon. Mr. Martin: That is my point. I always name those documents which are not required to be tabled pursuant to a statute.

Hon. Mr. Flynn: But you are not going to arouse any interest if you do not name them.

Hon. Mr. Croll: He names those that are harmless.

Hon. Mr. Martin: Let me add this, so that the record is clear, because I do not want the Leader of the Opposition to pursue this matter further. There is a requirement for certain reports to be tabled pursuant to section so-and-so of a statute.

Hon. Mr. Flynn: I know that.

Hon. Mr. Martin: These are tabled without being referred to. The ones that I mention by name are those that are not required to be tabled. I say this not in answer to what Senator Flynn has said. This last observation is to give Senator Croll a correct understanding of the situation.

NATIONAL PARKS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Senator Laing for the second reading of Bill C-6, to amend the National Parks Act.

Hon. Jacques Flynn: Honourable senators, Bill C-6 is a significant improvement over Bill S-4, which had been introduced in the Senate and which we dealt with and amended during the last session. It will be recalled that Bill S-4, among other things, authorized the Cabinet by proclamation, without recourse to Parliament and without the benefit of public hearings, to extend the boundaries of any existing national parks to include land in which the federal government retained or held title, and to create new national parks in certain counties of Canada.

I did not agree at all with that approach, and when I participated in the second reading debate on Bill S-4 on May 22 of last year, I said this:

Surely, if we are going to extend an existing national park or create a new one, everyone whom this might concern or who would be affected should be consulted.

If people are going to be displaced, they should have a say. If people are going to lose their jobs, they should have a say. If the economy of a region is to be adversely affected—and this would be the case, for instance, if the land which is to be acquired by the government for creating a new park or enlarging an existing one could be better used for economic development because of the promising natural resources it holds—then the people affected should certainly be consulted. The people of the area are in the best position to decide whether the extension of an existing park or the creation of a new one would create more hardship than it is worth, more hardship to the people of the area than the pleasure it may bring to some sectors of the population.

The leaders in business, labour and politics from the area in question should be assured the possibility of expressing their views in public. It is this lack of assurance that worries me. I would like to see it written into the bill.

Consultation with persons resident in areas about to be appropriated to a national park should be a requirement.

At the committee stage on Bill S-4 last year we were successful in having the bill amended. With great reluctance the government agreed to provide some notice of its intention to proclaim a new park or the extension of an existing one. The notice it agreed to was one to appear in the *Canada Gazette* for a period of 90 days preceding proclamation. That was all we were able to squeeze out of

the government at that time but it was better than nothing and so we accepted it.

But in fact, this was not enough and those of us who agitated for more stand vindicated by the bill presently before us. Bill S-4 as amended was still not enough because it did not ensure that those whose lives were most intimately affected by the government's plans would be properly consulted.

The burden was upon them to spot the notice in the *Canada Gazette*. As most senators are probably aware, the *Canada Gazette* is not as widely and certainly not as avidly read as *Playboy* magazine. The burden was upon them to obtain detailed information from the proper civil servants. I am sure honourable senators will agree that that is a thankless, frustrating and time-consuming task. The burden was upon them to organize public meetings to discuss how they felt about the government's intentions with regard to their own geographic area. The burden was upon them to agree on a credible alternative if they objected to what the government had in its collective mind and to prepare documents for presentation to the Minister of Indian Affairs and Northern Development who at that time was the minister in charge of national parks. Finally, the burden was upon them to try to have the necessary political pressure brought to bear in order that their case might be heard by the minister, that they might be given the opportunity to meet with him personally to air their grievances.

I felt that all this was terribly unfair. It seemed to me then, and it still seems to me now, that if the government is thinking of doing something that can drastically affect the lives of a group of people, it should consult that group beforehand. By "consultation" I mean that the government should go out of its way to enter into communication with those who might be affected to find out how they feel about the proposal.

● (1410)

In other words, I felt, and still do, that the government should take the initiative; the government should arrange public meetings, in the geographical area that would be affected, to give these people a hearing; the government should go to the people with its plans and not wait for, or expect, the people to come to the government with grievances. That, in my opinion, would be real participatory democracy.

Unfortunately, the amendment we have before us does not ensure public hearings in the geographical area affected, although, I suppose, the House of Commons Standing Committee on Indian Affairs and Northern Development could decide to travel. But there is no guarantee of that—and that is the guarantee I should like to have seen written into the amendment.

The amendment, as repeated in clauses 2, 10 and 11 of Bill C-6, does several things. First, it ensures adequate dissemination of information concerning the government's intentions to proclaim. Not only will such intentions be published in the *Canada Gazette* for 90 days, but, if the area involved is significant, they will be published in a newspaper or alternative medium serving the area in which the lands are situated. Furthermore, the intention to proclaim will be published in two major daily newspapers in each of the five regions of Canada at least once a

week for a period of four consecutive weeks in both official languages, and in any other language that in the opinion of the Minister of Indian Affairs and Northern Development is appropriate.

Second, this amendment provides that, upon being published in the *Canada Gazette*, the notice of intention to proclaim will be tabled in the House of Commons and be referred automatically to the Standing Committee on Indian Affairs and Northern Development. This will ensure that the political representatives of the people are made aware of what is going on.

Third, the amendment provides for the Commons committee to hear witnesses, to consider relevant evidence and to report, either approving or disapproving the proposed proclamation. This ensures that the people of the area concerned will be given a political forum, and that the judgment of those who take a particular interest in matters of this type will be brought to bear in the matter.

But the burden is still on the people from the geographical area concerned to arrange meetings in their area in order to discuss among themselves the government's intentions; and it remains their problem to choose their representatives and to finance their trip to Ottawa so that they can appear before the committee to explain their grievances in the event they consider the government's plan unacceptable.

Finally, the amendment provides that the Standing Committee on Indian Affairs and Northern Development will report to the Commons and that its report will be voted on by the federal representatives of all the people of Canada. And if the Commons concurs in a committee report to "can" the proposed proclamation, then that proclamation will not be issued.

This gives the final decision to the House of Commons rather than leaving it to Cabinet, which is certainly an improvement as well as a protection against authoritarian and arbitrary rule.

But giving the final decision to the House of Commons does not show any great respect for Parliament as a whole. Parliament is made up of two houses, and I, for one, consider deficient an amendment which completely overlooks the possibility of the Senate's playing any role in decisions of this type.

Consequently, I think we should give serious consideration to amending this bill when it is sent to committee. In the interest of maintaining equivalent status between both Houses of Parliament, some effort should be made to ensure that we have the right of review over decisions made by the other place as to whether or not the recommendations of their standing committee should be concurred in.

I would suggest that in the event the Commons should support their committee's recommendation to refuse the government leave to proceed with its proclamation, we in this chamber need not go into the matter. Should, however, the Commons support their committee's recommendation to allow the government to go ahead with its proclamation, then the matter should be turned over to this chamber for further investigation and approval.

There has been a tendency in recent years for the other place to arrogate to itself a certain superiority of status.

This is just another example of that reprehensible behaviour.

I will grant you that our prime concern should be the review of legislation, and I will grant you that what is involved here is an attempt to govern by order in council and not by legislation. But where a process is set up to place certain parliamentary restrictions on the power of the administration to govern by fiat, then the Senate certainly should play a very definite role.

We also are here to protect the Canadian people from unwarranted interference in their lives by government. That is part of our responsibility, and I do not think we would be doing what the Canadian people have a right to expect of us if we allowed ourselves to be excluded from the process of control over and protection against government-by-decree provided in this amendment.

The bill is an improvement over the last, but the amendment it makes is still very seriously deficient and will have to be corrected by this chamber.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Langlois, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

SECOND REPORT OF STANDING JOINT COMMITTEE ADOPTED

The Senate resumed from yesterday the adjourned debate on the motion of Senator Forsey for the adoption of the second report of the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments.

Hon. Allister Grosart: Honourable senators, I rise to speak at this time because I believe it may be the disposition of the Senate to approve the motion for adoption of the report of this committee, as there are a number of matters in the report which may require fairly immediate action if they are to be effective.

I agree entirely with everything that has been said of the importance of the work of this committee on statutory instruments and other subordinate legislation. I agree also with everything that Senator Forsey has said about the great contribution that the senators on this joint committee can make. Senator Forsey seemed to be somewhat concerned with the fact that as co-chairman he was not a lawyer. Among the many reasons for which I would approve the role of Senator Forsey as co-chairman is the fact that he is not a lawyer! It so happens that most of these regulations, and most of the subordinate legislation, are written by lawyers for lawyers, and that is about half the trouble that I find with most of these regulations. I am delighted, therefore, that one of the co-chairmen is a learned layman who will bring an approach to these problems that is somewhat different from that of those who are trained and trapped—

An Hon. Senator: Explain.

[Hon. Mr. Flynn.]

Hon. Mr. Grosart: I said, "trained and trapped", within the confines of juridical thinking. However, I am somewhat disappointed that it has taken so long for the committee to get under way. Its appointment goes back to 1971, and we are all aware of the problems that have arisen in the meantime, particularly the intervention of an election, and the other contingencies that have made it difficult for the committee to get its work done. However, I would urge the committee to get on with the job because it is of the utmost importance that we get something rather more definitive than the two reports we have had which are really nothing more than housekeeping reports.

● (1420)

I see this as a matter of the greatest importance because these problems which are created by subordinate legislation are growing and getting bigger all the time because those who write these regulations are getting braver and bolder. The longer we let them get away with the things they are getting away with the greater will be the problems they will create. To give an example, honourable senators, I think one of the most essential things to be recommended by this committee is that we dispense forever with that phrase in the bills that come before us now that "the minister may make such regulations which in his opinion are necessary to implement the bill."

Hon. Mr. Martin: Notwithstanding the foregoing!

Hon. Mr. Grosart: There is seldom any "notwithstanding". It is a clear case of saying that if the minister in his opinion thinks that any kind of regulation is necessary, then that is the end of it. If I read it correctly, this bars anybody affected by the legislation from going to the courts; it bars anybody from saying that the minister has gone completely outside his authority, because the wording is "any regulation that in the opinion of the minister." Therefore, all the minister has to plead in court is that "it was my opinion—" it doesn't matter how far out it may be. That is what the bills say now, and all that is necessary to correct that situation is to simplify it by saying that "the minister may make such regulations as are necessary to implement the bill." That is all. Then it is open to any aggrieved person to go to court and say that these regulations were not necessary to implement the bill and therefore they are not in accordance with the determination of this matter made by the Parliament of Canada.

The second suggestion that would clear up many of the problems is if we were to have the regulations appended to the bills when we get them. I have heard it said that this cannot be done, that the public servants are not ready with the regulations. It has even been asked: How can they make the regulations if they don't have the act before them? This is nonsense. Obviously in drawing up the provisions of their legislation and the regulations, the public servants know what the regulations, certainly the initial regulations, are going to be by the time they have completed that process. If they don't, then surely there is something wrong with their thinking, because the bill itself may be only part of the legislation that is intended to deal with a particular situation. So I think that we should insist—and I hope that the committee will recommend this—that these public servants go to work and draft the original regulations and append them to the bill. I am not suggesting that they should form part of the bill,

but they should be appended to the bill because more often than not the regulations determine the parameters of the effect and force of the bill particularly as it concerns the liberty of the citizen. I would hope that the committee will not take the attitude that all it is to be concerned with is the *ex post facto* examination of regulations.

In the discussions which have taken place so far I noticed a tendency to approach the subject in that way. They suggest that it will be enough, if and when these regulations are promulgated, that a joint committee, probably assisted by a commissioner, will examine the regulations and ask, "Should these regulations have been promulgated?"

I would hope that the committee will consider looking at the other end and laying down some rules, such as I have indicated, governing the promulgation of regulations.

Let us not wait until the damage is done. We should say to the government, "Here are some guidelines. These are the kind of regulations that will fit in with the general concept of parliamentary control, of what is called 'subordinate legislation.'"

In my opinion, some of the trouble in the past has been created by the use of such terms as "subordinate legislation" and "administrative law," et cetera. I know that "the law" is a phrase that is very widely used, not only in a jurisprudence sense but in other disciplines. On the other hand, a distinction should be made, at least in the minds of people concerned, between law and rules, because, in the parliamentary sense at least, legislation is tied very closely to the concept of a legislature, and to describe some of this co-called "subordinate legislation" as legislation only confuses the issue.

We should make a clear distinction between law in the sense of a direct emanation of a legislative body and rules that are promulgated by non-legislators under the authority of the legislation, of course, but not as legislation in that restricted sense.

It was mentioned that there is no Senate clerk attached to this committee. It is my view that there should be, if for no other reason than to have a record maintained in the Senate. In my opinion, it is a bad principle to allow the running of one of these joint committees to be in the hands of a clerk of the other place. I have had some experience and I know that the tendency is to run it in the interests of the other place. One cannot object to that, but I believe we should have a Senate clerk sitting there, ready to report to us and taking responsibility through us for the administrative arrangements in connection with any joint committee.

Honourable senators, that is all I have to say on the report itself, but I should like to draw attention to the fact that at about the same time as this matter was referred to the joint committee, the Minister of Consumer and Corporate Affairs referred a very similar subject to the Canadian Consumer Council. The report of that council has just been issued. It is entitled "Report on The Consumer Interest in Regulatory Boards and Agencies." I commend the council for getting this excellent report in the hands of the minister and Parliament. I would hope that the joint committee would go beyond merely looking at these regulations and would look at the way they are administered,

as this group has done. It has had a number of very thoroughgoing studies made, separate studies, of the operations of various regulatory boards. These are the boards that are operating under this subordinate legislation. Their report is frightening. In the work of these bodies they are dealing, of course, only with the interests of the consumer; but we are all consumers, so they are really dealing with the interests of all of us. At page 32 of the report, for example, they say:

● (1430)

It is a mistake to believe that decisions concerning the planning and allocation of resources made by regulatory agencies are value-free and based solely on objective evidence and technical expertise. The fact is that regulatory agencies' decisions are heavily weighted with value judgments and decisions regarding social priorities.

That is where these regulations end up. With that kind of implementation, surely this committee has a big job in front of it.

At page 34 of the report they say:

The first step in reform is the revision of the terms of reference of all regulatory agencies—

I commend that as a suggestion to the committee. The council points out, for example, that even as affluent a body as the Hotel Association of Canada—which was presenting a brief in respect of Bell Telephone rates before the Canadian Transport Commission—had to withdraw its presentation because it found it too expensive. So, if such a body as the Hotel Association of Canada could not afford to carry on with a presentation before the Canadian Transport Commission, what chance does the individual have?

Hon. Mr. Greene: They are selling their beer too cheaply.

Hon. Mr. Grossart: I do not think they are. The price of beer is getting a little out of hand, as far as I am concerned. Perhaps I am a little out of date with the inflationary trend in the price of beer, because it is only since I had a certain operation removing an ulcer that I have been allowed to drink beer. There was a long period of time when I could not drink it, and I notice that the cost has gone away up.

Hon. Mr. Flynn: It seemed long.

Hon. Mr. Martin: You should try ale.

Hon. Mr. Molson: That was spoken like an expert.

Hon. Mr. Grosart: I am waiting in case there is some further comment from the Chairman of the Rules Committee.

Hon. Mr. Flynn: Why; to quote the rules? That is not the chairmanship I would have chosen.

Hon. Mr. Molson: Order!

Hon. Mr. Grosart: Well, I am quite sure that the distinguished Chairman of the Rules Committee, Senator Molson, has views on this, but I doubt if he wishes to express them at this time.

Honourable senators, that is all I have to say. I hope the Senate will expedite the adoption of the report, because I

think it is of the utmost importance that this committee get on with its job.

Hon. Mr. Cameron: Honourable senators, I would just intervene briefly to say that I thoroughly support Senator Grosart's statement with respect to the administration of acts by regulations. I have had a good deal of experience with this, particularly with the National Parks Act. Very often the regulations under that act have little relationship to the intent of the act itself.

I think more injustices are committed against the people of Canada under regulations than in almost any other way. I think Senator Grosart might have gone a little further and suggested that somewhere in this program of administering acts, provision be made for a national ombudsman to examine all regulations under which acts are carried out in Canada.

Hon. Mr. Grosart: May I thank Senator Cameron for suggesting that I might have gone a little further. That is the first time in the 11 years I have been a member of the Senate that anyone has suggested that I make a longer speech than I made.

Hon. Mr. Flynn: It goes both ways.
Report adopted.

BUSINESS OF THE SENATE

Hon. Mr. Langlois: Honourable senators, before moving the adjournment of the Senate, I should like to inform you that the Standing Senate Committee on Transport and Communications met this morning and concluded its examination of the witnesses from the CNR in connection with Bill C-5. The committee adjourned until 3.30 this afternoon at which time the witnesses from Air Canada will appear.

I want to remind honourable senators that those who are not members of the committee are welcome to attend, as it is a very important meeting.

Hon. Mr. Flynn: I might just mention that many senators who are not members of the committee attended the meeting this morning and took a very active part in the questioning. I hope they will attend the meeting this afternoon.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, April 24, 1974

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

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1973

REPORT OF COMMITTEE

Hon. Maurice Bourget: Honourable senators, I have the honour to present a report from the Standing Senate Committee on Transport and Communications.

The report was read by the Clerk Assistant, as follows:

The Standing Senate Committee on Transport and Communications to which was referred Bill C-5, intituled: "An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada", has, in obedience to the order of reference of April 9, 1974, examined the said bill and now reports the same without amendment.

The committee is convinced that the Canadian National Railways Financing and Guarantee Acts should be revised as indicated by the evidence before the committee in order to correct certain inherent anomalies and particularly to present the authorizations required in a form that will be more realistic and that it should be up-dated to facilitate its consideration by Parliament early in the year for which the authorizations are sought; and

That it should be authorized by the Senate to undertake a study for the purpose of devising ways and means whereby such legislation may be introduced in a more expeditious and satisfactory manner in the future.

Respectfully submitted,

Maurice Bourget,
Deputy Chairman.

Hon. Mr. Bourget: Honourable senators, with leave I should like to say a word or two of explanation about the suggestion that has been added to our report.

The Hon. the Speaker: Honourable senators, is that agreed?

Hon. Mr. Flynn: Honourable senators, I would like to raise merely a question of order. If my understanding of the rules is correct, when a committee reports a bill without any amendment, there is no motion to adopt.

Hon. Mr. Martin: Mais demain.

Hon. Mr. Langlois: With leave.

Hon. Mr. Flynn: If the motion is to adopt the report, I think the motion should be put. I would like to hear Senator Bourget on this report, after which I would like to make a few comments.

Hon. Mr. Martin: Demain.

Hon. Mr. Flynn: Right now. I have no objection to proceeding with this matter right now.

Hon. Mr. Bourget: Honourable senators, the reason—

Hon. Mr. Flynn: Is the honourable senator moving the adoption of the report now?

The Hon. the Speaker: Honourable senators, there are no amendments in the report, and rule 78(4) reads:

When a committee reports a bill without amendment, such report shall stand adopted without any motion—

And the senator in charge of the bill may move third reading. I understand that Senator Bourget is just asking the house for permission to make a few comments.

Some Hon. Senators: Agreed.

Hon. Mr. Bourget: That is exactly what I am asking.

Hon. Mr. Benidickson: Honourable senators, on a point of order, I should like our procedure to be clarified by Madam Speaker.

Late in the proceedings yesterday I raised what I considered to be an almost momentous issue. Due to the difficulties with our mails at the present time, I received only yesterday the last issue of the *Financial Post*, which normally is delivered in Ottawa on Thursdays. That issue referred to a possible purchase by Air Canada of an interest in an aircraft manufacturing concern. Is an opportunity going to be provided when one or more of us can express some warning about the dangers of this suggestion?

The Hon. the Speaker: Honourable senators, if there is any further debate, I should think it would take place on third reading of the bill.

Hon. Mr. Flynn: May I be allowed, Your Honour, to point out that we are not trying to disrupt the proceedings of the house. This is one case where our rules appear to be deficient.

When we refer a bill to committee without intending to amend it, but simply to consider problems relating to the bill, then, when the report is made and the bill is reported without amendment, we have no opportunity here to discuss the real problem that faced the committee or to discuss the issues raised in committee. The Senate is not made aware of what went on nor is it given much of an idea as to why the committee reached the conclusions it did. For those reasons, I feel it would be in order now to

allow Senator Bourget to comment extensively on what took place in committee yesterday.

At the same time, the chairman of the rules committee should look into this problem of providing for a debate on a report which really deals with the substance of the work of a committee rather than being simply the report of a conclusion. When a bill is reported without amendment, that, in most instances, is certainly not very enlightening.

Hon. Mr. Molson: If I might just comment on that, honourable senators, I think the rules are quite adequate the way they stand now. There is nothing to prevent any senator from asking questions. It is laid down in our rules that a senator can ask a question of the leader of the house or of the chairman of a committee, and any information required can be obtained in that way.

It is true that the rule does state that the report will be received without debate, but it certainly does not preclude either the chamber giving consent to the chairman to make a few comments on the matter or any senator from asking a question in that connection.

Hon. Mr. Flynn: I think Senator Molson has just proved my point: There is nothing in the rules which would allow a senator to do that unless he had leave of the Senate, and it takes only one member of this chamber to refuse leave.

Hon. Mr. Martin: That will not happen today, because we are all in a good mood.

Hon. Mr. Flynn: Aren't we always?

Hon. Mr. Bourget: That is why I did ask for leave to give a few words of explanation.

Hon. Mr. Flynn: You have leave.

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

Hon. Senators: Agreed.

Hon. Mr. Bourget: Thank you very much. I just want to say one or two words for the benefit of senators who were not at the committee meeting yesterday. During our study it was suggested that having experienced the presentation of that kind of bill there should be some improvement, and Senator Grosart was one of those who suggested that our committee should be authorized by the Senate to make further studies so as to improve the presentation of such a bill.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Flynn: Yes.

[*Translation*]

Hon. Mr. Asselin: Honourable senators, I think that on that point it is urgent, as was suggested by the chairman of the committee, that further studies be made by the Senate committee—

[*English*]

The Hon. the Speaker: Honourable senators, I believe we only gave permission to Senator Bourget to speak at this time.

Hon. Mr. Flynn: I think, Your Honour, that, if we have given permission to one, that permission should extend to everyone.

[Hon. Mr. Flynn.]

Hon. Mr. Martin: Yes, Your Honour, I think that would be the understanding and wish of all of the house.

Hon. Mr. Asselin: Do I have the permission of the Senate?

Hon. Senators: Agreed.

[*Translation*]

Hon. Mr. Langlois: Go ahead.

Hon. Mr. Asselin: Honourable senators, as Senator Bourget said, the formula we now have before us with respect to the presentation of this bill is entirely outdated.

I do not think that reasonable people such as senators can any longer accept from the CNR or Air Canada that formula of presentation of this bill. This was explained quite clearly in committee yesterday, as Senator Bourget pointed out. The presentation is so complicated that one is led astray in certain studies of the financial reports of the companies. Furthermore, Senator Haig pointed out to me this morning that the financial report of the CNR shows an operating deficit. But if the old debt—the dead debt—of the CNR were written off by the government the CNR would show an operating profit instead of a deficit. However, I think those are shortcomings we can see in this bill which should be dealt with by our committee who will be making recommendations to the other place to have a more acceptable and understandable formula which could I think better inform the public on the operation of those two crown companies.

That is why as a member of the Opposition I say that we agree with the recommendations of the chairman of the committee that we must find another formula. Furthermore, I say on behalf of the Opposition that we will strongly object from now on to such a bill being put forward. We from the official Opposition reserve on that point the right to discuss such bills in the very terms of the presentation up to now.

I therefore think that it is the responsibility of members of the government to convince the Minister of Finance and his cabinet colleagues of the need to find another formula, to undertake other studies which would give us a new presentation for this bill.

In concluding, I would also like to say that the Opposition reserves the right to oppose the introduction of this bill if it is similarly drafted in future sessions.

Hon. Mr. Langlois: Honourable senators, I should like to make a short comment on what Senator Asselin has just said.

I am not quite ready to go as far as he did in his evaluation of the presentation of the bill as it now stands and is being considered during this session. This has been the formula for several years, and even though the bill is not all bad, it should be improved since even the best of things need to be improved and up-dated.

I therefore support the comments of Senator Asselin and those made yesterday by Senator Grosart who also made such suggestions which are somewhat different from those made by the Canadian National Railways chairman himself, who suggested that the Canadian National Railways bill be amended in such a way that it would not even be necessary to introduce such bills in the future.

Moreover, we have had the opposition of Senator Benidickson who said that it might be difficult to have the same parliamentary control if this system were adopted. I have myself suggested that we keep the parliamentary control by allowing the Minister of Finance to approve the loans to the Canadian National Railways or Air Canada by an item for this purpose in the main or supplementary estimates, as is the case for the other government agencies and for other authorizations to borrow or guarantee loans.

This is another formula. I believe that all these formulas should be studied by the committee. I believe that improvements are required, though I may not be quite as pessimistic as Senator Asselin in my evaluation of the bill in its present form.

● (1410)

[English]

Hon. Mr. Flynn: Honourable senators, I merely want to add this: If a bill is reported without amendment, and if that is really the only thing that the committee wants to say, possibly we need not change the rules. But if, as in the present case, there is something added to the report, then there should be an appropriate debate on the report itself. This debate would be something entirely different from the debate that should take place on third reading of the bill. The reason is that on third reading of the bill we are coming back to the text of the bill itself, and we don't necessarily consider it in the light of the recommendation which was made in the committee's report, which in this instance would be that we should look into some ways of avoiding a repetition of the kind of approval that is required of the Senate at this time.

Hon. Mr. Bourget: As a matter of fact, I just gave a few words of explanation because it will be necessary eventually to introduce a motion so as to refer the subject matter to the committee. At that time all honourable senators will have an opportunity to discuss the merit of the question.

Hon. Mr. Flynn: As long as it is proposed.

Hon. Mr. Bourget: As long as it is proposed.

Hon. Mr. Langlois: And it will be.

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

On motion of Senator Martin, bill placed on the Orders of the Day for third reading at the next sitting.

AGRICULTURE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Leopold Langlois, 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 today, and that rule 76(4) be suspended in relation thereto.

Hon. Mr. Asselin: Explain.

Hon. Mr. Langlois: Since this motion was presented at the request of Senator Argue, the Chairman of the Standing Senate Committee on Agriculture, I would suggest

that he is in a better position than I to offer an explanation.

Hon. Mr. Argue: Honourable senators, the Standing Senate Committee on Agriculture has before it Bill S-2, to amend the Animal Contagious Diseases Act. There is a great deal of interest in this legislation, and we have had requests from many organizations to attend and be heard. We arranged for the committee to meet this afternoon, in the hope that this motion would meet with the approval of the Senate. In attendance will be representatives from the Canadian Cattlemen's Association, the Canadian Federation of Agriculture, the CNR, the CPR, Brent Manufacturing Limited, and so on. We have a long list of witnesses and we hope we will be able to proceed.

Hon. Mr. Martin: May I be permitted to ask Senator Argue if he is aware that this morning the head of the National Farmers' Union praised the Senate Agriculture Committee as being the only forum made available to it for the consideration of the brief that it presented yesterday. In making that observation over the Canadian Broadcasting Corporation network from one end of Canada to the other, the president said that not only was the Senate a useful body, but that Senator Argue was a very useful senator.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: Shame, shame. I cannot let that go.

Hon. Mr. Langlois: It is too much for you, is it?

Hon. Mr. Flynn: I don't doubt that the Senate Committee on Agriculture is doing good work, but this applies to all Senate committees. I agree that the Canadian people should be more appreciative of what is going on in this legislative and investigatory body. But to say that Senator Argue is the only one deserving of praise is entirely wrong. I resent it when the Leader of the Government pours praise on Senator Argue at this time while ignoring others like Senator Hayden, Senator Bourget and various other chairmen, including Senator Haig on this side of the house, whose committees are busy doing highly praiseworthy work. They all deserve praise, but I don't think that Senator Argue deserves more praise today than anybody else.

Hon. Mr. Martin: I just want to say to the Leader of the Opposition, and in defence of what he objects to, that Senator Hayden has informed me that he could not possibly have attended the Agriculture Committee meeting yesterday.

● (1420)

Hon. Mr. Flynn: You were away also, despite the fact that you were the official agriculture critic of the Liberal Party in the other place for several years.

Motion agreed to.

THE CANADIAN ECONOMY

ILLEGAL STRIKES—QUESTION

Hon. Mr. Cameron: I should like to ask a question of the Leader of the Government, of which notice was given.

In view of the fact that the Canadian economy is being badly disrupted by a number of illegal strikes,

will the government take the accepted procedures in dealing with lawbreakers and enforce the full penalty of the law?

If we do not take this action, the credibility of the government will gradually be destroyed.

Hon. Mr. Martin: Honourable senators, Senator Cameron gave me notice this morning of his intention to ask this question.

In reply, I wish to say that following consultation with the Honourable André Ouellet, the minister concerned—in my view he has done a very outstanding job in this matter—the government is following accepted procedures. This will be evident, I hope, later today or certainly not later than by the end of this week, I believe.

May I add that the government has recognized that the framework governing labour relations in the Public Service has some weaknesses. Approximately a year ago it was arranged to relieve Dr. Finkleman, Chairman of the Public Service Staff Relations Board, of his day-to-day duties in order that he might formulate suggested improvements to the act. Dr. Finkleman has tabled his analysis and a summary, and they will shortly be tabled, together with his recommendations in statutory language. This, of course, will be considered by Parliament.

Hon. Mr. Cameron: Thank you.

**FARM IMPROVEMENT LOANS ACT
SMALL BUSINESSES LOANS ACT
FISHERIES IMPROVEMENT LOANS ACT**

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Gildas L. Molgat moved the second reading of Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act.

He said: Honourable senators, in speaking on second reading of Bill C-14, we are dealing with three acts that are administered by the Minister of Finance, namely, the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act. The bill proposes some significant changes in and improvements to the provisions of those three acts, which have been in operation for some years although they do not date back to the same time of incorporation.

Prior to my discussing the proposed amendments, it might be helpful if I discuss some of the main provisions in the present acts. That might enable honourable senators to understand better the proposed amendments.

[*Translation*]

First of all, I should like to point out to honourable senators that we are dealing here with three acts that are really intended for small businesses, whether it be farming, fishing or commercial. A look at the loans granted in the last three years reveals for instance, that of the 137,000 loans granted, 109,000 were for amounts of less than \$5,000. We are therefore really helping the small farmer.

In the case of the Small Businesses Loans Act, out of 7,400 loans, 2,700 amounted to less than \$7,500.

As for the fishing industry, out of a total of 2,346 loans, 1,238 amounted to less than \$5,000.

[*Hon. Mr. Cameron.*]

We are therefore really dealing here with three acts intended, until now, specially for small business. But it must be noticed.

Hon. Mr. Asselin: Do you have the total amount of loans granted?

Hon. Mr. Molgat: Yes. I am speaking of the period from July 1st, 1971 to December 31st, 1973. Now, the total in the case of farm loans was 137,682; in that of small businesses, 7,464.

Hon. Mr. Flynn: Farm loans amounting to \$137,000?

Hon. Mr. Molgat: There were 137,000 loans.

Hon. Mr. Flynn: Loans and not dollars?

Hon. Mr. Molgat: Are you referring to dollars?

Hon. Mr. Flynn: Yes.

Hon. Mr. Molgat: Fine, I can give you the amount of the total number of loans. The total was—

Hon. Mr. Asselin: As for the third group, you did not mention the number of loans.

Hon. Mr. Molgat: The total number of loans for fisheries was 2,346 and the figures given earlier referred to the number of loans in each group. The total amount from 1945 to 1973—

Hon. Mr. Asselin: That is old. Do you have the figures from 1967?

Hon. Mr. Molgat: From 1945 to 1973, the total for farm loans was \$2,988 million.

Hon. Mr. Flynn: Billion?

Hon. Mr. Molgat: No, \$2,988 millions; loans to small businesses, \$289 million and for fisheries, \$32 million.

Hon. Mr. Langlois: For what total?

Hon. Mr. Molgat: In order to give a total for all three categories, I would have to add them up, but let me say approximately \$3.3 billion—

Hon. Mr. Flynn: I beg your pardon. Three billion?

Hon. Mr. Molgat: Three billion and a few million dollars; we are speaking of the total.

[*English*]

I want to make it clear that these are not loans by the government; these are loans guaranteed by the government. The totals to which I referred are the totals that have been loaned in the whole of that period, not necessarily the totals outstanding at this time. Many of those loans have revolved and have been paid off.

As I say, these bills do not provide for any government money to be involved, but rather for a guarantee by the government on loans that are made by chartered banks or other designated financial institutions. They deal specifically with capital improvement projects and not with working capital. The working capital requirements of the various classifications are expected to come from the owners themselves or from other loan arrangements. We are dealing here purely with capital improvement projects.

The oldest of these three acts is the Farm Improvement Loans Act, which was passed in 1944. At that time it was

for a three-year period. However, it has been amended on numerous occasions since then, at times by adding new lending periods and at times by widening the scope of operations to include loans for other purposes. As the act now stands, the net amount which may be outstanding at any time to any individual farmer is \$25,000. Of that amount, up to \$15,000 may be for loans for the purpose of financing the acquisition of farm implements, buildings, equipment, or livestock and to make various kinds of improvements to the farm. The farmer may also borrow up to \$15,000 to purchase parcels of land to round out an existing unit, providing that the total loan does not exceed \$25,000.

I might point out that our colleague from North Battledford, Senator Sparrow, introduced a bill in the Senate, the purpose of which was to increase these limits. I believe the Senate gave the subject approval at that time. The bill did not reach the other place, but approval was certainly granted here, and it was a recognition of Senator Sparrow's efforts in the agricultural area.

● (1430)

The maximum repayment period under the Farm Improvement Loans Act varies according to the purpose of the loan. For example, it may be as low as three years if it is for the purchase of a truck, or it may go as high as 15 years for the purchase of land. It is important to recognize how the Farm Improvement Loans Act was greatly needed in the agricultural areas. Following the depression years and war years, as farmers were going back on the land, particularly the returning service men, there was a real problem in getting financing for farms. The normal lending institutions, the banks, as a result of very bad experiences during the depression, were most reluctant to advance money on farms. It was found that the farmers simply could not find sources of capital. That is why this act was instituted at that time. I gave the figures earlier, and it is interesting to note that the farmers have made real use of this, because almost \$3 billion has been loaned during that period. During 1973 alone, loans of \$230 million were made. The majority of the loans were made for agricultural implements. I might also point out that the losses under the program have been very small. Through the guarantee, the government makes good any losses, but these have been very small, only about one-fifth of one per cent of the face value of the loans made, so it has been a successful program.

The Fisheries Improvement Loans Act is a newer act, having been passed in 1955. It also has been amended from time to time. The present provisions have the same limit as in the case of farms, namely, \$25,000 to any one individual. The purposes of the loan include the purchase or construction or repair of fishing vessels and equipment, and the development or improvement of shore installations which are a necessary part of a fishing enterprise. The maximum repayment period is 10 years. The lending activity under this act was very low for a number of years, but has recently increased sharply. For the last fiscal year it is expected that the final return will show loans of nearly \$10 million in the course of the year, or almost 30 per cent above the level of the previous year. The vast bulk of the loans have been made for the purpose of

repairing boats. Again the loss record has been excellent; there have been very few losses.

The Small Businesses Loans Act is the most recent of the three acts, having come into effect in 1961. Like the other two, it has been amended and extended on several occasions. The limit here is the same, \$25,000. The loan limit is the same as for fisheries, namely, 10 years. Loans may be made to acquire fixed or moveable equipment, and for the purpose of the construction, renovation or purchase of premises. To qualify for a loan, an enterprise must have a gross annual revenue of \$500,000 or less, and it must be engaged in one of the following fields of business activity: manufacturing, retail or wholesale trade, construction, transportation, communications, or the provision of services. Here, as I indicated earlier, from its inception to the end of 1973, a total of \$290 million has been loaned under the act. Again the lending has increased sharply in recent years, and in 1973 alone over \$30 million was loaned under the act.

There are a number of provisions that apply to loans under each of these acts which it might be useful to mention. For example, lenders must take security for each loan. This means usually a charge on the assets being acquired on the loan, as well as a promissory note. Additional security may be required by the lender in certain circumstances. This is the decision of the lender, whether it be a bank or any accredited financial institution; they make the loan, they make the decision, the government gives the guarantee. Potential borrowers must also be prepared to have a minimum amount of equity in the project for which a loan is requested.

The rate of interest under the acts is controlled. There is a maximum rate that may be charged by the lenders. These rates are determined semi-annually on April 1 and October 1, and they are based on the yield of Government of Canada bonds during the six-month period preceding the rate change. To this is added a margin of one per cent. Thus, if the average yield of government bonds in the six months prior to April 1 has been 8 per cent, then the lending rate is 9 per cent. For the current six-month period, which started April 1, the maximum rate for all these programs is 8 per cent except for land purchases under the Farm Improvement Loans Act, where the rate is 8¼ per cent. The reason for a slightly higher rate in the case of land purchases is that there the loans can be repaid over a longer period; the loan term there can be as high as 15 years, whereas under the others it is 10 years, and, as is normal under longer term loans, the rate is somewhat higher. That is in any case a reflection of the government bond market.

This is in broad outline the position respecting these acts at the present time. I think it is important that we should consider the changes we are proposing, that we recognize the changes in conditions and the increasing demands that have come for loans within the last year in particular. I might add that in proposing these changes a thorough review has been made, and a variety of suggestions and proposals have been received from many individuals and groups who are interested in these acts.

First of all let me say a word about the general considerations that apply to these three acts. The first thing is an extension of each of them for a further three years to June

30, 1977, so the three of them will be extended for the same three years. At the same time, it is proposed to make major changes in the individual lending limits, that it be double in the case of each of the acts; the present \$25,000 will go to \$50,000. In the case of the Farm Improvement Loans Act, where there was a difference between what could be borrowed for land and for other purposes, it is proposed that that be removed and that there be no sub-limit.

The other general consideration is the increase in the maximum aggregate amount that can be loaned by the lending institutions, because we are now finding we are reaching the limit to what the lending institutions can provide under the present acts. That is being increased to \$1.1 billion for loans under the Farm Improvement Loans Act, \$250 million for loans under the Small Businesses Loans Act, and \$60 million for loans under the Fisheries Improvement Loans Act. This will mean there will now be enough flexibility to take care of the new and increased demand for loans. These proposals are applicable to all three programs.

The other amendments to which I will now refer deal specifically with each of the individual acts, and I will deal with each of them in turn. First of all, for the Farm Improvement Loans Act we are proposing under the law to extend the eligible purposes to include major repair and overhaul of agricultural equipment and implements not previously covered. Secondly, the amount to be charged against the \$50,000 individual loan limit would, in the case of a joint loan, be limited to the borrower's share of the loan. This means that where an individual may have a joint loan with somebody else—and this is becoming a more common practice as the price of farm implements in particular has increased, so that there are cooperative arrangements—that person with a loan under a joint program would still be able to obtain a loan individually. That is, if there were two persons on a \$50,000 loan, each individual would be considered to have only \$25,000 and could still get \$25,000 independently.

● (1440)

Another provision is that the Alberta Treasury Branches would be included as eligible members. This, by the way, applies to the Small Businesses Loans Act as well. They are now considered under the act as a registered lender.

Insofar as the Small Businesses Loans Act is concerned, the specific changes there are, first of all, an increase in the gross annual revenue limit by which a small eligible business is defined. Up to now it has been \$500,000 annual gross revenue. The act proposes that this be doubled to \$1 million. Secondly, the scope of eligible businesses would be enlarged to include new businesses. Someone who wants to go into a new business can now borrow under this act, whereas he could not do so previously. Thirdly, the purposes for which loans would be made would be broadened and would include land, if necessary, where that land is essential to the business enterprise and, as I mentioned before, the Alberta Treasury Branches would be included as members.

In the case of the third act, the Fisheries Improvement Loans Act, as I have already indicated, the aggregate loan amount is increased from \$25,000 to \$50,000 and as well we are increasing the total amount which will be available by \$25 million. We have found under this act that in recent

[Hon. Mr. Molgat.]

months in particular there has been a large increase in demand and we will be reaching the limit very shortly.

Honourable senators, it seems to me that the experience with these acts has shown the need for them, as we can see by the demand imposed upon them.

As I indicated at the outset, it has truly been a program to assist small enterprises, and they have made great use of the program. The increasing demand indicates that we should proceed with these changes, to bring the act up to the modern needs, to make sure that the money limits are available and that we do not end up in a situation where either the small businessman or farmer or fisherman would appear before a bank and find that the limits have been reached.

I point out again that there is a minimum cost to the government in this area. It is only a guarantee. The losses have been very small, and I would encourage honourable senators to support the second reading of the bill.

Hon. Mr. O'Leary: Honourable senators, I should like to ask one question. Could the honourable senator tell the house the number of loans to farmers in the past year, the average size of loans and the areas of the country in which the loans were granted? It would be interesting to know, for example, how many of these loans went to farmers of my native Gaspé. I am sure that my friend across the way would be interested, too. Can the sponsor give the house this information—the number of loans, the average size and the areas in which they were granted?

Hon. Mr. Molgat: Honourable senators, I can give Senator O'Leary some of the information. At the committee stage I am sure we can provide some more. I cannot give it specifically for the Gaspé region but I can say, for example, that in the past year, from January 1973 to December 1973, in the Province of Quebec, 188 loans were granted totalling a little over \$1 million. There were 57,941 loans for all of Canada in 1973, totalling a little over \$230 million.

Hon. Mr. O'Leary: Is there any indication of the average size of the loans?

Hon. Mr. Molgat: Yes, I can give that figure but it will require some calculation on my part. There were 65,000 loans of from \$1 to \$2,500 over a three-year period. Over the same period there were 43,000 loans of from \$2,501 to \$5,000, and then the number decreases rapidly in each bracket. For instance, there were only 3,600 loans of from \$12,500 to \$15,000.

Hon. Mr. O'Leary: Thank you very much.

Hon. Mr. Desruisseaux: Would the honourable senator tell us the total amount of these loans that were written off as bad debts in the last two years?

Hon. Mr. Molgat: I am sorry that I do not have that specific figure; I can give you only a general figure. Over the period of the life of the Farm Improvement Loans Act, the loss has been one-fifth of one per cent of the total of loans granted of about \$3 billion. The loss ratio on the others is approximately the same. I shall be glad to get the details, if the senator wishes.

[Translation]

Hon. Rhéal Bélisle: Honourable senators, let me first compliment the Honourable Senator Molgat from St. Boni-

face, president of the Canadian Liberal Party, for his presentation of the contents of this bill.

[English]

As you have heard already, Bill C-14 amends three acts—the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act. It allows the Minister of Finance to guarantee term loans granted by chartered banks, and other designated financial institutions, to farmers, small businessmen and fishermen, in order to finance a variety of improvements in their business operations that require capital expenditures.

Under the existing provisions of each act, these programs will expire, as Senator Molgat said, on June 30, 1974. One of the purposes of Bill C-14 is to provide for the continuation of these lending programs for a three-year period ending June 30, 1977.

Honourable senators, I would like to make some observations respecting a couple of these programs. The first is under the Farm Improvement Loans Act. I believe it came into effect in March 1945, and was to run for an initial period of three years. The act was subsequently amended from time to time to provide for additional lending periods and a widening of its scope of operation.

Under the existing act, farmers may borrow up to \$15,000 to help finance the acquisition of farm implements, buildings, equipment and livestock, or to repair and improve assets which are used in farming. In addition, farmers may borrow up to \$15,000 for the purchase of small parcels of land to complete an existing farm unit. The total amount of loans which may be outstanding to any farmer at any time is \$25,000 for all purposes.

As I understand it, Bill C-14 proposes to raise this maximum amount of \$50,000, and to drop the sub-limits for land and other farming assets. It also extends the eligible purposes to include major repairs and overhaul of equipment and implements. I believe it will allow joint borrowers to have only their share of such borrowing count against their entitlement under the plan. These provisions are highly commendable, but are they adequate in a period of high inflation and declining purchasing power?

The legislation reflects the changing conditions of farming, fishing and business. When the loan ceiling was \$7,900 we thought we were doing well by increasing that ceiling to \$15,000. Bill C-14 would increase it to \$50,000.

● (1450)

Is it true that farms, small businesses and fisheries have become more mechanized, and need more capital for electric power, internal combustion engines and other necessary equipment? I submit that much of this increase is to offset the declining purchasing power of the dollar, or to provide money that is needed to pay higher interest charges or for the maintenance and repair of existing machinery. In other words, it hardly covers the price increases in current farm operations caused by inflation.

It will be observed that farm improvement loans are to be made for machinery repairs. It appears that the farmer cannot generate enough earning power to provide for the repair and maintenance of his machines. He must borrow to keep his machines running. I am concerned, honourable senators, that officials in the Department of Finance fear

that the farm earnings will not provide sufficient funds for the repair and maintenance of machinery, and that the government must provide for guaranteed bank loans to cover these repairs. Do the financial institutions with whom the farmer must deal not want to lend money for the maintenance of machines? Do they want to avoid all risk, and have the Government of Canada assume the major burden?

I note that a major provision in Bill C-14 will raise the maximum amount which may be advanced in the next three years by lenders. The Minister of Finance will guarantee \$1,100 million for loans made by the chartered banks, and \$300 million for loans made by other financial intermediaries such as credit unions and *caisse populaires* in rural communities.

Permit me, honourable senators, to make one observation. Chartered banks are in the business of lending money, and since we do not allow foreign banks to do much business in Canada, it is my view that our chartered banks under these protective conditions have a major responsibility to lend money to farmers, small businessmen and fishermen for the ordinary operations of the farms, businesses or fisheries. I am surprised, therefore, that we need to guarantee bank loans to enable farmers to continue in the ordinary business of farming.

Let it be understood that I do not oppose this bill. I strongly support the amendments. The Farm Improvement Loans Act has obviously assisted Canadian agriculture over the past 30 years of operation. This is evidenced by the fact that under it almost \$3 billion has been lent to farmers. Lending activities in the 12 months to December 31, 1973, amounted to some \$230 million. That was the largest volume of loans ever made in one year under this plan.

The second program I should like to draw your attention to, honourable senators, is that under the Small Businesses Loans Act. Since its inception in 1961 the act has been extended and amended many times, as Senator Molgat said. The existing legislation provides for loans up to \$25,000 to assist small businesses in financing improvements. Eligible borrowers are enterprises with an estimated gross annual revenue of less than \$500,000 which must be engaged in any of the following fields of business activities: manufacturing, wholesale or retail trade, small business, construction, transportation or communication. I believe loans may be used to assist in acquiring fixed or moveable equipment, and for the purchase, construction or renovation of business premises.

The amendments contained in Bill C-14 with respect to loans to small businesses appear to have similar effects as the amendments with respect to farmers. They raise the maximum borrowed from \$25,000 to \$50,000. They extend the eligibility to include new businesses and businesses where the estimated gross annual revenue for a fiscal year does not exceed \$1 million. They also permit loans for the purchase of land necessary for the operation of the enterprise.

As in the other acts, provision is made to raise the maximum amount which may be advanced in the next three years by lenders. The ceiling on guaranteed loans made by chartered banks will be \$250 million, and \$100 million by other lenders.

I am pleased to see these amendments, because I believe they will help small businesses. The provisions are less restrictive. Today small businesses play a very important role in the Canadian economy. They create over 50 per cent of Canada's gross national product; they pay close to 50 per cent of the taxes collected by the government; and they employ more than 50 per cent of the work force.

I observed with interest the statement in the other place by the Minister of Finance that from 1961 to the end of 1973, \$291 million had been made available to small businesses under the provisions of this legislation. It appears that lending reached a peak of \$30 million in the year ended December 31, 1973, and yet if you examine the earlier annual reports of the ministry you will find that the number of loans issued under this act has not grown in any measurable sense with the business expansion of the sixties. In fact, 2,977 loans were made in 1961, whereas 11 years later 2,846 loans were recorded. I find it difficult to comprehend in a credit-conscious society such as ours why there are so few loans made to small businesses.

Hon. Mr. Martin: It may be because there was less need.

Hon. Mr. Bélisle: I suspect that it is not the provisions contained in the act, but the application of the act itself that is causing hardship for small businessmen. I would further submit, honourable senators, that the chartered banks have not seen fit to change their tactics over the years, and I suggest that there is a direct relationship between this and the small number of loans made under this act in the course of a year. Any one who is involved with small business will bear me out when I say that when a businessman goes to a bank today to arrange a loan under this act he is disappointed, he is discouraged, and in some instances he is ignored.

Loans classified by banks in the 1972 report on the Small Businesses Loans Act clearly illustrate this fact. The figures are contained in the following table:

Banks	1972 Loans	
	No. of Loans	Amount
		\$
Bank of Montreal.....	433	3,407,235
Bank of Nova Scotia.....	134	1,449,149
Royal Bank of Canada.....	952	8,302,827
Toronto Dominion Bank.....	181	1,834,461
Mercantile Bank of Canada.....	1	10,000
Canadian National Bank.....	741	8,731,525
Provincial Bank of Canada.....	41	515,683
Canadian Imperial Bank of Commerce.....	358	4,037,746
Bank of British Columbia.....	4	26,700
Credit Unions.....	1	12,800
Total.....	2,846	28,328,126

It is all very well for the government to guarantee loans under this program at the current low interest rate of 8 per cent per year, or, as Senator Molgat said, 1 per cent per month which is really 12 per cent per year. But the fact is that the chartered banks have not been interested in this

[Hon. Mr. Bélisle.]

program. Faced with a lack of liquidity in recent years they have naturally encouraged lending at higher interest rates, and, as a result, the small businessman's financial needs have been neglected. Is this the government's answer to the small businessman in Canada?

● (1500)

There is another bill, honourable senators, Bill C-10, to amend the Export Development Act. This bill is to increase the capital of the Export Development Corporation by almost the total amount, \$350 million, which it is willing to guarantee in chartered bank loans to small businesses. Furthermore, the government is prepared under the same bill to extend the corporation's right to lend not \$350 million as in Bill C-14, which is now before us, but \$850 million. The average of loans in this area is from \$20 million to \$30 million, and they are granted to foreign countries such as Iran, which has been in the news recently because of the visit of the Minister of Industry, Trade and Commerce, and others which are accumulating great reserves of capital resulting from their exports of oil to Canada and the other industrialized nations.

These loans to foreign countries are made at a beneficial rate of interest, not higher than 7 per cent, and if you call the Department of External Affairs, the Department of National Revenue or the Department of Industry, Trade and Commerce and ask what the interest rate is you will be told that this is classified information. So we are given to believe that it is sometimes less than 6 per cent, with an unlimited number of years to repay. Thus, on the one hand, the government through its export development program facilitates financing for foreigners of over \$5 billion at an interest rate that is less than 8 per cent, while on the other hand it provides a ceiling of only \$250 million up to which small businesses in Canada can borrow, not from the government—no farmer or businessman can borrow directly from the government, while any exporter can do so without having a guarantee from the bank—but from the chartered banks at a rate of 8 per cent per year.

Honourable senators, I am a strong supporter of international trade, and I am the last to criticize our export development programs, but are we really serious about the financial assistance Canada provides to its small businessmen, farmers and fishermen? Are we really serious about the application and practicality of the provisions contained in this bill?

In conclusion, I support the amendment contained in Bill C-14 which will enable us to pass on to the farming, fishing and business communities the benefits that can be obtained from this legislation. However, I hope that the government will see fit to find other alternatives that will ensure lower rates for the small businessman, the farmer and the fisherman. In other words, honourable senators, we have two yardsticks, one operating externally and the other operating internally.

Hon. Mr. Molgat: Honourable senators, I did not want to interrupt Senator Bélisle while he was speaking, but he made one comment which he attributed to me. It may be that I misunderstood what he said, but I think he suggested that I said that the rate would be 1 per cent per month.

Hon. Mr. Bélisle: I understood you to say that, but when I read the note in the estimates I was at a loss to find out

how you reached this conclusion, because it is clearly stated that it will not go above 8 per cent.

Hon. Mr. Molgat: If I said that, honourable senators, then I was in error. What I was in fact saying is that the rate is set by taking the average yield on government bonds over a six-month period—and the dates are April 1 and October 1—and if it should happen that the average rate is, say, 7 per cent, then 1 per cent is added to make the rate 8 per cent, and that 1 per cent becomes a sort of carrying charge on the cost of the money. In a sense it is a sort of overhead. So, as I said, it is based on the average yield calculated every six months with 1 per cent added to that average yield. The present cost is 8 or 8 ¼ per cent.

While I am on my feet, honourable senators, I think I can answer Senator Desruisseaux on the points he raised. In the case of the farm improvement and fisheries loans, losses have been less than one-fifth of 1 per cent, and in the case of small businesses loans less than one-half of 1 per cent.

Hon. Mr. Carter: Honourable senators, I move the adjournment of the debate.

Hon. Herbert O. Sparrow: Honourable senators, If senator Carter will allow me I should like to say a few words on this legislation now.

First of all, I want to congratulate Senator Molgat on the very fine manner in which he presented this bill, and the clear and concise way in which he explained it to us. I had the privilege in the past of presenting a bill such as this to this chamber pertaining to changes in the Farm Improvement Loans Act, as well as having the privilege of sponsoring a bill, almost a year ago, to increase the amounts to be made available in farm improvement loans.

I am pleased to be able to support this bill. I commend it to the members of the Senate, and ask them for their co-operation in giving it speedy passage. As was explained, it incorporates three different facets of business and industry in our country—farming, fishing and small businesses. It is not my intention today to discuss in any detail any portion of the bill except that which relates to farm improvement loans.

The amounts as stated by Senator Molgat are considerably higher under the Farm Improvement Loans Act than the other two, but I am certain that even though the number and amounts of loans are greater in total as they relate to farm improvements, the benefits to the fishing industry and to small businessmen are just as great.

I agree with the comments of Senator Bélisle that throughout the years since the Small Businesses Loans Act has been in force there has never been what I consider to be a sufficient number of loans made under that legislation. This question has arisen previously in this chamber, and I am sure in the other place, and I think it would be important, if this bill should go to committee, that some further explanation and consideration be given to that important aspect which Senator Bélisle has raised.

I believe that the small businessman in this country has been and continues to be somewhat behind the eight-ball in being able to obtain financing capital. It seems to me that the larger business enterprises have much less trouble in obtaining their capital than the small business people

have. It may be the fault of the banking system, or the fault may lie in other places as well.

● (1510)

I might refer primarily to the Farm Improvement Loans Act, because it is a subject with which I am most familiar. This legislation has been popular in the past. It has been effective, and has certainly been used widely by the farming industry, particularly in Western Canada. This program has helped to make it possible for Canadians to have a viable farming industry, and also to buy food at very reasonable prices. The Minister of Agriculture, and other people, have stated on many occasions that Canadians are fortunate in being able to enjoy a cheap food policy, compared to that of almost any other country. This indicates to me that our farming industry has been efficient and progressive, even though during many periods over many years those in it have had to work for a very low return on their investment and their labour.

As was stated earlier, the Farm Improvement Loans Act has not been changed since 1968. At that time the amount was increased from \$15,000 to \$25,000. I feel the time has now come to increase the amount to \$50,000. Senator Bélisle has said, and I agree—and a number of the farm organizations, particularly the Canadian Federation of Agriculture, have already said—that the amounts under the Farm Improvement Loans Act are not high enough. In the Standing Senate Committee on Agriculture in the last couple of weeks it was suggested that the loan amount should be increased to \$100,000. Before the next three-year period is up, we might very well want to consider an increase in the amount beyond the present \$50,000.

I say this for a number of reasons, supporting what Senator Bélisle said. The cost of living has gone up, but if farmers are to be more efficient and provide greater amounts of grains and beef, they will need greater financing. They must get the capital with which to buy the equipment for this greater production, to allow Canadians to continue to enjoy low prices at the food counters.

I should like to add one further comment in this regard. Senator Molgat pointed out that in 1973 alone the loans under the Farm Improvement Loans Act totalled \$230 million. Since the act has been in force, approximately \$3 billion has been lent to Canadian farmers. The loss, as he said, has been only one-fifth of one per cent of the face value of the loans. This is a very creditable showing by our agricultural industry, particularly when it is remembered that it has had to go through many periods of low income. Farmers have managed to see, and made a point of seeing, that those loans have been paid back. Speaking on behalf of the industry, I feel there is no danger of losses increasing in the future, because the honesty of our farmers is not in question. I believe that our agricultural industry will have to be much more viable and profitable than it has been in the past. Even though these loans are doubling, and even if the farmers take full advantage of them, the extra income that will accrue from the additional investment will make it much easier for the farmers to repay the loans than has been the case in the past.

On June 5 of last year, in the first session of this Twenty-ninth Parliament, Bill S-5 was passed by this house. It was a bill to increase the amount of loans under the Farm Improvement Loans Act from \$25,000 to \$40,000.

That bill received careful consideration in this chamber. It was sent to a committee of the Senate, passed by that committee and then passed by this house. When it went to the other place, the Speaker there did not allow that bill to be dealt with. It was a disappointment to this chamber; it was a disappointment to me; I am sure it was a disappointment to all those in the agricultural industry. For the past year they have been unable to take advantage of the increased amounts that would have been available to them under that bill.

I should like to refer to some of the remarks made in this chamber concerning the action taken by the Speaker of the other place. I felt, as I am sure a number of honourable senators did, that the Speaker of the other place took undue licence in refusing that bill.

Hon. Mr. Asselin: On a point of order. Surely under our rules it is not permissible for a senator to cast a reflection upon the Speaker of the other place. I think that is what Senator Sparrow is now doing in what he is saying, and I believe he is completely out of order.

The Hon. the Speaker: I am inclined to agree with you, Senator Asselin.

Hon. Mr. Sparrow: If you agree with Senator Asselin, Madam Speaker, I shall not refer to that. Perhaps I might read what Senator Choquette said in this chamber on June 14 last:

—if the Speaker of the House of Commons persists in deciding what bills coming from this house shall be accepted or rejected we should send this bill to the Supreme Court of Canada, which is the only forum that can decide whether we have a right to do this or do that.

On the same day the Leader of the Government had this to say:

I spoke to the chairman of the Legal and Constitutional Affairs Committee and asked him to give consideration to this matter. That was the way I left it. He said he would. I do not know whether he is in a position to do so, and he might advise us on Tuesday.

That Tuesday has not come since June 14 last. Some time after that a question was asked in this house as to whether the chairman of that committee had reached a decision or had a recommendation for this house, and I believe it was then said that a decision had not been made.

Hon. Mr. Martin: Wednesday.

Hon. Mr. Sparrow: I would think that this house deserves an answer from the Leader of the Government and the chairman of the Standing Senate Committee on Legal and Constitutional Affairs on Wednesday, or at least some Tuesday in the very near future.

Hon. Mr. Desruisseaux: May I ask a question of the honourable senator, to clarify a point or two? Has he any statistics on the steady decrease in the number of farmers over the last few years in all areas of Canada? I ask also whether he is aware that the income of farmers has been increasing, according to the last few reports that we have had?

● (1520)

Hon. Mr. Sparrow: I am not too sure that I understand the question. The farming population and the number of

[Hon. Mr. Sparrow.]

farms over the last number of years has been decreasing yearly in all parts of Canada. I have not the figures at hand of the percentage of decrease, or the number in any given year, or even what the present number is. I do know that the number of Wheat Board permit book holders has been decreasing considerably, and this is what we look at particularly in Western Canada. There were some changes in the way the census takers look at agriculture and designate farmers as such in the last census, so that would have to be taken into consideration. To answer simply, yes, there has been a definite decline in the farming population and the number of farmers throughout Canada in the last number of years.

Hon. Mr. Deschatelets: I think the production is increasing, though the number of farmers is decreasing.

Hon. Mr. Sparrow: That is true, the production has been increasing, due to the efficiency of the agricultural industry. Over the last few years farm income has increased, and particularly last year and this year it increased considerably over previous years. This is due, of course, to the excellent export markets that have been developed by Canada for our food products. Does that answer the question?

Hon. Mr. Desruisseaux: Yes. My third question, if I may ask it, is: Would that not explain the number of loans that are being asked for presently? I understood from Senator Bélisle that the number of loans sought was about the same.

Hon. Mr. Bélisle: It is less in 1973 than in 1961.

Hon. Mr. Desruisseaux: Would that explain it, do you think?

Hon. Mr. Sparrow: I am sorry, I cannot answer that. I wonder if I may ask Senator Molgat to give us the figures that he has on the number of loans. I know he gave us figures today showing that the loan amount had increased, but I do not know whether he indicated that the actual number of loans had increased.

Hon. Mr. Molgat: I am speaking now strictly of the Farm Improvement Loans Act. The loans have fluctuated substantially over the years. From the inception of the act up to 1964, there were 1,164,100 loans granted, for a total value of \$1,526,800,000. The average loan during that period was \$1,312. I can give the subsequent figures year by year.

Hon. Mr. Asselin: Why do you not table that?

Hon. Mr. Molgat: I would be happy to do so. Let me say that in 1968 there was a tremendous drop in the number of loans.

Hon. Mr. Langlois: Do you want to have it printed in *Hansard*?

Hon. Mr. Asselin: Yes.

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

Hon. Senators: Agreed.

Hon. Mr. Molgat: I shall be happy to have this printed. Do you wish the other table to which I referred earlier, giving the lending volume by year and program, printed?

Hon. Mr. Desruisseaux: Yes.

LOANS BY YEAR—INCEPTION TO 1973
FARM IMPROVEMENT LOANS ACT

Year	Number	Value (\$ Million)	Average Loan
		\$	\$
Inception to			
1964.....	1,164,100	1,526.8	1,312
1965.....	91,191	202.7	2,223
1966.....	85,553	212.8	2,487
1967.....	78,249	203.7	2,603
1968.....	14,204	40.2	2,833
1969.....	46,891	142.1	3,030
1970.....	35,992	103.0	2,863
1971.....	46,708	147.4	3,156
1972.....	53,411	181.1	3,390
1973*.....	57,489	228.2	3,968
TOTAL.....	1,673,788	2,988.0	2,867**

*Preliminary figures only.

**Average loan shown in total includes only the period 1965 to 1973.

GUARANTEED LOANS

LENDING VOLUME BY YEAR AND PROGRAM

Year	F.I.L.A.	S.B.L.A.	Fish I.L.A. ¹
	\$ Million	\$ Million	\$ Million
1945-1964.....	1,526.8	101.0	2.3
1965.....	202.7	26.0	1.1
1966.....	212.8	20.1	1.4
1967.....	203.7	20.7	1.3
1968.....	40.2	11.2	1.1
1969.....	142.1	16.3	2.6
1970.....	103.0	13.7	3.3
1971.....	147.4	22.3	5.3
1972.....	181.1	28.3	7.1
1973 ²	228.2	30.3	6.9 ³
TOTAL.....	2,988.0	289.9	32.4

¹ Fisheries Improvement Loans Act operates on the fiscal year, April 1—March 31. Figures refer to fiscal year commencing in the year indicated.

² Preliminary figures only.

³ For 9 months (April 1—December 31) only—estimated annual volume 73/74 \$9.8 million.

Hon. Mr. Bélisle: Honourable senators, may I be permitted to correct the record, in case there is confusion? The honourable senator took it that I was referring to all loans when, in fact, I was speaking of the small business loans

only. I was not referring, when I quoted the figures, to farm loans; I was referring to small businesses and, in fact, 2,977 loans were made in 1961. In 1972, eleven years later, 2,846 loans were recorded.

The figures I gave as to loans under the Small Businesses Loans Act were 1972 figures, obtained from the report respecting the chartered banks; I was not referring to farm loans.

On motion of Senator Carter, debate adjourned.

LAND USE

INQUIRY—DEBATE ADJOURNED

Hon. Margaret Norrie rose pursuant to notice:

That she will call the attention of the Senate to the question of land use in Canada.

She said: Honourable senators, in bringing the subject of land use in Canada before the Senate, it is my hope that we will assume the responsibility of studying and recommending some changes to ease the problems that are presented by this vital issue.

As you probably know, about ten years ago an outstanding land use study was made by a Senate committee. However, changes in the world are occurring with lightning speed, and we are suddenly aware that land use priorities are shifting, and some investigations and alterations must be made. This is particularly the case in relation to agricultural farm land throughout this country. It is most definitely a national problem in scope.

Only one-twentieth of Canada's acreage can be called agricultural farm land. It is disappearing so fast by the encroachment of industries, urban sprawl, highways, and aerodromes that the Ontario Federation of Agriculture made the startling statement that in 50 years all the province's top food-producing land would be under concrete. What is more, in that area of Ontario is Canada's only number one grade of farm land.

● (1530)

It is stated that it takes 20 years to effect any permanent change in social institutions, and we could lose our food-producing land while we are thinking and talking about this, unless we act now.

Our greatest problem, honourable senators, is to convince Mr. Public that the country is in a serious state of emergency with regard to the use of farm land. Clearly we need immediate action. We must break down the barrier of indifference which exists, and bring in legislation to protect our agricultural land for the purpose of food production.

The recent oil crisis has shown us very vividly how much for granted we take our basic resources, of which agricultural land is now a top priority.

To give you some idea of the concern over land use in the various provinces, I can at this time only mention comments in the *Journal* of February 2, 1974, and the *Financial Post* of March 2, 1974. The emphasis of concern in these comments seems to be on urban sprawl, bad planning and spiralling land prices, et cetera. In only three provinces are the comments centered around the preservation of agricultural farm land, and those provinces are

Saskatchewan, Prince Edward Island and Ontario. This in itself is shocking, and it is the main reason why I want this study made at once.

Honourable senators, I should point out that some of these comments which I have listed here are fairly lengthy, but I am only going to give you little snatches here and there out of them, because I want to give you a general idea of the concern that is felt and the grumbling that is going on across Canada.

It was only a short while ago that I spoke on land use in Nova Scotia. At that time Senator Connolly (Ottawa West) suggested that what was true of Nova Scotia might not be true of Canada as a whole. Well, I should like to illustrate here today that it is the case throughout Canada, and I will show how serious it is and that we should indeed investigate the problem.

I shall now give the excerpts I referred to a few moments ago, and I should point out that these are not necessarily direct quotations. The first is:

Growing concern among Canada's farmers and their organizations about the ever-increasing reduction in the amount of land available to grow food was indicated Tuesday at the annual meeting of the Canadian Federation of Agriculture. The land use concern appeared more prominent than in previous years as the two-day annual meeting of the federation opened Tuesday.

At least two provinces—British Columbia and Saskatchewan—have taken steps to control land use and both the Ontario and New Brunswick federations of agriculture made special reference to the situation in reports to the meeting.

The federation cited two huge projects that now jeopardize thousands of acres of Ontario farm land—the newly announced Sarnia-Montreal oil pipe line extension that will cut through prime farm land “from one end of our province to the other,” and a hydro corridor that will cut through about 42,000 acres within the next few years.

In Saskatchewan the provincial land bank commission has purchased 168,481 acres of land from 381 farmers at a value of almost \$11 million.

The Canadian Federation of Agriculture now is assembling data provided by its member provincial federations and intends to prepare a paper which could be considered at “a possible national meeting.”

In view of the importance of the subject and the escalation in interest of at least some of the CFA members in land use planning, the national office proposes to make follow-up on this item a top priority following this meeting.

British Columbia: Suitable machinery to impose controls is already in operation in the form of the British Columbia Land Commission. The commission was set up last year primarily to deal with the preservation of farm land, but its scope could easily be expanded. I should point out that that was sort of dropped. It was just shelved.

Alberta: There is no ownership restriction on private land, however, and none is anticipated—at least not until the end of 1975. That is when the Land Use Forum—a three-man committee set up a year ago to study nine [Hon. Mrs. Norrie.]

aspects of land use in Alberta—presents its final report, including recommendations as to legislative action. Although the committee is primarily concerned with seeking the best way to develop the province's land resources, it is also considering the effects of foreign and absentee ownership.

Saskatchewan: The province's main concern is to maintain the family farm and prevent depopulation of rural areas. The Saskatchewan government is using the committee's report as a basis for legislation, but so far has not indicated which proposals, if any, will be adopted.

Manitoba: Agriculture Minister Sam Uskiw has a committee studying the subject, and if its report is submitted in time he hopes to propose legislation this session.

Ontario: I should point out that there is an item with respect to Ontario which suggests that they have not done much, but there is another reference which I will give later which says quite the contrary.

So far the Ontario government has taken no action on the recommendations and, although it prevents the sale of crown land to foreigners, it has made no move to restrict sales of private lands.

However, there is widespread concern over the amount of prime vacation land in the province that is owned by United States citizens. In some areas the committee found as much as 90 per cent of recreational land is so owned.

Quebec: Under the Civil Code there is some doubt whether a landowner can be prevented from selling his land to whomever he chooses. That is another question.

New Brunswick: There have been rumblings of concern. Last year, for example, 2,000 acres of ocean-front property in Westmorland County were quietly purchased by a local agent for the Land Auction Bureau of Boston. It will be recalled that in my speech in the Throne Speech debate I referred to the Land Auction Bureau of Boston, and this is the same bureau. At any rate, the land was then put up for sale in Boston and auctioned off to buyers in the United States.

Prince Edward Island: This province has the tightest land ownership controls in Canada. Severe restrictions are placed on non-residents of the province, Canadians as well as foreigners. The government may make a start on new legislation based on the royal commission's report in the current session, but major changes are unlikely at this time.

Newfoundland: Land ownership by foreigners or non-residents is not yet a major issue in the province, but it is recognized as a subject of future concern.

I mentioned a moment ago that I had another item with respect to Ontario, honourable senators, and I should like to refer to that now. This particular item shows far more concern than the previous one. The item I am referring to is a newspaper article about a report which was prepared after a year-long study by a group chaired by an Ontario lawyer, Edward Kowal. The article is headed, “Speculators threaten farm output, study says”, and it is from the *Toronto Star* of March 19, 1974:

Rampant speculation in Ontario farmland threatens food production and land owners not producing

enough food should be excluded from farm aid programs, the head of a government study said yesterday.

"In terms of top quality land, we are getting to the point where we will not be able to feed a continually increasing population," said Edward Kowal, chairman of the province's farm classification advisory committee.

He predicted that Ontario may face serious food production shortages in 5 to 10 years.

● (1540)

"I think we can all agree that the speculator is the worst cat in the whole situation," Kowal told a Queen's Park Press conference.

The report of the committee's year-long study calls for a massive transfer of land use planning powers to the ministry of agriculture and says all farm land should be classified by the government.

Mr. Kowal is a Toronto lawyer, and while not a farmer himself he owns 20 per cent of a farm near Bowmanville. The report of the committee of which he is chairman says that all decisions on the use of farm land should be made by the ministry of agriculture.

The following statement, honourable senators, is an important point and one that should be emphasized. The newspaper article which I have in my hand goes on to say:

"We feel," Kowal said, "that farm land is becoming so scarce—and particularly good farm land—that we cannot have decisions made by ministers involved in other land use planning."

Honourable senators, at this point I should like to make some recommendations on a short-term basis to stem the tide of loss of our agricultural farm land. These are simply suggestions, rather in the nature of emergency measures, that can be changed following study.

The first is that an immediate and complete moratorium be placed on sales of land to non-residents until a comprehensive analysis and investigation has been done in each province. Secondly, a commission should be set up—a commission of seven to nine members—in each province to inspect each sale of land. Thirdly, there should be stimulation and special attention to farms now in operation, in order to make sure that we keep these operations in a viable condition. Fourthly, close liaison between provinces

and federal jurisdiction re grants, et cetera, must be co-ordinated.

I have some further long-term ideas and recommendations, honourable senators, covering a period of, say, 100 to 500 years. The first of these is that deserted or idle farms should be bought by farm banks and transferred as needed to prospective farmers either on a full-time or part-time basis. Secondly, no agricultural land should be sacrificed to urban sprawl, industries, et cetera, if another solution can be found. Farms thrive best away from thickly populated areas, and all too often urban sprawl deprives us of good farm land.

Non-resident land ownership sounds the death knell of a community. Churches become neglected, schools are built in larger centres and the community dies. Therefore, non-resident land ownership should be discouraged. Foreign-resident ownership of land in moderate acreage is acceptable, in my opinion, if the owner contributes in a constructive way to the community, to the province or to Canada.

Mr. J. D. Hilchey, Supervisor of Land Use Planning for Nova Scotia, Department of Agriculture and Marketing, has made the following point:

In the final analysis, it is the responsibility of representatives in government to use in a positive way, the privileges allocated to them. This includes the right to manage natural resources in the best interests of the public.

Honourable senators, this is only a rough outline of the study I should like to see made here, and I am sure that there are many other points of view that could be added as such a study proceeds. It is my intention, therefore, after the conclusion of the debate on the inquiry, to move that the question of land use in Canada be referred to the Standing Senate Committee on Agriculture.

On motion of Senator Langlois, debate adjourned.

BUSINESS OF THE SENATE

Hon. Mr. Langlois: Honourable senators, before moving the adjournment of the Senate, I should like to remind you that there will be a meeting of the Standing Senate Committee on Health, Welfare and Science in Room 260-N immediately following the adjournment of the Senate. The purpose of this meeting is to consider the Veterans' Land Act extension of benefits.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, April 25, 1974

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

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of operations under the Export and Import Permits Act for the year ended December 31, 1973, pursuant to section 26 of the said Act, Chapter E-17, R.S.C., 1970.

Report on proceedings under the Canada Labour Code Part V (Industrial Relations) for the fiscal year ended March 31, 1974, pursuant to section 170 of the said Code, Chapter L-1, R.S.C., 1970.

Capital Budget of the National Capital Commission for the fiscal year ended March 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. 1974-891, dated April 17, 1974.

LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING ADJOURNMENTS
OF THE SENATE

Hon. Leopold Langlois, with leave of the Senate and notwithstanding rule 45(1)(h), moved:

That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit during adjournments of the Senate.

Hon. Mr. Flynn: Explain.

Hon. Mr. Langlois: Honourable senators, the chairman of this committee is in a better position than I to explain this motion, since it is by his request that the motion has been put. However, I can inform the house that it is in view of a possible meeting scheduled for Tuesday afternoon, at which time the Senate might not be in session. I should indicate that there is a second motion following upon this, after which an explanation by the chairman of the committee might be appropriate.

Motion agreed to.

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE
SENATE

Hon. Leopold 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 Tuesday next, 30th April 1974, and that rule 76(4) be suspended in relation thereto.

Hon. Mr. Goldenberg: Honourable senators, if you will allow me, I will attempt to explain what the situation is.

As you know, the matter of parole has been under study for some two years, and it has now been approximately 30 days since the draft report on parole was submitted to the committee for study. I have called a meeting of the committee for next Tuesday at 2 o'clock for consideration of the report. If we do not complete the consideration before dinner, it is my hope that, in order to expedite final approval, we will be able to continue in the evening while the Senate is sitting.

The matter has been hanging fire for a long time, as honourable senators know, and I think it is urgent that the report be approved or otherwise, and, if approved, that it be sent forthwith to the translators and to the printer. That is the sole purpose of the motion.

Hon. Mr. Flynn: For clarification purposes, then, the first motion is to allow the committee to sit in the afternoon of Tuesday, and the second motion is to allow the committee to sit in the evening of Tuesday.

Hon. Mr. Goldenberg: That is right.
Motion agreed to.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL, 1973

THIRD READING

Hon. Leopold Langlois moved the third reading of Bill C-5, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. W. M. Benidickson: Honourable senators, having mentioned yesterday something about a prospect that Air Canada might get involved in the manufacturing of aircraft by purchase of the de Havilland Aircraft Company of Canada, I think I should say a few words on the subject today, although I have not been able to obtain much more information than I had yesterday.

I explained yesterday that my information simply came from a delayed issue of the *Financial Post* of last week which normally would have been delivered last week, but which only reached me yesterday because of our mail difficulties.

Hon. Mr. Flynn: You were lucky to get it yesterday.

Hon. Mr. Benidickson: It is a front-page article written by a very respected journalist of that newspaper, Mr. Clive Baxter. The headline reads: "Ottawa may pick up de Havilland option." The article commences:

The government seems on the verge of nationalizing de Havilland Aircraft of Canada Ltd.

And the article goes on to say that not only might the government—and they suggest Air Canada would be a participant in prospective purchases—be involved in the purchase of the de Havilland manufacturing operation, but they would also perhaps take over the Canadair operation in Montreal that most of us are familiar with. It says:

Last year Ottawa had a firm offer to buy from Air Canada and Canadian International Comstock Co., which jointly prepared to buy and merge together de Havilland in Toronto and Canadair Ltd. in Montreal.

Reference is made to an explanatory previous story in the *Financial Post* of November 3 last.

There was strong and immediate opposition in many government circles about Air Canada's offer. Those planners want Air Canada to remain unconnected with the manufacturing industry.

Although I have not been able to get much detailed information as to what is involved here, I realize that it is something of consequence. Without additional facts, and offhand, I want to indicate that my reaction would be most unfavourable to Air Canada entering into the manufacturing side of the aircraft industry. I think it should be free, certainly, to purchase its equipment competitively without bias in a free market.

● (1410)

Since, however, we are dealing here with the budget and financial proposals of the CNR and Air Canada, I simply want to draw the attention of my colleagues to this possibility, and to suggest that very soon something of this consequence might be investigated in a public way by an appropriate committee of the Senate.

Furthermore, reference was made in committee to the fact that there was an option to purchase—and I don't know whether it is Air Canada that holds it or not—which expires on June 30. Perhaps Senator Langlois will have some further information on that. In any event, I want to indicate my present and future interest in this possibility and my present instinctive opposition to Air Canada's becoming a manufacturer of aircraft.

Hon. Mr. Langlois: Honourable senators, I would be remiss in my duty if I did not—

Hon. John M. Macdonald: Are you planning to close the debate?

Hon. Mr. Flynn: Not on third reading; you are not closing the debate on third reading now.

Hon. Mr. Langlois: By all means go ahead, Senator Macdonald.

Hon. John M. Macdonald: Honourable senators, the few remarks I wish to make at this time do not, perhaps, bear directly on any of the provisions of the bill because I do not intend speaking about the financial side of the picture or the guarantee by the Government of Canada. However, my remarks will probably be at least somewhat in order in that they do concern the Canadian National Railways. While they do not deal with their spending program, they do deal with their non-spending program in certain regions.

We who live in eastern Nova Scotia are served exclusively by CNR because the CPR does not operate in that area. It is to the passenger service provided by CN that I wish to address my remarks. I am not referring to the service that one receives on the trains because that is first class and those who are in charge of the passengers are courteous, considerate and anxious about their comfort. But it is the passenger service rendered by CNR that I wish to criticize and against which I wish to make a protest and, I believe, with justice. Let me explain.

Two passenger trains a day operate out of Sydney, one is called a railiner and goes directly to Halifax, making a connection at Truro with the *Ocean Limited* coming out of Halifax and going to Montreal. This railiner leaves Sydney at 6.30 in the morning and after a fast run it reaches Truro, 230 miles away, just six hours later, arriving at Halifax at 2 o'clock in the afternoon. However, a person wishing to travel from Sydney to Montreal would leave Sydney at 6.30 in the morning and arrive in Montreal 26 hours and 26 minutes later.

Hon. Mr. Choquette: Walking?

Hon. Mr. Macdonald: You know, you might make it faster walking. Allowing for stops, I doubt if that gives you an average speed of 45 miles per hour.

The second train leaves Sydney at 11.15 a.m. It is not a railiner, but a section of the train known as the *Scotian* running from Halifax to Montreal. This section joins the Halifax section at Truro. As this is a longer and heavier train, one would expect it to take longer to travel the 230 miles from Sydney to Truro, and it does. It takes seven hours and 15 minutes to make the run. A person going from Sydney to Montreal by this train will arrive at 20 minutes to three the following afternoon, after having spent 28 hours and 25 minutes travelling 1,010 miles. And this is 1974! By no stretch of the imagination can we say that the passenger service given by the CNR to people in eastern Nova Scotia is a fast one. It is not designed and planned to attract passengers.

A person going to Halifax from Sydney by the second train would leave Sydney at 11.15 in the morning and arrive in Halifax, 295 miles away, at 10.30 that evening, 11 hours and 15 minutes after he left home. Because he must change trains at Truro, his arrival in Halifax at 10.30 is contingent on the *Scotian* from Montreal being on time. I should also tell you, without going into detail, that the passenger service from Montreal to Sydney is worse. One train arrives in Sydney at 3 in the morning.

Honourable senators, I have taken my facts from the Canadian National timetable now in effect. The timetable will change this coming Saturday. Perhaps the service will be better, but I am not optimistic enough to think so.

I mentioned the running time between Sydney and Truro. At present it is not that fast. There is a "slow" order out that passenger trains must not travel over 30 miles an hour between Sydney and Truro. The trains were slow before, but now the situation is worse.

On Sunday last a passenger train which left Sydney at 11.15 a.m. arrived in Truro, 230 miles away, at 7.50 in the evening.

I understand that this "slow" order—or perhaps "slower order"—is the correct term—is necessary because of the

poor condition of the roadbed. It is said that it might heave because of frost. Is it not strange that the same danger does not appear to exist on other roadbeds? I believe the roadbed is in poor condition because it has been neglected, and I see nothing in the bill which definitely states that part of the millions voted for the CNR will go toward improving this roadbed.

It so happens that I was on that 11.15 train last Sunday. It departed from Truro one hour and 35 minutes late. Yet some time during the night that lost time was made up without difficulty or undue haste. This leads me to the conclusion that the running time between Nova Scotia and Montreal could be cut substantially without difficulty to anyone.

The time has come for the CNR to be frank with us. Their officials should tell us just what is the situation, and whether or not they are actively discouraging passenger traffic. Recently it has become known, but not through any official announcement, that there is to be further deterioration in the service. Until now a sleeping car formed part of that section of the *Scotian* leaving Sydney at 11.15 in the morning. This meant that one could occupy one's sleeping accommodation, whether it be a berth, roomette or bedroom, when one boarded the train at Sydney or at any point between Sydney and Truro. I now understand that this procedure is to be changed and that sleeping accommodation will be provided only from Truro, which will result in further deterioration in an already poor service.

We in Nova Scotia—at least, in the eastern part—are a long-suffering people from the point of view of railway passenger service. We have been resigned to a very inferior service, but now is the time to tell the Canadian National Railways that enough is enough. Now is the time to tell them to reverse themselves, to reverse their thinking and to begin to improve the service rather than to continue their deliberate efforts to reduce it. Some people believe, and I am one of them, that the Canadian National Railway Company is operating on a deliberate policy to discourage passenger travel.

● (1420)

An Hon. Senator: Hear, hear.

Hon. Mr. Macdonald: They are doing so, of course, so that they can apply to the Canadian Transport Commission for permission to reduce passenger service to one train a day. Once they get it down to one a day, there will be a further deterioration in the service so that they can again apply to the Canadian Transport Commission to have the service done away with completely and put in a bus service, such as happened in Newfoundland.

Honourable senators, I see nothing in this bill which would lead me to believe that the CNR intends to spend any substantial sum of money to improve its roadbed between Sydney and Truro, or to relocate it where it should be relocated. Yet, the need is there. For years we have been told that the roadbed is too rough and that the speed has to be reduced because of the number of curves, but nothing has been done about it. One would think that the feeling is that if left alone long enough the roadbed will repair itself. Well, it will not. I say the time has come, in fact it is long overdue, for a complete overhaul and renovation of the Canadian National Railways System

[Hon. Mr. Macdonald.]

from Sydney to Truro, including the relocation of its main line through Sydney.

Honourable senators will have noticed that I have not mentioned freight or express service. Suffice it to say that I understand it is just as bad as the passenger service. I realize I have perhaps been—

Hon. Mr. Martin: Eloquent.

Hon. Mr. Macdonald: Well, I have perhaps been talking outside the ambit of the bill. However, I feel very strongly about this matter. I wanted to bring it to the attention of the Senate and, through the Senate, to the attention of the management of the Canadian National Railways, although I hold no hope whatsoever that they will pay any attention to my remarks.

Hon. Lionel Choquette: Honourable senators, I should like to add a few comments to those of Senator Macdonald's. I, too, am convinced that the CNR is determined to discourage passenger travel.

Hon. Mr. Flynn: The CPR, too.

Hon. Mr. Choquette: Probably the CPR as well. I want to relate a few examples of my personal experiences with both railways.

A few years ago I had an important matter to deal with in Toronto. I took an airplane from Ottawa, but when we arrived at the Toronto airport we could not land because of the fog, so we returned to Ottawa. I was somewhat reluctant to telephone my clients in Toronto and tell them to expect me the next day because of the delay due to the weather conditions, so I took the train from Ottawa to Toronto. On that train I met several friends. Some were MPP's from Ottawa and the vicinity, whom I invited to be my guests in the smoking compartment. At that, they laughed at me. They said, "You must not travel very often by train. There is no such thing as a smoking compartment. If you have a roomette, then stick to that; get yourself well ensconced in there and drink all by yourself, if that is what you have in mind."

Here we have a train travelling between Ottawa and Toronto and you cannot even sit down with your friends and smoke a cigar. In addition, all night long you have shunting at every village and town en route.

On one other occasion I had to address a meeting in Cochrane—

Hon. Mr. Martin: Was it a political meeting?

Hon. Mr. Choquette: It was.

Hon. Mr. Flynn: Senator Martin knows something about that.

Hon. Mr. Langlois: You should too.

Hon. Mr. Choquette: I tried to get a berth and they just laughed at me. They said, "You obviously don't travel often by rail. There is no berth." I had to go on the train at quarter to twelve.

Hon. Mr. Beaubien: At night?

Hon. Mr. Choquette: Yes. There was no berth available. When I arrived in North Bay somebody told me there was a Chinese restaurant there, that I could take a taxi and rest there while waiting for the next train to take me to

Cochrane. I took a taxi and went there. The next train that picked me up got me to Cochrane at 6 o'clock the next day.

Hon. Mr. Bourget: After the election?

Hon. Mr. Choquette: No. What kind of service is that? When you try to go to Montreal by train, you get a train here at 8 o'clock in the morning; they don't care what you look like or where you are going. There is no place to have breakfast; some chap may come along and offer you a sandwich, or you can go to the car where he is and you buy a wrapped sandwich. I am convinced that the CNR and CPR want to discourage passenger travel. When I heard my good friend and deskmate Senator Macdonald talk about this, I wanted to add these remarks. I am convinced that these two railways want to discourage passengers.

Hon. Margaret Norrie: Honourable senators, I should like to add a few remarks on the CNR and CPR service. This phenomenon has been going on for 20 years; it is not just a sudden change. I was surprised the other day when I came up by train. I had not been on one recently. I checked in a couple of bags, but when I got to Ottawa they were not on the train. I was told I should have checked the bags two days before, then I would have had them in Ottawa that day. I registered a complaint and asked why somebody had not told me. I was told, "Oh well, you are supposed to know that." People who cannot check their bags have to carry them and have them in the compartment, although there is not enough room there for anything but a wee little bag. It is terrible if we cannot have a baggage car on all passenger trains to carry the luggage along with us.

In addition to that, for years and years and years passenger trains have been phasing out. The railways will call a meeting in the countryside where passenger trains are probably losing money. At the first meeting there will be a large turnout of people complaining that the passenger train is to be discontinued. Then the service will be retained for a while longer. In another year or two another meeting will be called, when fewer people will attend, but the service continues. In another short space of time there will be another meeting, when nobody but the officials will turn up. Then the railways say, "Nobody wants a passenger train. We are going to discontinue it." That is the way they handle it.

Hon. Edgar Fournier: Honourable senators—

Hon. Mr. Choquette: The expert on the subject.

Hon. Mr. Haig: The CNR's friend.

Hon. Mr. Fournier (Madawaska-Restigouche): I want to endorse everything that has been said. I want honourable senators to know that I am a frequent user of CNR, because I have no choice. Let me give an example. My plans are to go home this weekend. I would be leaving this afternoon at 5 o'clock by CNR. I would stay in Montreal tonight and board the train tomorrow morning at 8 o'clock. I would take the train as far as Quebec City, change trains there, board the dayliner, and if everything works properly I might be home by 8 o'clock tomorrow night.

● (1430)

I imagine that the sandwiches they serve on Friday were made the previous Friday, but you are lucky if you get one. The railway car is the only one and is long past its

durability, being about 12 years old and out of service most of the time. That train has no priority; it is on the sidings most of the time to allow freight trains to go through. Sometimes, when it starts, it has to be picked up by another engine, to be hauled to Edmundston and back.

It is almost a waste of time to talk about this. We have complained to the right places, but without success. The CNR has two trains between Halifax and Montreal and they are used on the main line, leaving the central part of Nova Scotia without any train facilities. Some senators may ask why I do not travel by Air Canada. This is possible in the summertime, but when I fly from Ottawa to Fredericton I am still 185 miles from my home, and that final journey takes another five or six hours.

I have a major complaint about the taxi service from the station here into Ottawa. I have made many strong complaints about this. When a train comes in there are not more than five or six taxis, to deal with 100 people. They will take only one person per taxi, and they disappear quickly. They produce a bus which is in fair condition, but the passengers are crowded in like sardines, one over the other, and there are no luggage facilities. The bus driver waits about 15 minutes, waiting for taxis to come in, and then he departs. There is no excuse for this. The company which has the franchise does not live up to its obligations. It is supposed to provide a taxi service.

Hon. Mr. Deschatelets: Would the honourable senator permit an intervention at this point? May I remind the house that when it was decided to move the railway station from centre town to where it is now, an undertaking was given by the railway companies to provide adequate taxi service.

Hon. Mr. Fournier (Madawaska-Restigouche): I was coming to that. I remember when the agreement was signed. I was in the committee. We met with the people who wanted to demolish the old station, and a commitment was made to provide taxi facilities. It was not too bad for the first year, but the service has been deteriorating ever since and now there is almost no taxi service.

This is the reason why hundreds of school children from Montreal, coming to visit the Parliament in Ottawa, come by bus. They used to come by train. The provincial bus company gives good hourly service between Ottawa and Montreal, and must be moving a thousand people every day, while the CNR is not doing anything.

I might add that between Montreal and Edmundston the transport company has three buses running daily, carrying at least a hundred passengers per day. Travelling by bus becomes tiresome if the distance is over 200 miles, so if the Canadian National had a good service people would use it.

Hon. Josie D. Quart: Honourable senators, I had a rather strange experience, although a funny one. It was taken as a joke, but since everyone has a gripe this is a funny one. On July 12 last year I had to go to Toronto—

Hon. Mr. Martin: What day?

Hon. Mr. Choquette: Orange Day.

Hon. Mrs. Quart: As a matter of fact, I was going to—

Hon. Mr. Benidickson: Toronto.

Hon. Mrs. Quart: Of all places, Toronto.

Hon. Mr. Benidickson: On that day?

Hon. Mrs. Quart: That is right. It was the twelfth. I had made a plane reservation and, as some senators know, I had had an operation some months before. I was advised that I had better make arrangements to have a wheelchair at Toronto airport. I had checked here two weeks previous and everything was fine. When I got to the Maple Leaf lounge that day, July 12, I checked again about the chair. It was a very warm day in Toronto—probably because it was the 12th of July—

Hon. Mr. Benidickson: Did they have a parade for you?

Hon. Mrs. Quart: They had not. There was a chair which was being kept for a man. I did see a gentleman get on the plane and he looked pretty decrepit and had crutches and I thought the chair was for him. I said to the air hostess, "Look here, I am very sorry, but I have to have a chair." She said: "Well, madam, we will get one for you. There is one waiting for a man." I said: "That is very strange, I checked two weeks ago and also this morning about a chair." She said, "If you wait, we will get a chair for you." I said good naturedly, "There is nothing else I can do." I realized there was not much use in complaining. Here I was, a captive, and they had said they would get me a chair.

As the time was passing and the plane was to depart for Chicago, I enquired again. She said: "We have very few chairs, and that is one of the reasons why it is taking so long." To make a long story short, at that the poor air terminal employee put his head in and asked: "Would Senator Quart be ready?" I looked at him and replied: "Would I be ready? It is my middle name." With that there was great confusion and the air hostess apologized. A uniformed man in charge came and apologized too, saying that he expected the senator to be a man. He did not know there were women in the Senate. Two people made this remark to me.

● (1440)

Finally the kind gentleman helped me into the chair and we started off about 15 minutes late. Unfortunately, in the meantime my granddaughter had been given the wrong instructions and was waiting in the wrong place for me. At any rate, as we were going along the gentleman said, "My gracious. I didn't know there were any women senators." I explained that I was one and that there were six others and then I asked him, "Are you a Canadian? Do you live in Canada? Don't you know that there are women in the Senate?" To which he replied, "No, I never did. I will have to tell my wife that I drove a woman senator"—as if this was something extraordinary.

When I finally got there my baggage was going round and round on the conveyor, and after I had introduced this man to my granddaughter he said to her, "Did you know your grandmother was a senator?" Well, she started to giggle like nobody's business and he said, "Well, you know, nobody else on Air Canada knew she was a senator. I am glad you did."

Another time—and I will try to make this short—after World War II, I was doing some travelling with respect to a rehabilitation committee. Another senator and I were travelling on the same train, and the people responsible for making reservations had assigned us the same draw-

[Hon. Mrs. Quart.]

ingroom. I suppose to them it was just a matter of doubling-up two male senators, members of the committee, in order to save money, but the result was that I was supposed to share a double bedroom with the other senator. However, being a gentleman, he left the room to me. I don't know where he went or where he slept, but he didn't sleep with me, anyway!

Hon. Mr. Langlois: Honourable senators, I would be remiss in my duty if I did not at this stage underline the excellence of the work done by the Standing Senate Committee on Transport and Communications in its consideration of this bill. I think the Senate did a marvellous job and that we were fortunate in having before us excellent witnesses, including the President of the CNR, Mr. MacMillan, and the Vice-President of Public Affairs for Air Canada, Mr. Taylor. All witnesses were co-operative and well informed on the operations of their respective corporations.

There is no doubt that the bill received thorough examination owing to the pertinent and penetrating questions put to the witnesses.

Despite the excellent turn-out of senators, many of our colleagues in this house were unfortunately unable to attend the two days of sittings of the committee owing to the fact that there were other committee meetings. As a matter of fact, I am sure that had certain of the senators who made remarks today had the opportunity of putting their concerns before the witnesses during the committee's two days of hearings, the officials of both Air Canada and the Canadian National Railways would have been only too pleased to comment upon them. They would have been well equipped to give explanations and supply the information that has been requested this afternoon.

I will now deal with a point which was raised in committee and in the house this afternoon by Senator Benidickson, when he referred to an article in the *Financial Post* of April 20, 1974. One can hardly call this article a "scoop," because it refers to information which was made public first in 1972 and then again in 1973.

By way of further explanation may I point out that the government entered into an option agreement with the Hawker-Siddeley Group Limited of London, England, to purchase the shares of de Havilland Aircraft of Canada Limited. The agreement was made in October of 1972, and the 1973-74 supplementary estimates included an amount of \$10 million to cover part of the purchase price. The 1974 main estimates, under the Trade Industrial Program vote L20, included an amount of \$28.8 million to cover the balance of the estimated purchase price.

If one refers to the printed proceedings of the Senate committee and to the evidence given before the Commons Standing Committee on Finance, Trade and Economic Affairs of March 26, 1974, one finds again a reference made to this option.

The option expires on June 28, 1974, and to my knowledge no extension of the option has been made. I do not know if the option is going to be exercised or not, but regarding the Air Canada Comstock proposal to which Senator Benidickson specifically referred, that proposal was to purchase and merge de Havilland and Canadair,

and it was made public in a *Financial Post* article of November 3, 1973.

That is all the information I have about these two proposals, and I hope that that information which I have just given the Senate will satisfy Senator Benidickson with respect to this question.

Hon. Mr. Benidickson: Perhaps you can find the answer to this. Is there a likelihood that anything to do with an option to buy de Havilland Aircraft and Canadair will get into the balance sheet of Air Canada, with the result that, if they are operated at a loss, it will spoil the fine record of Air Canada as an air transport company?

Hon. Mr. Langlois: I am afraid I am unable to answer that, because I consider it to be a question of government policy. I am certainly quite prepared to agree with the senator that there might be some risk of jeopardizing the present good record of Air Canada if such a purchase were made. But that remains to be proven, and the decision will be based on a judgment of value by the Government of Canada and not left to Air Canada alone to decide.

Hon. Mr. Martin: That is right.

Hon. Mr. Langlois: Coming back now to the pertinent questions asked this afternoon and the criticisms voiced by my honourable friend Senator Macdonald, I should like to tell him that yesterday in committee Mr. MacMillan, the President of the CNR, gave many explanations as to why trains were not travelling as fast as one would like. For example, he mentioned the turbo train which did not prove so good on its trial trips between Montreal and Toronto because it failed to achieve the speed records it was supposed to set. According to Mr. MacMillan, one of the main reasons the train did not live up to expectations was that there were too many curves and too many railway crossings, which meant that the train was constantly having to slow down to negotiate the curves or to go through crossings at reasonable speeds.

Hon. Mr. Choquette: And did nobody laugh at that?

Hon. Mr. Langlois: No, nobody laughed at all. Mr. MacMillan was most serious about it.

Hon. Mr. Choquette: Well, they should have laughed. He is a joker!

Hon. Mr. Langlois: I am not prepared to agree with that. I must disagree with the honourable senator. Mr. MacMillan was quite serious about the matter. Indeed, these are genuine engineering problems not easily to be remedied. Moreover, he indicated the amount of money that the Japanese have spent to facilitate their rapid transit by trains. It is almost unbelievable; and when one bears in mind that the Japanese do not have the severe climatic conditions we have in this country, then one can see that it will be even more costly in Canada. This is not said in any way to destroy or minimize the pertinent remarks made by my honourable friend, and I am sure that these remarks will be brought to the attention of the authorities of the Canadian National Railways and that they will receive due consideration.

● (1450)

Hon. Mr. Macdonald: That is all they will receive.

Hon. Mr. Langlois: Well, that would be an achievement anyway.

Coming back to Senator Choquette's remarks about the CN—and he added CP—seemingly discouraging the passenger service, one has to bear in mind that these railway companies have to meet the very stiff competition of both bus and air services. Reference was made this afternoon, I think by Senator Fournier (Madawaska-Restigouche), to competing bus services. One has to admit that it is more expensive to operate a railroad service than a bus service, and it will never have the flexibility of the bus service, which can take its passengers anywhere and drop them off where they want. The railways could never achieve that kind of service without spending money to an extent never known before. One has to bear all this in mind.

Air services are more rapid, even though I myself have had some experiences which would seem to disprove this statement. Air service is faster and bus service is more flexible. This is the stiff kind of competition the railroads are not ready to meet, and I don't think they will ever be able to meet it.

Hon. Mr. Choquette: Before my honourable friend leaves that point, I hope he has in mind the general complaint that passenger travel is being discouraged. I should like to ask him if that is true. Does he not think that these two companies want to discourage passengers, having regard to the attitude that they have taken in recent years, and the atrocious service that they have been giving?

I am asking you, senator, whether you think they want to discourage passenger service. Do you not think that we, travelling from Ottawa to Montreal, should get a better service than we are getting now? Do you not think we could have breakfast on the train, and have a social drink served to us? Do you not think there could be somebody to walk along the train and ask, "Are you pleased? Is there something I can do to render your short trip from Ottawa to Montreal more pleasant?" That is something that is not done.

I am going to ask you the other question. When one cannot get a berth from Ottawa to Cochrane, or from Cochrane to Ottawa, do you think they intend to improve that service, or are they convinced that passenger service should be discontinued?

You see the way I ask the question? You know, it is—

Hon. Mr. Martin: We can see you are concerned.

Hon. Mr. Choquette: I like to pin them down.

Hon. Mr. Langlois: To say the least, your question was a long one.

Hon. Mr. Choquette: No, it was simply: Do they want to discourage passenger travel?

Hon. Mr. Langlois: I cannot speak for the CNR, but I have no indication that they are trying to discourage the use of their passenger trains. Senator Choquette referred to a poor train service apparently existing between Ottawa and Montreal, but I can tell him that between Montreal and Quebec the CNR has improved its passenger service with the Rapido which takes one from Montreal to Quebec in three hours. There is a meal service, and drinks are served, too, on board that train, but that does not

prevent the majority of people travelling between these two cities from using either the bus service or Air Canada. Even though Air Canada is now using DC-9 aircraft instead of the smaller Viscounts on that route, it is still not able to cope with the flow of traffic. The quality of the service is not in question because, as I said a while ago, it is impossible for the railroads to compete with any chance of success with these more rapid and flexible passenger services. That is the only reason. If my honourable friend deduces from that that the railroads do not want passenger traffic, all I can say is that it is something I am not ready to accept.

I sympathize with Senator Fournier in his travel difficulties between Ottawa and his home town. I have had occasion to use that service—not as often as he does, but on quite a few occasions—and I will grant him that it is far from being a first-rate service. But, speaking for myself, I have had bad experiences between Ottawa and Montreal.

I remember one day about two years ago being in Montreal on some professional business, and having to be in Ottawa for an eight o'clock sitting of the Senate. I had a seat on a flight leaving Montreal at about six o'clock, which should have arrived here in plenty of time for the sitting. In mid-afternoon I was told by Air Canada that, due to a snow storm, there was a serious possibility that the aircraft would be delayed, and they suggested using the CNR. I went to the Central Station in Montreal, at around 4.00 or 4.30 p.m. and boarded the train which should have left an hour earlier but which was late on account of that same storm. I always travel in the economy section on aircraft, and on the train I had a seat in the coach section. At about 9.30 in the evening the train became stuck in a snowbank at Alexandria, and we had to wait for a snowplow to come from either Ottawa or Montreal, and we were rescued at something like 2 o'clock in the morning. I arrived in Ottawa at 5.15 a.m. to learn, to my great surprise, that the flight had left Montreal on schedule. I could have been here at 7.15 the previous evening, but I chose the train and arrived at 5 o'clock in the morning.

Hon. Mr. Martin: It is too bad that Senator Choquette was not on the train. You would have had a lot of fun.

Hon. Mr. Langlois: I had an experience on that occasion similar to that which Senator Choquette related this afternoon. I had some of the stale sandwiches of the CNR, and that is all I had for supper that night. But these are situations and circumstances which prevent trains from competing as they should with the air services and bus services.

Hon. Mr. Choquette: Do you not think that if the CNR is going to be in the red every year it could ask for a few hundred thousand dollars more to give better service?

Hon. Mr. Langlois: I am glad the honourable senator brought up this question of being in the red, because we were told yesterday by the president of the CNR that the company would have finished the 1973 fiscal year with a surplus of about \$10 million if it had not been for the strike. During that strike the CNR lost some \$61 million in revenue, and had to incur something like \$30 million in extraordinary expenses. The company would have been in

[Hon. Mr. Langlois.]

the black by \$10 million if it had not been for the strike, and it is expected that there will be a surplus this year.

I should like to be able to satisfy honourable senators with regard to the questions they put to me this afternoon, but unfortunately I am not speaking for the CNR; I am just trying to pass on to the Senate information that I obtained in the course of my study of this bill, and the two days I spent on the Standing Senate Committee on Transport and Communications when it was considered.

● (1500)

Honourable senators, I should like to close my remarks by again inviting you all, the next time there is a committee meeting of this kind, and if you are free from other duties, to come and take part in the proceedings. That is where questions can be put directly to those responsible for the operation of these two crown corporations.

Hon. Daniel Riley: Honourable senators, I had not intended to speak this afternoon but having heard the eloquent speeches made by others I feel I should add a few words of my own to what has already been said.

As far as the CNR is concerned, I can agree with Senator Macdonald, Senator Choquette and Senator Fournier (Madawaska-Restigouche) in respect to what appears to be a concerted effort on the part of both railroad companies to eliminate passenger services as much as possible. I can understand that where they make a profit they will give better service, perhaps, but it seems they are determined to downgrade those services which do not produce much revenue, and to discourage the traveller from using them.

Somebody mentioned yesterday that he hoped that some of the money being made available to the CNR under this bill would be used to upgrade the service. I am going to suggest that some of the money be used to improve the roadbeds in the province of New Brunswick. I say that because we have had too many derailments there in the last year or two, and I feel that we are going to experience a major disaster unless the roadbeds are upgraded and maintained in such a way that the danger to persons and to property will be eliminated to the greatest possible extent. I understand that earlier this year the Canadian Transport Commission upbraided the CNR for the number of derailments that have occurred, and told that corporation to get busy repairing those rails.

There is really no difficulty in keeping the roadbed as it should be, because they have all the necessary equipment, including special cars that travel behind the regular trains at times. They also have smaller vehicles that travel over the lines to assist them in keeping those rails and roadbeds inspected and in good condition at all times. If they are doing this now, then why are we having all these derailments?

I do not want to be too critical of Air Canada, honourable senators, because in the main this corporation is doing a marvellous job. There is the old story that floats around—and somebody mentioned in committee that it is said about all airlines—to the effect that Air Canada is the best in the world in the air and the worst on the ground. I do not particularly subscribe to that story, but in one or two areas Air Canada certainly needs a great deal of

upgrading, and one of these is in the area of handling, or perhaps I should say mishandling, baggage.

I have some figures which were given to me by Air Canada, and which indicate that in 1971 that company handled 11.1 million pieces of baggage; in 1972, 12.5 million pieces; and in 1973, 15.1 million pieces. That is a lot of baggage, and I give them credit for handling it pretty well, in general. Then Air Canada says that the number of bags mishandled—and that is the word, "mishandled"; that is to say, baggage that did not arrive with the passenger to whom it belonged—in 1971 amounted to 37,000 pieces. Now, that may not be a large proportion, relatively speaking, but it is disturbing in that it means that 37,000 passengers of Air Canada were inconvenienced, many of them seriously, by the mishandling of their baggage. In 1972, out of 12.5 million pieces of baggage, 65,000 pieces were mishandled. Again, this may not be a large proportion, but it represented a serious inconvenience to a large number of passengers. In 1973, of the total of 15.5 million pieces of baggage, 135,000 were mishandled. The number is becoming alarming.

Excuses were offered, and we were told it was due to the rail strike, and that sort of thing. Well, the rail strike be darned, as far as I am concerned. There must be better methods of handling this baggage than are presently being used. I suggested in committee that they should revert to the tag system—that is, where a tag is tied to the handle of the bag. I do not have the relevant figures, but I am sure that when they were using that system the number of pieces of baggage being mishandled was much smaller than it is now.

Honourable senators, let me tell you of an experience of my own. On February 10 last, approximately, I left Ottawa by air for Saint John. At the airport they tagged my bag and checked it through to Saint John. It was tagged by means of a slip of paper. I said to the man who was tagging it, "That is not a very strong tag," and he replied, "Oh yes, that will withstand 40 pounds of pressure." At Montreal I noticed another person carrying a bag on which the tag was half torn. I realized that it would need just a little tug to tear it off altogether, and if such were to happen it would become another piece of mishandled baggage.

I changed planes in Montreal—a process which I think they describe as "interlining," although it is not really interlining in the sense of transferring to another carrier. They say they use tags with string when the baggage is "interlined." When I got to Saint John, one of the ticket agents met me at the gate and said, "We have to apologize to you; your bag was left in Montreal, but we have had a phone call saying it will be delivered here tomorrow morning at 11 o'clock." I was not away from home so I was not greatly inconvenienced by the fact that the bag did not arrive with me, but it did not arrive at 11 o'clock the following morning either. In fact, it has not arrived yet. I made inquiries and was told, "A call was made to Montreal and the man in charge said he put the bag on the plane that morning." I can only conclude that it disintegrated in mid-air, because it certainly did not reach me in Saint John.

I made further inquiries as to what happens to these bags that are mishandled, and was told that they are

processed through a central tracing agency. Apparently, when you get down to the nitty-gritty, this central tracing agency is a storage place in a hangar in Montreal. I was told at one time that I could not go and look for my bag in that hangar, because of security precautions. I admit that I have been told since that I can go, and I have been invited to go.

● (1510)

Getting back to the mishandling and loss of bags, they say:

Of the bags received in Central Tracing, approximately 60% are eventually returned to their owners.

What has happened to the other 40 per cent? Have they disintegrated in mid-air like mine? Were they eaten on board when they ran out of food? That is an alarming figure.

Although Air Canada is encouraging passenger travel, it is discouraging passengers from checking their baggage. Something should be done about it. I seldom fly without hearing someone, either on the plane or at the airport, complaining about lost baggage.

Air Canada says that 85 per cent of mishandled baggage is returned within 24 hours. If you have to stay in a hotel, in a strange town, for 24 hours without a change of clothing, or even a change of underwear, you could probably buy disposable diapers or something like that, but you will more likely have to buy a whole new outfit. It is ridiculous, and it is serious. Air Canada should be admonished for its baggage handling.

I intend to pursue the odyssey of my bag further. They have a claims section. They send you a claim form and ask you the value of certain items, some of which may have been gifts. I was asked to make a solemn declaration as to the value of articles I had received as gifts. Should I go to the donors of those gifts and ask, "How much did you pay for these, and where did you buy them?" I shall not mention the donors of those gifts and I do not intend to set down on the claim form any value, or make a solemn declaration as to the values. I intend to visit this central clearance agency, or whatever it is, in Montreal.

I asked Air Canada how many bags were in that hangar at any one time, and was told that at the 1973 peak period the highest number of bags on hand at Central Tracing was 4,000. Imagine anyone going into a hangar in Montreal and trying to find his bag from among 4,000. Again, it is ridiculous.

I shall conclude by saying that if Air Canada is to maintain its reputation for a high degree of efficiency in handling passengers, it had better provide an improved method of handling baggage.

[Translation]

Hon. Azellus Denis: Honourable senators, since now seems to be the time to complain about various railway and airline companies, I want to add my own remarks, not to object to the passing of this bill but because it would be a good thing, nevertheless, that a copy of *Hansard* be sent to those responsible for the complaints voiced by some senators. For example, when one calls Central station in Montreal to inquire about train schedules, the answer is in the form of a recording which goes: "The line is busy. Please hold the line and you will eventually get an

answer." Three times I held it for as long as forty-five minutes and it was still busy. This was on a Sunday afternoon.

Hon. Mr. Martin: Did you have a nice conversation?

Hon. Mr. Denis: No, I could not speak to anybody; I heard a woman's voice, but it was on a recording.

Hon. Mr. Martin: What did she say?

Hon. Mr. Langlois: A man your age cannot expect anything else.

Hon. Mr. Denis: I am not surprised that honourable senators suggest that these companies are discouraging passengers from using their services. If you arrive in Montreal at about eleven o'clock at night, try and get a taxi—which should be part of the services. They like us so much that they keep us at the station, and there is no way out of it.

So it would be a great thing if at some time someone took it upon himself to send them copies of *Hansard*, not to object to such an important bill—we do not want to cancel the railways and the airlines in Canada—but it is good that from time to time those in charge be made aware that there are actually major complaints. Those complaints come mainly from those out of central areas. Those are uneconomical services. After all, if the CNR is owned by the government and if the government made an independent company out of it to help the public, it is precisely to give greater access to those living in remote and uneconomical areas. Private companies would not look after them. That is why the CNR must extend services to those areas in this country that do not return enough money. That is why we have deficits every year. It is even interesting and encouraging to hear Senator Langlois report Mr. MacMillan, the President of the CNR, as saying that had it not been for bad luck this year there would have been a profit, but he expects one for next year.

[*English*]

Hon. Donald Cameron: Honourable senators, the discussion this afternoon has confirmed the feeling I have had for some time that one of the most useful things the Senate could do is to constitute the Standing Senate Committee on Transport and Communications a special committee to examine all aspects of transportation in Canada, but excluding the structure of rates, because that is an indeterminable problem. We have had many studies on freight rates, and so on.

Canada is lagging far behind other countries in adapting to the modern technology of transportation, particularly with regard to passenger trains.

For example, one is able to travel from Derby to London in England on an ordinary train at 115 miles an hour. There is a train going into service this coming fall which will travel at 155 miles an hour on the existing track and under the present signalling system. In West Germany the train from Frankfurt to Lahr, where the Canadian forces are located, travels in excess of 100 miles an hour. That is the norm. Here in Canada we have the turbo train, which so far has been a disaster. That is the best we can do.

I am sure there are advantages in adapting to modern technology, particularly with regard to our railway passenger service. It would apply also to other forms of

[Hon. Mr. Denis.]

transportation. I am thinking in terms of new kinds of freight cars for moving grain, sulphur, coal, wheat, and so on. There is also the question of overlapping in services, which involves a matter of policy. The whole organization of transportation in Canada represents about 20 per cent of our GNP, and is certainly large enough to warrant our going into the matter in some depth.

I shall not make a motion today, but I would be prepared to move at a later date that we ask the Standing Senate Committee on Transport and Communications to undertake a special series of hearings at which could be heard representatives from the railways—the CPR and CNR—the trucking companies and the airlines. It would be a useful exercise. I should like to explore the matter further, and then give notice of a motion of that type.

● (1520)

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

25 April 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 Governor General, will proceed to the Senate Chamber today, the 25th April, 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.

FARM IMPROVEMENT LOANS ACT SMALL BUSINESSES LOANS ACT FISHERIES IMPROVEMENT LOANS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Senator Molgat, for second reading of Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act.

Hon. Chesley W. Carter: Honourable senators, I should like to begin by extending my compliments to Senator Molgat for the very lucid and concise explanation he gave

of Bill C-14 to the Senate yesterday. As Senator Molgat pointed out, Bill C-14 extends the life of three other pieces of legislation for another three years, those being the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act. In addition, it increases the aggregate of the loans that can be made during that period, as well as the limits of individual loans from the present \$25,000 to \$50,000. This afternoon I intend to confine my remarks on Bill C-14, for the most part, as it relates to the Small Businesses Loans Act and the Fisheries Improvement Loans Act.

On many occasions while I was a member of the House of Commons I advocated that legislation be passed to provide loans for small businesses similar to that which provided loans for farmers and fishermen. I say "similar" because the needs are different and, consequently, the legislation should not be identical.

The main reason for my interest in the small businesses community is that it forms the backbone of our economy. The small businesses are the greatest source of employment and the greatest source of new jobs in our economy. The economies of many of our provinces depend almost entirely on small enterprise. That is particularly true of the Atlantic provinces and of my own province, Newfoundland. In fact, because of the distribution of their resources and the transportation facilities, as well as other factors, many provinces are not conducive to the development of large industry.

Another reason for my interest in small enterprise is that it is conducive to labour stability. It is not good for any province or country to have too many eggs in one basket. In a province such as Newfoundland, for example, ten small enterprises employing 100 people each are certainly far more beneficial to the economy than one enterprise employing a thousand people. By the same token, a hundred small enterprises employing ten people each are far more beneficial than one large enterprise employing 1,000 people. Also, small industry tends to be labour intensive, whereas large industries tend to be capital intensive. A good example of that is to be found in the new refineries that are being built. One refinery has just been completed in Newfoundland, and another one is being negotiated. A refinery that costs \$200 million to build will only employ between two and three hundred people.

So, small business enterprises are very important to the Canadian economy, and it is important that we pass the kind of legislation that will help small businesses to develop. They require this type of assistance because, by their very nature, they lack the sources of credit which are available to larger enterprises. Large industries can more easily get bank credit, and in times of tight money they have access to bonds and other forms of credit and financing which are not available to small businesses.

As Senator Molgat mentioned yesterday, the Small Businesses Loans Act dates back to 1961. I remember the circumstances quite well. At that time I was a member of the Opposition in the other place. It was a time of high unemployment, and this legislation was brought in—

Hon. Mr. Flynn: Senator Martin was always talking about that.

Hon. Mr. Greene: Tory times are hard times.

Hon. Mr. Carter: I remember the "Martin" statistics. This legislation was brought in as part of a legislative package to deal with the unemployment situation at that time. I remember it so vividly because of my disappointment with it. It turned out to be more of a "make-work" legislative program than a program of real assistance to small businesses.

The essence of the legislation lies in the purposes for which these loans are granted. If you look at the bill carefully you will see that the loans are made available to small businesses that want to undertake construction, repairs, maintenance or enlargement of their premises, or for moving their premises from one site to another. All of these activities are designed to make work.

It is true that Bill C-14 enlarges the scope of the legislation somewhat by making loans available for the purchase of land for new sites. It also increases, as I said earlier, the limits on individual loans from \$25,000 to \$50,000, and it redefines a small business as one with a gross annual revenue of \$1 million, as opposed to the \$500,000 which is the present definition.

● (1530)

Nevertheless, it still remains largely make-work legislation, part of a make-work program. It is all right as far as it goes. My disappointment stems from the fact that it does not touch the greatest need of small businessmen, which is working capital and inventory capital. I know the standard argument of the government against this is that loans of this nature should be made by the chartered banks or by the Industrial Development Bank, and the government does not want to compete with those institutions. There is something to this argument, but not a great deal. There is really no competition, because if the people we are trying to help do not get loans under this legislation they will not get them from the banks; the banks would not make these loans anyway. In time of tight money these people would have no chance at all. In my experience I have known dozens of small businesses that could expand or branch out into other areas of enterprise, but they could not get the capital they needed to utilize the unused space they already had.

From its inception in 1961 until the end of February this year the number of loans made under the Small Businesses Loans Act was 30,575, for a total value of \$294,352,160. These figures vary slightly from those given by Senator Molgat last night because they are for a different period. There are all types of statistics available—some for the fiscal year ending March 31, 1973, some for the calendar year ending December 1973. The statistics I am giving start from the inception of the legislation to the end of February 1974. Of that total of \$294,352,160, only \$92,288,989 is still outstanding.

I have obtained some statistics respecting loans to small businesses from the Department of Finance for the calendar year 1973 which, if honourable senators will permit, I would like inserted in *Hansard* at this point for future reference. They are in the form of a table.

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

Hon. Senators: Agreed.

SMALL BUSINESSES LOANS ACT

Province	Total for December 1973		Total for Year 1973	
	No. of Loans	Value	No. of Loans	Value
		\$		\$
Ontario.....	28	306,244	573	6,009,470
British Columbia.....	33	339,536	523	5,125,466
Alberta.....	22	194,019	367	3,223,759
Manitoba.....	3	37,100	115	1,014,904
Saskatchewan.....	7	103,077	164	1,317,830
P.E.I.....	1	5,040	40	352,591
Newfoundland.....	0		6	77,000
Nova Scotia.....	1	4,280	55	534,126
Quebec.....	40	429,048	1,093	12,507,895
N.W.T.....	0		3	30,194
Yukon.....	0		0	
New Brunswick.....	3	51,970	60	628,248
Total.....	138	1,470,314	2,999	30,821,483

Hon. Mr. Carter: An analysis of these statistics shows that for the calendar year 1973 the total number of loans made was 2,999, for a total value of \$30,821,483. From a closer examination of the figures it will be seen that by far the greatest beneficiary was the province of Quebec, where loans to a total value of \$12,507,895 were made. Quebec was followed by the two wealthy provinces of British Columbia and Ontario. British Columbia had 523 loans amounting to \$5,125,466; Ontario had 573 loans amounting to \$6,009,470. These three provinces received \$23,642,831 of the \$30.8 million for the last calendar year, or almost 78 per cent of the total. In the Maritime provinces of Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick the loans totalled only \$1,591,955, or about 17 per cent of the total. That is quite a large disparity in the use being made of this legislation.

Hon. Mr. Bourget: What is the reason for it?

Hon. Mr. Carter: There must be a reason for it, and that is what I am leading up to. I think it is something we should examine. Certainly it is not because we do not have small businesses in the Maritimes, because we have nothing else. It certainly cannot be because the small businesses we have in the Maritimes do not need the assistance. There must be another reason for it.

Hon. Mr. Bourget: Perhaps they do not ask for it.

Hon. Mr. Carter: It could be that this legislation is not as well publicized as it should be, that it is not as well known. There may be other reasons as well.

I thought it would be useful, for myself anyway, if I could discover how many small businesses there are in Canada. When I began to make inquiries I encountered all kinds of difficulties. I first went to the Department of Finance and asked if they could tell me how many small businesses there are in Canada that would qualify under the definition they are now using of gross annual revenue

[The Hon. the Speaker.]

of \$500,000. They were not able to give me any information at all. They apparently have not compiled any statistics of that nature. I then made inquiries of Statistics Canada. They were not very helpful either because they compute statistics only on corporations with assets of under \$250,000.

Hon. Mr. Choquette: Did you try Information Canada? They are very useful.

Hon. Mr. Carter: No, I did not. Perhaps I should have. In 1971, Statistics Canada listed 177,671 corporations with assets of under \$250,000.

● (1540)

The most helpful information I gathered came from a private concern called the Canadian Federation of Independent Businessmen. Apparently they really looked into this matter. They informed me that according to their definition—I do not know exactly what their definition is—they estimate there are about 500,000 small enterprises in Canada, and if farmers are included the total is 675,000.

Honourable senators, this is important legislation. It is intended to be very useful, but apparently some provinces are making good use of it while others are not. It is important that we try to find out the reasons for that, and ask what can be done to make it more effective. If each of these 500,000 small companies could increase its number of employees by two, that would mean a million new jobs. One of the best ways to deal with unemployment is to encourage the expansion of small businesses.

On the Fisheries Improvement Loans Act, Senator Molgat made it quite clear yesterday that none of the money being spent under it is government money, but is made up of loans by banks and other lending institutions which are guaranteed by the government. This legislation enables the Minister of Finance to guarantee these loans.

If we look at the Fisheries Improvement Loans Act, and the type and scope of the loans made, we see there is one modifying factor. For fishermen there are loans available under the Fisheries Development Act, and these are made directly to fishermen by the government. Some weeks ago royal assent was given to a further amendment of the Fisheries Development Act, which enlarged its scope.

Loans made under the Fisheries Improvement Loans Act are mainly for the purchase of gear, repairs to ships, maintenance, and types of operation that would not be eligible under the Fisheries Development Act.

When we analyze the loans under the Fisheries Improvement Loans Act we see once again the same pattern. Since its inception in 1955, up to the end of February 1974, the number of loans made under the Fisheries Improvement Loans Act totalled 600,151, for a total amount of \$34,017,336. The amount of loans outstanding at the end of December 1973 was \$19,569,436.

I have another table here, which I acquired from the Department of Finance, with respect to loans made under the Fisheries Improvement Loans Act, and if honourable senators would agree I would like it inserted at this point in *Hansard*, to make it easier for analysis by anyone who reads it.

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

Hon. Senators: Agreed.

FISHERIES IMPROVEMENT LOANS ACT

Province	Total for December 1973		Total for Year 1973	
	No. of Loans	Value \$	No. of Loans	Value \$
Ontario.....	0		12	133,450
British Columbia.....	47	694,805	499	7,172,408
Alberta.....	0		0	
Manitoba.....	0		1	4,000
Saskatchewan.....	0		0	
P.E.I.....	11	29,586	208	470,265
Newfoundland.....	2	4,384	87	216,726
Nova Scotia.....	5	23,300	285	1,708,014
Québec.....	0		0	
N.W.T.....	0		0	
Yukon.....	0		0	
New Brunswick.....	1	10,000	3	30,000
Total.....	66	762,075	1,095	9,734,863

Hon. Mr. Carter: When we analyze the loans made under the Fisheries Improvement Loans Act in the calendar year 1973, we find that the total number of loans was 1,095, for a total amount of \$9,734,863. That averages out to about \$9,000 per loan.

If we break this down by provinces for the calendar year we find that 499 loans, that is practically one-half of the total, went to British Columbia, for a total value of \$7,172,408. Another 285 loans went to Nova Scotia, for a total value of \$1,708,014. In other words, these two provinces secured 78 per cent of the loans, and 91 per cent of the total amount. Of the remaining \$854,441 over half of it, or \$470,265, went to Prince Edward Island in 208 loans, and \$133,450 went to Ontario in 12 loans, while New Brunswick had 3 loans for a value of \$30,000. That leaves only 8 per cent for the provinces of Quebec, New Brunswick, Prince Edward Island and Newfoundland.

This again raises the question of this wide disparity in the use of the legislation. For my own province I can name a number of reasons. One important reason is lack of accessibility to banks. Most fishermen live in small isolated communities, and having to travel hundreds of miles to a bank, do not take the trouble. There is also the reluctance of banks to make loans under this legislation because of the low rate of interest. On the other hand, the interest rates are too high and the security conditions are too difficult for the would-be borrowers. It is difficult, however, to understand the great difference between Nova Scotia and the other Maritime provinces.

Honourable senators, this is useful legislation, and I fully support it. We should have a Senate committee look into it to find the reasons for the disparities, and see what can be done to make this legislation more effective.

Hon. John M. Macdonald: Honourable senators, you will be glad to know it is not my intention to speak at any length on this bill. In my opinion, its provisions have been explained very well by the sponsor, and they have been discussed by Senator Bélisle, Senator Sparrow and Senator Carter. Obviously the bill deserves support, and it will receive it.

There is one aspect of the matter which I think should be brought to the attention of the Senate, and which has not been discussed. While listening to the debate, I was struck and disturbed by the point that the economic situation of farmers, fishermen and small businessmen, after all these years, is such that they are still not considered creditworthy by our lending institutions. For example, the Farm Improvement Loans Act was first introduced in 1944, yet thirty years later we find it is still necessary for the government to guarantee the loans.

● (1550)

The Fisheries Improvement Loans Act dates from 1955, and the Small Businesses Loans Act came into effect in 1961. Without any doubt, all these acts have been helpful, but from the fact that these amendments are before us we should draw three conclusions: first, that the government recognizes that the need is still there; secondly, that these farmers, fishermen and small businessmen and women are not creditworthy so far as lending institutions are concerned so that the repayment of their loans must be guaranteed by the government; and thirdly—this is perhaps the most important conclusion—that in a relative way the economic condition of these farmers, fishermen and small business people has not changed. I expect that it must have improved, yet it has not improved enough to enable them to borrow on their own for their legitimate needs.

These acts have been helpful, but they have not been, and will not be, sufficient to solve the economic difficulties of those they are intended to help. I should like to see some new, bold and imaginative policies, the effect of which would be to make our farmers, fishermen and small business people prosperous enough that the lending institutions would be glad to look after their credit needs without a guarantee of repayment from the government or anyone else.

Honourable senators, I know the new, bold and progressive policies which are needed cannot be formulated and enacted in the immediate future. That is why the amendments proposed in this bill must be passed. Personally, I should like to see some further amendments which are helpful. I do not understand why there should be a ceiling on guaranteed loans, or why the limit is \$50,000. I suggest there should be no limit, because apparently few persons borrow to the limit, anyway. I say there is no need for, and no point in, having a ceiling on the loans. If more than \$50,000 is considered necessary, well, lend it. Nor do I see why the lending institutions should come into the picture at all. These loans should be made by a government agency or a crown corporation—something similar to the Central Mortgage and Housing Corporation.

Rightly or wrongly, it has been said that banks are not anxious to make these loans because they can get higher rates of interest elsewhere. If this is so, then let the banks

lend money to those they consider creditworthy, and let a government corporation make the loans to our farmers, our fishermen and our small business people from whom the banks would require a guarantee.

Honourable senators, one other thought occurred to me when I heard the sponsor speak of the very low rate of loss on these loans. It makes one wonder whether the purpose of the act is being fulfilled. Was any risk taken, or were the banks too cautious and too careful, and so rigid in their lending policies that many who should have been granted a loan were denied it?

I would be happier with the wording of these acts if the sponsor could have said yes, there were losses; yes, risks were taken to give hardworking, honest and qualified farmers, fishermen and small businessmen a chance to better their economic condition, but that in some cases it did not work out and losses were incurred. If the purpose of these acts is to be fulfilled, more risks will have to be taken in the future than in the past. I hope that if these acts ever come before us again to be amended, it will not be put forward as an argument in favour of the legislation that the losses were so small.

Honourable senators, I believe these are useful amendments. Therefore, I will support them. At the same time, I hope that new policies will be developed soon so that this type of legislation will no longer be necessary.

Hon. Gildas L. Molgat: Honourable senators—

The Hon. the Speaker: Honourable senators, I wish to inform the Senate that if the Honourable Senator Molgat speaks now his speech will have the effect of closing the debate on second reading of this bill.

Hon. Mr. Molgat: Honourable senators, I want to thank all those who have participated in the debate, because we are debating a bill which amends three important acts. I shall not attempt to reply in detail to all of the comments that have been made, but I think I should touch on some of them.

Perhaps I may be permitted to work backwards, and deal with the most recent comments first. I note that my colleague Senator Macdonald has said that possibly the low rate of loss is an indication that the restrictions have been too great. I suppose the only answer I can give to that is that "you are damned if you do and you are damned if you don't." I suspect that if we came in at this time saying that the rate of loss had been 10 per cent, my honourable friend would be suggesting that we had been bad managers—

Hon. Mr. Macdonald: No, I would not.

Hon. Mr. Molgat: —in the way that we were running our business; that we had been lending money without any kind of control whatever.

It seems to me that the only measure one can put on this particular item is whether or not the farmers, small businessmen and the fishermen have, in fact, made use of these acts. Certainly, in the case of the farmers there has been a great use of the loan provisions under the Farm Improvement Loans Act. When you consider that over the life of this law some \$3 billion has been extended in credit, I think you can say that it has been successful.

[Hon. Mr. Macdonald.]

I would tend to agree with my honourable friend in the case of small businessmen, and possibly fishermen. But there are extenuating circumstances here as well. For example, with respect to the small businessmen, they do by and large have more access to other means, other sources of credit.

In the case of the farmers, we were faced with a difficult problem as a result of the depression, owing in particular to the fact that lending institutions had dried up. They were not prepared to lend money to farmers because they felt that farming was far too risky an enterprise. They felt, I think, in a number of cases that they were dealing with people who were not readily accessible, and who were some miles away from a bank, and consequently it was difficult for the banker to retain control of the situation or to have knowledge of what was happening to his client.

In any case, whatever the reasons, farm credit had completely dried up, and this act provided credit on its own. I am not trying to defend the chartered banks—they are well able to defend themselves without my assistance—but, in fairness, I should point out that if we look at what has happened since the act was passed we see that the experience the banks have had in this type of lending under the guarantee has encouraged them to lend otherwise as well. For example, had we looked at a bank's statement at the end of the depression we would probably have found very few outstanding loans to farmers. Since then, however, the banks have been going to the farmers, without any guarantee from the government, and have been doing a direct loan business with the farmers themselves.

The act has had a double effect. It has provided money for those seeking to benefit from a lower rate of interest than could be expected on the market. It has been of benefit in that regard. Furthermore, because the experience of the chartered banks under the guarantee has turned out to be very satisfactory, they have opened up on their own, and today have a number of plans and programs of direct loans to farmers without the government guarantee.

● (1600)

In the case of small businesses, they have more access to other forms of credit, being close to the banks, and the banks being more attuned to commercial lending than to lending for farming, fishing or any of the resource enterprises. Banks are more adaptable to lending to commercial enterprises. In any case, it is up to the small businessman to come forward and make the demand. In committee we might well inquire whether there has been an adequate information program, whether there has been sufficient advertising, to make sure that the small businessman knows of these facilities.

With respect to the Fisheries Improvement Loans Act we have to recognize that at least one provincial government, that of Newfoundland, has a program of its own of loans to fishermen at a very low rate of interest—I think it is 3 per cent. Obviously, if one of our major fishing provinces has a program of loans at 3 per cent, we cannot expect great demands in that province for loans at 8 per cent, even on a guaranteed basis. So we have to offset that.

In any case, the overall use of the three programs is the best proof that they have been beneficial.

My friend, Senator Macdonald, said that this seems to him to indicate that farmers and small businessmen are not considered trustworthy—

Hon. Mr. Macdonald: Creditworthy.

Hon. Mr. Molgat: I am sorry—creditworthy. I do not think that is the case. The decision to make the loan is up to the bank. The government does not guarantee all of the loan. The guarantee is on a sliding scale. The bank makes the decision, but it is assured, whatever decision it makes, that the guarantee will be there. The big thing is that the borrower is getting the money at a substantially lower rate than he could expect on the open market. He is getting it, really, at just above government yield—1 per cent above—which, by and large, is well below what he could expect in the case of a regular commercial loan from a bank. We have to recognize that there is that second element, the advantage to the borrower of a lower rate of interest.

My friend also said he felt that the government should be lending the money directly, rather than offering a guarantee. Let me point out that there are other plans. We are dealing here with one specific aspect, namely, the guaranteed loans but we should not forget that there is also, in the case of farms, the Farm Credit Corporation. The Farm Credit Corporation is a federal government lending institution, and it lends directly to farmers. I am sorry that I do not have the figures here as to what their loans are, but I know they are very substantial.

Hon. Mr. Langlois: And for small businesses you have the Industrial Development Bank.

Hon. Mr. Molgat: I am coming to that next. The Farm Credit Corporation is there, it operates across Canada, and it has been an effective instrument for direct loans by the federal government to farmers. I might add that in a number of provinces there are provincial loan plans available on a direct basis to farmers.

When you come to small businesses—and I believe this would apply to fishermen as well—you have the Industrial Development Bank. The Industrial Development Bank is an arm of the Bank of Canada. It is a government institution in the direct loan business, dealing mainly with small businessmen. It does not impose the same limits on loans.

Hon. Mr. Macdonald: May I ask a question at this point?

Hon. Mr. Molgat: Certainly.

Hon. Mr. Macdonald: Since those direct government lending agencies are in existence, would it not be very simple for them to make direct loans instead of guaranteeing those made by the banks? Could those agencies not just expand their present activities?

Hon. Mr. Molgat: I suppose this is a possibility, but in this instance, if the government simply guarantees the loans—and I repeat, the experience has been very good—and if the commercial banks are prepared to make the loans, why should we put government funds into that particular field?

Hon. Mr. Macdonald: Why not?

Hon. Mr. Molgat: Because the present program has been working well, and there is a second program. It is not as if

we were blocking someone off. This particular program, under these three acts, is designed specifically for capital items, define them as you will—buying a boat or a farm implement, or repairing a building. It is not to provide working capital; that part is left for someone else.

By means of the Farm Credit Corporation and the Industrial Development Bank we attempt to serve other needs, and in those cases there is, in addition to the loan, a substantial degree of supervision, particularly by the Industrial Development Bank. When you borrow from the Industrial Development Bank you accept certain conditions as to the amount of money you can draw each year from the business, as to how you are going to operate the business—

Hon. Mr. Langlois: Investment, too.

Hon. Mr. Bourget: And how much you put in.

Hon. Mr. Molgat: Yes—and as to how much you put in. It is a much more controlled system. What we are providing here is flexibility. Those individuals who want to borrow under the three acts that we are discussing now have all the flexibility in the world. They are dealing with a banker; they are not dealing with the government. No one is supervising what they are doing. If they want to go to the Farm Credit Corporation or the Industrial Development Bank—particularly the Industrial Development Bank—then they accept a different set of conditions for different purposes. It seems to me that flexibility is to the advantage of the borrower, and that if we were to bulk everything into one program we would not be helping but hindering.

The criterion must be the provision of sufficient sources of capital. It seems to me, taking into account the combination of the regular, open sources of capital through credit unions and commercial banks, that with these three acts that we are discussing now, with government guarantees, and with direct government loans through the Farm Credit Corporation and the Industrial Development Bank, we are providing the maximum of flexibility for the small borrower, and are doing something better for him than tying him into a single system of government control.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Molgat, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Wishart F. Spence, 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 authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, April 30, 1974, at 8 o'clock in the evening.

As usual, I should like to give an outline of the work we have in store for us next week. On Tuesday evening, Senator Everett will table the report on Information Canada of the Standing Senate Committee on National Finance. In addition, we have a heavy schedule of committee meetings.

The Standing Senate Committee on Legal and Constitutional Affairs will meet on Tuesday afternoon and evening, if necessary, as was indicated earlier this afternoon, to consider its report on the parole system in Canada.

The Standing Senate Committee on Agriculture will sit on Tuesday afternoon to give further consideration to Bill S-2, to amend the Animal Contagious Diseases Act, and it is hoped that the bill will be reported some time during the week.

The Standing Senate Committee on Foreign Affairs will meet on Wednesday and Thursday to hear witnesses with

respect to its study of Canadian relations with the United States.

The Standing Senate Committee on Banking, Trade and Commerce will continue its examination of the competition legislation on Wednesday of next week. Bill C-6, to amend the National Parks Act, which was before that committee this morning, will receive further consideration next week. In addition, Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, has been referred to that committee.

In accordance with the suggestion contained in the report of the Standing Senate Committee on Transport and Communications on Bill C-5, which was presented yesterday by Senator Bourget, the deputy chairman of that committee, a motion will be made next week to authorize that committee to examine the question of the revision of the form of the Canadian National Railways Financing and Guarantee Acts. It is also expected that two or three bills will be coming to us from the other place next week.

I delayed making the motion for adjournment until now, as I was waiting until I had all of the pertinent information in regard to what is likely to come to us next week in the way of emergency legislation. Even though it is not yet definite, there is a possibility of some emergency legislation coming to us early next week. There is a possibility, therefore, that the Senate will be recalled before Tuesday evening.

Hon. Mr. Flynn: We should know as soon as possible if that is to be the case, because of the problem of transportation.

Hon. Mr. Langlois: Yes. I think transportation will be provided, if this occurs.

Hon. Mr. Forsey: Honourable senators, perhaps I should add that the Joint Committee on Regulations and other Statutory Instruments will be meeting, we expect, on Tuesday morning. I think the notice has already gone out.

Motion agreed to.

The Senate adjourned until Tuesday, April 30, 1974, at 8 p.m.

THE SENATE

Tuesday, April 30, 1974

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

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Agreed Minutes signed jointly by the Minister of Economy of Iran and the Minister of Industry, Trade and Commerce, on the occasion of the Canadian Trade Mission to Iran, April 18 to 23, 1974.

Report of agreements made under the *Agricultural Products Co-operative Marketing Act* for the fiscal year ended March 31, 1974, pursuant to section 7 of the said Act, Chapter A-6, R.S.C., 1970.

Report of the National Energy Board for the year ended December 31, 1973, pursuant to section 91 of the *National Energy Board Act*, Chapter N-6, R.S.C., 1970.

Copies of Order in Council P.C. 1974-963, dated April 25, 1974, relating to the establishment, pursuant to Part I of the *Inquiries Act*, Chapter I-13, R.S.C., 1970, of an Advisory Commission on Parliamentary Accommodation (*Honourable Douglas C. Abbott, P.C., Chairman*).

Copies of a document entitled "Economic Review", issued by the Department of Finance under date of April 1974.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

THIRD REPORT OF STANDING JOINT COMMITTEE PRESENTED AND ADOPTED

Hon. Eugene A. 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:

Your committee, in considering its permanent reference relating to the review and scrutiny of statutory instruments, has noted that a large number of statutory instruments requiring considerable research have been issued since the coming into force of the Statutory Instruments Act.

Your committee therefore recommends that it be authorized to retain the services of such additional legal research and clerical personnel, including the attachment and secondment of persons or services, as the committee may require to carry out its terms of reference and at such rates and under such conditions as specified by the joint chairmen.

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

Hon. Mr. Forsey: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(f) and rule 78(2) I move that the report be taken into consideration now.

Perhaps this would be an appropriate moment for me to explain why I am asking for leave. Honourable senators, I will be very brief, fortunately for everybody.

The question may be asked, why the urgency? The answer is, because we must get immediately, if we are to get them at all, the six students-at-law mentioned in our second report.

Our research officers have been in touch with the dean of law at the University of Ottawa and the Department of Public Law at Carleton University, and I understand, also, the dean of law at the University of Montreal, and they have some excellent students lined up; but as I need hardly tell honourable senators who are lawyers, these students cannot wait much longer to know whether in fact they will be taken on by this committee. Indeed, the delays have already cost us two people we had hoped to have.

Someone may say, "You gave us to understand that this had already been arranged, and that it would be looked after by the Speaker of the other place." I did. That was what I had been given to understand. Unfortunately, the understanding turned out to be misunderstanding. It took some time to discover this. As soon as it became clear, I took the responsibility, even in the absence of the co-chairman, of calling a meeting of the committee for this morning. The co-chairman, on his return yesterday, fully concurred in what I had done. Once it had become clear that it was impossible to make satisfactory arrangements for these students on the House of Commons side, I took steps to see whether it could be done by the Senate. The officials and the chairman of the Standing Committee on Internal Economy, Budgets and Administration were kind enough to assure me that they thought it was possible. The result is the report which I have just presented. Its terms may seem rather broad. What they will amount to in practice is as follows:

First, regularization of the position of the two research officers seconded to us by the research branch of the Library of Parliament. Some of the officials had some doubts about this, which it seemed desirable to remove.

Second, formal provision for the hiring of six students-at-law for this summer. There is a huge backlog of orders and regulations dating from the beginning of 1972 to be gone through, and the help of these senior, highly qualified students-at-law is essential if the committee is to get down to solid, effective work in the shortest possible time.

This will, of course, involve some expenditure, and we are asking the Senate to provide the money—a total of some \$20,000.

The students would be hired on the same basis as those of similar qualifications who are hired by the Department of Justice, namely, \$4.70 an hour for a 37½-hour work week for the period of the summer. Our research officers have worked out a budget which is ready for submission to the Senate Committee on Internal Economy. If any honourable senator feels that this is asking too much financially from the Senate, I might add that the House of Commons has undertaken to pay the cost of the printing of the committee's proceedings and evidence which, I am informed, at some \$40 a page, will run to a much larger sum than the committee is asking of the Senate.

Third, the proposed budget provides a sum of at most \$5,456 for the proposed trip to Westminster for one senator and one member of the House of Commons and the two research officers for a period of three days, which with the time necessary to get back and forth will total probably five days away from Ottawa. The bulk of this amount is, of course, for air fares, and I think that we may reasonably hope that the four people could, in fact, travel in Department of National Defence airplanes which would reduce the expenditure for the trip to something like \$1,600 at the outside. The grand total sum involved would be a maximum of about \$25,700.

In view of the pressing, urgent need for getting the students immediately, I very much hope, honourable senators, that you will be kind enough to give leave to deal with this report immediately.

Motion agreed to and report adopted.

The Hon. the Speaker left the Chair.

Hon. Jean-Paul Deschatelets, P.C., in the Chair.

NATIONAL FINANCE

INFORMATION CANADA—REPORT OF COMMITTEE TABLED

Hon. Douglas D. Everett: Honourable senators, I have the honour to table the report of the Standing Senate Committee on National Finance on Information Canada. I also ask leave to make a statement with respect to this report at this time.

The Hon. the Acting Speaker (Hon. Mr. Deschatelets): Is it agreed, honourable senators?

Hon. Senators: Agreed.

Hon. Mr. Everett: Honourable senators, in a moment or two the report of the Standing Senate Committee on National Finance on Information Canada will be before you, and I suppose it could be asked why the committee at the outset chose to examine Information Canada. To understand that you would have to understand first of all the method that has been decided upon by the Standing Senate Committee on National Finance in its review of the annual estimates. It is true that we do make a review of the estimates and of the supplementary estimates, but we are talking about expenditures that now are in excess of \$20 billion a year. So we found that while we could make a review, it is extremely difficult to talk about reduction in expenditures in meaningful terms when dealing with that size of total expenditure. Therefore, we have come to the conclusion that while we are required by our Constitution to do just that, in fact we can make a greater contribution

[Hon. Mr. Forsey.]

to the examination of the estimates if we review individual departments, programs or agencies on a detailed basis.

When we came to this conclusion we decided that we would start with Information Canada. We chose Information Canada because it is important to the citizens of Canada that they get full and complete information on the programs and policies of their government. People are entitled to know what government is doing. We found also that this business of information is big business. Our estimates indicate that upwards of \$200 million a year is being spent by the various departments of government on information, whether it is called public affairs or public relations programs. These expenditures are being handled by the individual departments of government and with little supervision or control.

● (2010)

The other reason for selecting Information Canada is that it is the subject of incredible controversy and we thought that possibly we could inject some sanity into the discussion.

What are the origins of Information Canada? In 1969 the Task Force on Information reported as follows:

A central resource and services organization, to be known as Information Canada, be established in an existing ministry. This organization would facilitate and co-ordinate the technical and operational aspects of information activities in Canada and abroad; and would be responsible for certain activities that are currently not being carried out, or are receiving inadequate attention within departments.

The Prime Minister followed this report with a statement on February 10, 1970, in which he accepted the bulk of the recommendations of the Task Force on Information and said:

Information Canada will promote co-operation among federal information offices now operating in mutual isolation. The object will be to increase effectiveness as well as to save money by reducing duplication in the use of staff and equipment and by better joint use of the government's information resources.

As a result of these recommendations and the Prime Minister's speech, Information Canada was formed on April 1, 1970. Its main functions are outlined in our report. Information Canada was to initiate information programs on broad subjects, such as federalism, which affect the nation as a whole and go beyond the responsibilities of departmental information divisions; to promote co-operation among department and agency information offices and major information programs and consequently increase effectiveness and efficiency; to advise and service, on request, departments and agencies; and to help Canadians get across their viewpoints to Parliament and government.

The specific responsibilities outlined for Information Canada were the design and provision of government exhibits and displays, provision of publishing services for departments, retail distribution of government publications, Queen's Printer bookstores and the supervision of crown copyright.

In its present operations there are four branches and, contrary to opinion, Information Canada really does much

more than is generally thought although, again contrary to opinion, its budget last year was in the neighbourhood of \$10 million, of which \$4 million was recovered from the sale of books.

The first of the four branches is the Communications Services Branch, which provides assistance on request to other departments, co-ordinates information programs involving two or more departments and initiates original programs of a broad general nature, an example of which is the handbook which senators recently received on the organization of the Government of Canada.

The second branch of Information Canada is the Publishing Branch, which is responsible for marketing and distributing government publications. It is not in the business of the make-up or printing of those publications, which remains in the hands of the Queen's Printer, but it does distribute government publications through six Information Canada bookstores and 125 authorized agents who are given a special discount on those books to display them in their bookstores. Publications are also sold by booksellers in the ordinary course of their business, and through a mail order system.

The third branch is the Expositions Branch which in 1972 and 1973 created 153 exhibits for use by federal government departments in Canada and abroad, a photo-teque service which provides 300,000 still photographs of Canadian history, and a fotomedia service which provides those still photographs in story form to the various media. Incidentally, I might say that we heartily endorsed the activities of the Expositions Branch.

The final branch of Information Canada is the Regional Operations Branch, which provides assistance to the various departmental information services in getting their programs to the regions and advises those departments on how they can improve the regional content of those programs. The Regional Operations Branch operates six enquiry centres across Canada which are presently in the Information Canada book stores.

These centres answer inquiries from citizens on federal government programs and policies. At present they are able only to answer those inquiries which come from localities immediately adjacent to the location of the enquiry centre itself.

The regional offices also operate a program known as the mobile information officer program. This program, which is a test program at this stage, operating only in the provinces of Manitoba and Nova Scotia, places workers in the field to extend the inquiry function of Information Canada to the regions. These workers also advise the regional offices in the area of information needs. They bring information on government programs and policies into those areas and create additional outlets by the use of community resource institutions, such as libraries, for government information.

That is a description of the present activities of Information Canada. In this study we really wanted to find out what is wrong with our information services.

First, our information system is largely operated by individual departments, and is largely uncontrolled and unco-ordinated. Some departments, such as Agriculture, are doing a magnificent job; some departments are doing

too much; some are doing very little, and some are doing nothing at all.

All these departments are spending as high as \$200 million a year, and except for four departments the costs are not clearly shown in the government's annual estimates which come before Parliament. Information Canada was established to do something about this, but on examination we found that it had no clear powers or responsibilities. No act of Parliament defines the role of Information Canada; in fact, it suffers from almost a complete lack of authority.

The operative words are that it services other departments on request. Because its powers and responsibilities are not clearly defined, it has tried to justify its existence and has got itself into areas that are not really meaningful in terms of either effectiveness or dollar cost.

The basic recommendations of our report are as follows: that there should be no central information agency in Canada. The departments and agencies of the government should continue to operate their own information services, but the Secretary of State should be given the responsibility of regulating and co-ordinating those departmental information services. Information Canada should be the agency through which the Secretary of State operates this regulation and co-ordination, and the powers of Information Canada should be defined in detail by an Act of Parliament.

● (2020)

To give Information Canada an additional crunch, it should act as the agent of the Treasury Board, and should cause to be published an agreed upon definition of information services, which the various departments would use so that they could state in their departmental estimates clearly every year the total amount of money they are spending on information. Information Canada would then advise the Treasury Board on how those budgets are being spent, and whether or not Information Canada believed that Treasury Board should approve those budgets.

The overall objective of Information Canada should be to produce a comprehensive information system on government programs and policies at the lowest possible cost.

In the report we set out certain guiding principles on which we believe Information Canada should operate. First of all we say that Information Canada should regulate and co-ordinate the expenditures of the information services of the various departments, but Information Canada itself should initiate as few information programs as possible. It should ensure that the most effective information techniques are being used by the various departments, and that information services are cost effective. It should see that information is made readily available by the departments on government policies and programs; however, it is not the responsibility of government information services to cram information down people's throats. We also say that information should not be tailored to individual or special needs unless it makes eminent good sense—and in most cases we find that it does not.

We go on in the report to certain specific recommendations. We deal first of all with the mobile information officer program. This program, which sends people out

into the regions to carry the message of government policies to the more remote regions, is a classic case of one-on-one dissemination of information—probably the most expensive way to operate an information program. In fact, what we found on examination was that it has developed into a social welfare program, with officers actually helping the people to solve their social problems rather than giving them information. We were told that the officers going out into the region were evaluating the regional effectiveness of government information programs. We doubted very much that that was effective, considering the small sample that each officer was getting, and considering the problems with personal bias. They told us that it would be self-liquidating, that they would send officers into a certain region, that they would do their job, then they would leave certain agencies to carry on the work. The committee doubted very much that that would happen. As a matter of fact, the committee thought, after examining the evidence, that such a program would grow and grow.

We were told that the cost for the Prairie provinces and the Maritimes would involve 51 people and an expenditure of \$750,000 a year. We think it is a lot higher than that, and we think that if you add on Ontario, Quebec and British Columbia, it is a pretty substantial amount of money for a job that may be effective in welfare terms, but which we judge to be very ineffective in terms of information, which is what Information Canada is there for. We therefore recommend strongly in our report that the mobile information officer program be discontinued forthwith.

Hon. Mr. Choquette: You do not recommend that it be abolished, as being unnecessary? You did not reach that conclusion?

Hon. Mr. Everett: Yes, we did.

Hon. Mr. Choquette: You did?

Hon. Mr. Everett: Would you like me to read the quotation?

Hon. Mr. Choquette: No. You would recommend the abolition of this joke, would you not—or would you?

Hon. Mr. Everett: Perhaps I should read recommendation 6 of the committee:

The Mobile Information Officer program appears to the committee to have developed into a social welfare service. As an information service it is extremely expensive on a per capita basis and as an information evaluation service it leaves a great deal to be desired. As it has a potential for excessive growth it should be discontinued.

Hon. Mr. Martin: On what page is that?

Hon. Mr. Everett: That is in the recommendations section. It is number 6 on page x.

Honourable senators, we moved then to the consideration of the enquiry centres. We were quite taken with the concept of the enquiry centres. We thought that this was probably a good way of getting information on government programs and policies to the people, and so we recommend that the enquiry service be extended so that there will be one centre in each province, with an extra one in Ottawa.

[Hon. Mr. Everett.]

In 1972 and 1973 the enquiry centres, of which there were six, received and dealt with 196,000 inquiries. Of that number, 153,000 were received by telephone. In the report are statistics relating to the number of inquiries, and how they were made in various cities. When we made tests of the centres, we found that they were very effective in giving information that the average citizen would want. So we recommend that the inquiry system be extended, and be backed up by nationwide Zenith and INWATS telephone systems. By this means any citizen in Canada could telephone the enquiry centre in his particular province, at no cost to him.

In the appendices to the report, we give our estimate of the cost of this system, including personnel, as \$634,000. That is less than the \$750,000 it is estimated it would cost to run the mobile information officer program—and in not all the provinces but just the Maritime and the Prairie provinces.

It is our view that this would be an extremely effective way to provide information, so long as the enquiry centres are staffed by trained personnel backed up by proper information sources.

We also recommend that the telephone number of the appropriate enquiry centre be advertised in the front of every telephone book and in all post offices, and we invite the media to publicize the telephone number of the local enquiry centre.

Honourable senators, we moved on then to a consideration of the regional offices. We said that in their case, if we cut out this expensive mobile information officer program, then their job is to handle those enquiry centres and make them efficient. Beyond that they have only one job, and that is to evaluate the regional effectiveness of government information programming.

We then considered the private agencies. We came to the conclusion that, wherever possible, Information Canada should see that government departmental information services retain private agencies, especially where the alternative is a permanent staff establishment. We say, however, that if private agencies are retained by any government department they should be chosen strictly on a merit basis by Information Canada.

After studying the publishing activities of Information Canada, we concluded that the six bookstores presently existing should continue, although the cost of leasing those bookstores is high. We suggest that the value of the bookstores should be looked at very carefully when the leases expire.

● (2030)

We endorse the idea of Information Canada distributing government publications through authorized agents and booksellers, but we suggest that they monitor these agents to make sure they are doing a good job. We also suggest that they ensure that the mail order system which they operate is highly efficient.

We endorse the concept of a revolving fund so that the sale of government publications is on a cost-recovery basis. We believe that if it is on a cost-recovery basis that Information Canada ought to publicize government publications—and by that we do not mean the promotion of individual government publications.

The committee was also concerned about the number of government publications that are sent to senators, members of the House of Commons, members of the press and people all over Canada, many of which, so far as we can tell, nobody wants. We suggest that Information Canada take steps to regulate the flow of this free information.

In the radio and television field, which the experts describe as "audio-visual," we found that in government departments there was a tendency to communicate by the printed word and that audio-visual techniques are quite often more effective than the printed word. So we suggest that Information Canada become a repository of information on radio and television and also a repository of equipment, and that they lease this equipment to the various government departments for use in their information activities. We think that this probably would be less expensive than the present system, under which departments go out themselves and purchase audio-visual equipment for their own requirements but do not share it with other departments.

Honourable senators, that is a brief summary of the report. In concluding, I should like to thank the deputy chairman, Senator Sparrow, the members of the steering committee, Senators Grosart, Manning, Carter and Yuzyk, the members of the committee, who worked so hard on this report, and the staff headed by Mr. J. H. M. Cocks, who was director of research and administration, and the Library of Parliament for providing the services of Dr. George Kerr.

The question which is always directed towards you in these reports is: "Will the government act on the report?" I think the answer is that if a report is sound and logical, yes, the government will act upon it.

The last report of the Standing Senate Committee on National Finance was entitled *Growth, Employment and Price Stability*. I was checking the other day to see what had happened as a result of that report. Not all of the recommendations have been accepted, but the bulk of the major recommendations have been accepted by the Government of Canada and by the central bank. I believe they were accepted because that report was a sound report based on logic.

I suggest that when you read this report on Information Canada you will come to the conclusion that it fills these criteria, and if it does fill these criteria I think we will find that in time it will be implemented by the government.

Honourable senators, I move, seconded by Honourable Senator Sparrow, that this report be placed on the Orders of the Day for consideration at the next sitting of the Senate.

The Hon. the Acting Speaker (Hon. Mr. Deschatelets): Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Grosart: Honourable senators—

The Hon. the Acting Speaker (Hon. Mr. Deschatelets): I understand Honourable Senator Grosart would like to say a few words. It is customary when leave has been granted that an honourable senator wishing to say a few words may do so. Is it agreed, honourable senators?

Hon. Senators: Agreed.

Hon. Mr. Grosart: Honourable senators, I took it that the request for leave referred to our rule 78 (2), which states that a report presented to the Senate shall be accepted without debate. Debate now having been initiated, I am at a loss to know how to proceed, because the debate has been initiated and yet full debate did not take place. Now we have a motion which is difficult to justify under our rules, that the report be taken into consideration at the next sitting. I think perhaps I should defer to the second motion and withhold my remarks until the next sitting.

Motion agreed to.

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Leopold 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, 1st May, 1974, and that rule 76(4) be suspended in relation thereto.

He said: Honourable senators, a word of explanation might be in order at this stage. The chairman of the committee could explain the situation better than I, but I am informed that the minister is available to appear before the committee between 3 and 3:30 tomorrow afternoon. Actually, it is expected that tomorrow's sitting in the chamber will be short and by that time we will have adjourned, but no arrangement for the committee can be made until this motion is adopted.

Motion agreed to.

THE SENATE

REMARKS ATTRIBUTED TO CLERK OF THE PRIVY COUNCIL—QUESTION

Hon. Mr. Riley: Honourable senators, I should like to ask a question of the Leader of the Government. Is it the intention of the government to censure, and, if necessary, discipline, for certain remarks he is alleged to have made in a foreign country, a senior civil servant, one of the top civil servants in this country? If the report in the *Vancouver Sun* of April 27 is accurate, and the Clerk of the Privy Council did make the remarks attributed to him, then it was a most serious attack on the Senate. And if he is right, I do not want to remain a member of the Senate.

● (2040)

This senior civil servant, speaking in a foreign country, is reported as having said that the Senate is a cracked mirror. He is Mr. R. G. Robertson, the Clerk of the Privy Council.

The newspaper item reads:

Explaining the Canadian federal system, Robertson listed the "weakness" of the Senate as a characteristic.

"It has been said that the Senate was to be the mirror of the federal bargain. If that's the case, then the mirror is cracked—and has been for a long time."

If this federal civil servant in fact made a statement like that in a foreign country about one of our Houses of Parliament, then I would ask the federal government, through the Leader of the Government in the Senate, if it is its intention to censure and discipline him.

Hon. Mr. Flynn: You can count on the Leader of the Government to do that.

Hon. Mr. Riley: Who is he to speak against one of the Houses of Parliament in that way?

Hon. Mr. Flynn: You may be sure the Leader of the Government will do that right away. I am quite sure of that. Is there any answer?

The Hon. the Acting Speaker (Hon. Mr. Deschatelets): Is there any reply?

Hon. Mr. Flynn: Are you going to reply to the question put by Senator Riley?

Hon. Mr. Martin: Senator Laing was good enough to raise this with me today. He called my attention to a report that had appeared in the *Vancouver Sun* of last Saturday, April 27. The report also mentions the deputy attorney general of the province of Saskatchewan.

Hon. Mr. Riley: We are used to that kind of talk from the deputy attorney general of Saskatchewan.

Hon. Mr. Martin: Senator McElman, at the opening of tonight's session, also directed my attention to this matter, as did Senator Forsey.

I have asked for a text of the statement. I want to see the text of the statement before I make any comment.

Hon. Mr. Choquette: Very diplomatic.

Hon. Mr. Forsey: Perhaps I might be permitted to say something at this point. When I heard of this report this afternoon I called Mr. Robertson on the telephone. He is not only a very senior and, of course, a very respected public servant, but he also happens to be an old friend of mine. I was anxious to see what he actually had said, because I have had a certain amount of experience, as we all have, with newspaper reports, which, shall I say, are sometimes not accurate, or are taken out of context.

Mr. Robertson was kind enough to send me a copy of his text, which I think places the thing in a somewhat different light—

Hon. Mr. Choquette: I thought so. I thought so. You always come to the rescue of the Liberal Party. You have paid your debt, you know. You have no business saying that.

Some Hon. Senators: Order, order.

Hon. Mr. Choquette: Do not talk while I am speaking please.

The Hon. the Acting Speaker (Hon. Mr. Deschatelets): The question is directed to the Leader of the Government, who indicated that he is going to look into this matter. When the Honourable Senator Forsey rose, I thought his purpose was to ask a question. I am in the hands of honourable senators at this point. If you wish to let the Honourable Senator Forsey pursue his remarks, well and good, but up to now he is out of order.

Hon. Mr. Choquette: He is out of order.

[Hon. Mr. Riley.]

Hon. Mr. McElman: Honourable senators, on a question of privilege—

The Hon. the Acting Speaker (Hon. Mr. Deschatelets): The Honourable Senator McElman has risen on a question of privilege.

Hon. Mr. McElman: I would raise it as a matter of privilege that it is reported in the *Vancouver Sun* of April 27 last that Mr. R. G. Robertson, Clerk of the Privy Council, made a statement as follows:

It has been said that the Senate was to be the mirror of the federal bargain. If that's the case, then the mirror is cracked—and has been for a long time.

On the question of privilege, I would say to the Leader of the Government, or any other member of this house, that if he has information that would clear up this question, I would like to hear it.

Hon. Mr. Martin: Certainly. Let him go ahead.

Hon. Mr. Forsey: I have some information that might help to clear it up, but if there is any objection, I shall not speak.

Hon. Mr. Flynn: I think Senator Forsey should realize that he has no authority to give that kind of reply, even if he was fortunate enough to talk to Mr. Robertson. The reply has to come from the government, otherwise it would be hearsay.

Hon. Mr. Choquette: Of course.

Hon. Mr. Martin: Honourable senators, Senator McElman has raised a question of privilege, and Senator Forsey has risen to speak on that question of privilege. There certainly can be no doubt, if he has information at this time that will enlighten us on this matter, that he is entitled to speak on this question of privilege.

Hon. Mr. Flynn: I certainly will not agree that Senator Forsey may tell us that Mr. Robertson told him that he said something. That is not the way to deal with a question like this.

Hon. Mr. Riley: If I may ask a supplementary question, I will direct it to Senator Forsey—

The Hon. the Acting Speaker (Hon. Mr. Deschatelets): No, I am sorry.

Hon. Mr. Riley: Then, I will direct it to the Leader of the Government.

Senator Martin said that he has asked for a copy of the speech. I am going to ask him, and any other honourable senator, how many times he has departed from a prepared speech, and made remarks outside it. I am not referring to remarks such as this, but remarks which were not contained in a prepared, typewritten speech. If the *Vancouver Sun* reported this correctly, then I would like to know if the Leader of the Government in the Senate intends to ask this senior civil servant—this mandarin—if he departed in fact from the text of his speech when he made these remarks.

Hon. Mr. Flynn: On this question of privilege, perhaps the Leader of the Government would consider calling Mr. Robertson before the committee of privileges of the Senate—

Hon. Mr. Croll: Oh, no.

Hon. Mr. Flynn:—and having him state whether he said this or not. I think that would be much better than hearing from Senator Forsey what Mr. Robertson told him.

Hon. Mr. Martin: I know that Senator Flynn has only one objective in making that suggestion, and that is to help resolve the matter in the most satisfactory way.

Hon. Mr. Flynn: Quite obviously.

Hon. Mr. Martin: But we are now talking about—

Hon. Mr. Flynn: That would not be your case.

Hon. Mr. Martin: We are now talking about the Clerk of the Privy Council, whom I regard as one of our most eminent and responsible public servants. When I saw this statement I was certainly greatly surprised, and that is why I asked to see the text. When I have seen the text I will express my judgment. In the meantime, I think it would be well for us to examine not only the text of what Mr. Robertson said, but of what Mr. Ken Lysyk said.

Senator Riley asked me if I have ever steered away from my text. He knows, of course, that I never would do that.

Hon. Senators: Oh, oh.

Hon. Mr. Riley: On another supplementary question, Mr. Speaker. I would ask—

Hon. Mr. Grosart: On a point of order, Mr. Speaker. We do have rules in the Senate, and our rules are very clear that there can be no debate on a mere "question".

Secondly, we also have a rule that a matter that has been before the Senate cannot be brought before the Senate again under another section of our rules. Therefore, I suggest, the question having been asked properly of the Leader of the Government under rule 20, that this disposes of the matter at this time. It cannot become then a question of privilege, because the matter is already before the Senate under one of our rules.

Honourable senators, I suggest, therefore, that the proper course to take now is to leave the matter exactly where it is, and to observe our rules. At this point there can be no debate. This means no supplementary speeches; no debate of any kind on a "question". Those are our rules, and it is up to us to decide whether we are going to keep them or not.

● (2050)

Hon. Mr. Riley: I asked the question, so surely I am entitled to a supplementary question, which is this: Is it the intention of the Leader of the Government to obtain not only the text of the speech or the statements made by the Clerk of the Privy Council at this meeting in a foreign country, but also a verbatim transcript of what he said?

Hon. Mr. Martin: Yes.

Hon. Mr. Robichaud: Honourable senators, on this point, and since this is the first that I have risen to speak on any matter other than to move the Address in reply to the Speech from the Throne, I hope I will be given a certain licence to say what I think at the moment.

A question was asked by Senator Riley of the Leader of the Government, and Senator Forsey was kind enough to come to the rescue or defence of a very senior civil servant who happens to be Mr. Gordon Robertson. Senator Forsey was not given a chance to say anything, and I should like

to hear what he has to say in defence or otherwise of that senior civil servant who made a statement in Washington.

Hon. Mr. Choquette: It is gossip.

Hon. Mr. Robichaud: Can we not hear Senator Forsey?

Hon. Mr. Choquette: It is just gossip and we are objecting to hearing it.

The Hon. the Acting Speaker (Hon. Mr. Deschatelets): Honourable senators, we are on the Question Period, and under our rules a question may be directed to the Leader of the Government, who is not obliged to answer. However, an answer was given to the effect that the matter would be looked into. As I understand the situation, had Senator Forsey wanted additional information he would have been quite in order in asking a supplementary question of the leader. But I would remind Senator Robichaud that this was not the case. Senator Forsey wanted to place on record certain information he had been given.

I would ask honourable senators to cooperate and let this matter stand until the Leader of the Government answers the questions that have been asked.

Hon. Mr. Riley: For the time being.

The Hon. the Acting Speaker left the Chair.

Hon. Maurice Bourget, P.C., in the Chair.

FRANCOPHONE AFRICA

CANADIAN AID—FRANCOPHONE QUESTION—DEBATE ADJOURNED

Hon. Jean-Paul Deschatelets rose pursuant to notice:

That he will call the attention of the Senate to Canadian aid to francophone countries in Africa and to "francophonie".

● (2100)

[*Translation*]

He said: Honourable senators, I had the honour last December of representing the Canadian government at the official opening of the École Polytechnique of Thiès, in Senegal, and at the openings of two other graduate schools in Cameroon, the result of a Canadian contribution through the Canadian International Development Agency. I also represented the Canadian government in Kenya on the occasion of the tenth anniversary of that country's independence.

Therefore, I think this is a good occasion for us to consider together this new chapter, this new perspective of Canadian external assistance to French-speaking African nations, as well as the now important role played by Canada in this new community of nations called the "francophonie".

I believe President Senghor of Senegal was the first to promote the concept, in the years 1966-67, of a community of French-speaking countries, which would include not only nations in Africa, Europe, America, the Orient, but also those in the West Indies, such as Haiti, for instance. Oddly enough, the organization of such a community met with some hesitation on the part of the French government, but it was eventually created, and last December the fifth biennial of this organization was held at Dakar. On that occasion, I met the Canadian delegation. By the way,

I must say that the Canadian delegation was noteworthy not only for the quality of its representatives but also for their number, because it was the largest of all delegations, including the French one. There were not only delegates from the Canadian government, but also representatives from Quebec and several other Canadian provinces.

At the beginning, when speaking about "francophonie," we were referring to a small French-speaking commonwealth—quite wrongly—because the union of French-speaking countries is based on the French language and culture, while the Commonwealth is a community including English-speaking countries implying an allegiance to political structures based on British traditions and some links or economic preference among the various member countries. The "francophonie" goes beyond continental barriers, differences of religion, race and political system.

Canada has eagerly agreed to extend its international influence in French-speaking countries—and friendship ties binding today the French-speaking countries of Africa and Canada have never been more lively, as you will note if you have the opportunity to visit some of those countries; but this does not prevent Canada from continuing to assume its international responsibilities towards other English-speaking African countries.

One word only can begin to express the impression of a Canadian in Africa—fascination, for rather strange analogies explain the warmth of the brotherly co-operation between Canada and Africa. Some African countries spent over 200 years under a French regime and others, more than 150 years under a British regime of guardianship. It therefore seems quite normal for a country like Canada, bilingual and bicultural, which grew in the crucible to two of the greatest cultures, English and French, to be an ideal partner in the launching of the African continent's economic and cultural development. That Canadian mosaic of which we love to speak is found again in African countries for, in countries such as Senegal, Cameroon and Kenya, the linguistic and cultural differences are as great between African brothers as they are between the citizens of Quebec and those of the other provinces of Canada, which adds, in their lands as in ours, to the wealth from which we all benefit.

If, on the one hand, the Commonwealth allowed fruitful exchanges between English-speaking African countries—I am thinking here of Kenya and Nigeria—in the last few years Canada has extended to the fullest both its assistance and its co-operation to the francophone countries of Africa. Those efforts have been so efficient, so spectacular that an African magazine *Jeune Afrique* published in June 1971 an article entitled: "Canada, New African Power."

It is in Ghana, I think, that was opened in 1957 the first resident diplomatic mission on the African continent. After the independence of many African countries since 1960, we can say that Canada is now very well represented or accredited in most of the black continent.

It was in 1968, with the Lionel Chevrier mission, that major co-operation projects were put into operation in francophone Africa. They dealt with education, economic development and health. May I point out here, at the risk of offending his well-known humility, that the former

[Hon. Mr. Deschatelets.]

Secretary of State for External Affairs in Canada in those years, now the government leader in the Senate, the Honourable Paul Martin, is one of those who have really created the determining Canadian influence in the francophone countries of Africa. Canada has unquestionably proved as very few countries can do that it was capable of contemplating, of conceiving for francophone Africa an original policy without any hidden motive and free from political pressure. Such unselfishness in mutual help was sensed as such by the francophone African countries with which I came into contact. Furthermore, this is why the African continent gives a place of choice to Canada.

● (2110)

I had the pleasure of talking with President Senghor of Senegal and President Adhijo of Cameroon. They never ceased telling me how happy they were about our unselfish external aid to developing countries.

That is why I have been rather apprehensive since I heard about my honourable colleague and friend Senator Argue's resolution concerning the Turks and Caicos Islands. The Secretary of State for External Affairs, according to newspapers reports I read recently, informed the British government that for the time being, at least, there was no question of following up this matter.

I am so convinced of the importance of the image that Canada has succeeded in projecting in developing countries, the image of a disinterested Canada, free of any colonialist spirit, that I would apprehend problems that would certainly arise for us if we were to embark in this new venture put forward in Senator Argue's resolution.

I make this comment is passing. I do not want to take position, to prejudge my attitude, especially before hearing Senator Argue, but I hope that in his remarks he will touch on this point which seems to me extremely important.

Hon. Mr. Martin: Would the honourable senator explain? Is he referring to Senator Argue's resolution?

Hon. Mr. Deschatelets: Senator Argue's resolution is on the agenda and this is why I would like him to give his opinion on the matter. We have not heard him yet, but when he speaks on the resolution he should comment on this problem which, in my opinion, is of prime importance, namely, the image we have succeeded in establishing in the developing countries, which is an image without colonialism. My fears would be that if we passed this resolution we could lose this image which says that Canadian aid has always been considered as absolutely disinterested. This is what I wanted to point out.

For about ten years, the amount of bilateral aid granted by Canada to francophone countries in Africa has risen from \$4 million during the 1964-65 fiscal year to approximately \$80 million during the 1973-74 fiscal year. The budget for CIDA—the Canadian International Development Agency—for the current year amounts to roughly \$565 million, an increase of 15 per cent over the previous year. Furthermore, the Canadian input in francophone countries represents about one fifth of the bilateral aid, about \$80 million. It should also be added that, along with the help from CIDA, many international organizations such as UNESCO, FAO and many others participate in this international mutual aid to francophone countries.

I should like to say a few words about the Polytechnical School of Thiès in Senegal which I had the pleasure to inaugurate on behalf of the Canadian government. It is a major Canadian project that cost \$8.5 million and where courses are now given by teachers from Montreal's Polytechnical School who are living there. We hope that within five or six years their Senegalese counterparts who are now studying in Canada under scholarships will be able to take over this engineering institution, one of the most important in Africa.

I also wish to mention something rather special in that Canadian engineers and architects drew the plans for this major project, but the works were done by Senegalese under the supervision of our architects and engineers, mostly with materials from Canada.

Diplomas awarded by Thiès University will be recognized by Canadian universities. Within a few years, hundreds of Senegalese engineers will have been trained and then they will be able to identify development priorities in their own country. I feel it is in the long term one of the most efficient contributions of Canada in Africa.

It is easy to understand how important the contribution of Senegalese engineers can be, for instance, in the north of Senegal which is part of the Sahel area now at grips with a terrible drought. And so, within a few years, these engineers will be able to find a solution to that country's drought problem.

In Cameroon, I took part in the opening of two educational institutions. The first one was the College of Bonabéri, a Canadian contribution which required an investment of almost \$8 million. This is another major contribution. This educational institution will receive almost 2,000 Cameroon students who will get not a classical but a technical education which within a few years will allow thousands of young people to get in the labour force and meet the need for qualified technicians.

I also took part in the official opening in Douala of an important extension to a technical school operated by Canadian missionaries, our Brothers of the Christian Schools. I think that our investment in this project has come to nearly \$800,000.

However, one must understand that the money invested in Africa by the Canadian government is not the only aspect of our Canadian contribution which is appreciated. The human contacts—which can sometimes be quite effective, while remaining discreet—which our missionaries have established, especially in the areas of education and health care, had brought a Canadian presence to Africa long before these countries became independent states.

It was in Yaoundé, in Cameroon, that the first Canadian embassy was opened in 1962 in French-speaking Africa. Honourable senators are aware that an outstanding Canadian has become an equally outstanding citizen of Cameroon: I am referring to Paul Emile Cardinal Léger, whose work in Yaoundé has earned him international recognition ever since his arrival there.

A drive is being held in Montreal at the present time to collect money to support Cardinal Léger's work; it goes without saying that his devotion has had on Africans a considerable impact which is indeed beneficial to Canada

as a whole. His presence there certainly bears witness to the interest of Canadians for Africa.

I also had the pleasure to represent the Canadian government at the celebrations of the 10th anniversary of Kenya's independence, one of the most picturesque and prosperous countries of Africa. I had the opportunity to converse with several young Kenyans. They are so proud of their country's economic progress and so confident over its future that our embassy gets very few applications to emigrate to Canada. I believe it is a very good sign. On the occasion of these celebrations, there was among others two invited heads of state, the Emperor of Ethiopia and the head of Uganda, the unpredictable General Amin. I had the opportunity to converse with both, but let us not linger over that.

I wish to thank, without naming them, our Canadian representatives in Senegal, Kenya and the Cameroons, the staff of those various embassies, our devoted officials in the Department of External Affairs who have made my task so easy and pleasant and all the Canadian volunteers and missionaries working in Africa whom I had the pleasure to meet. All Canadians who have the opportunity to visit those countries are amazed by the devotion and initiative shown by these missionaries and volunteers. We can rightly be very proud of them.

● (2120)

Before concluding, I should like to deal briefly with two points that seem important to me, namely, the political administration of African countries as a whole and the impact of the oil price rise on developing countries.

During some commonwealth parliamentary conferences I had the opportunity of attending in the last few years, a few British and Canadian delegates touched lightly on the problem of the political system in force in most African countries which became independent and which we usually call the "other party system," namely, governments without parliamentary opposition, where people are not given an alternative of government. As parliamentarians, we always tackled that subject with much reticence because it has always been our opinion that we should not get involved in domestic questions concerning sovereign countries. I believe that even during our parliamentary conferences, we should not emphasize that problem, whether it concerns French-speaking African countries or commonwealth countries. Most of the countries that became independent since 1960 and whose yearly per capita income is scarcely above \$200 have to face such acute and urgent economic problems that they must first provide their citizens with the political stability that is essential for them if they want to expect a reasonable increase in their standard of living. It must be noted also that in most of those countries—Senegal, Kenya and Cameroon are good examples—the government leaders are not only strong men enjoying the confidence of their people but men who have done more than anybody to make their country independent. For example, Kenya's President Kenyatta spent nine years in prison following political clashes in which he took part before independence. Today, he is the image that represents, like the flag of his country, Kenya's independence and sovereignty.

As far as I am concerned, I do not agree with those who blame various underdeveloped countries—

Hon. Mr. Martin: I do not understand the interjection of the Acting Speaker (Hon. Mr. Bourget); he said something. I do not know whether he wants to object. I think he might give us an explanation.

Hon. Mr. Dechatelets: I did not understand.

Hon. Mr. Martin: I did not understand; the Acting Speaker said something.

The Hon. the Acting Speaker: I did not say anything. I just smiled.

Hon. Mr. Lefrançois: That is because Senator Deschatelets was not reading from his text.

Hon. Mr. Deschatelets: I continue by saying that as far as I am concerned I do not agree with those who blame various underdeveloped countries for their present political system which does not offer any government alternative.

I am convinced that when those countries reach an adequate level of schooling and manage to rise from economic stagnation, I am convinced that at that time they will be living under democratic political forces.

I fully agree with the principle proclaimed by the President of CIDA in his annual report when he says that the aid extended by Canada to developing countries should not be based on any political judgment on governments involved. I think it is, by and large, the policy of this government, which I indeed share.

As to the second point dealing with the recent energy crisis and the spiralling increase in oil prices which followed worldwide inflation, it must be understood that those phenomena require on the part of developing countries additional outlays in foreign currencies equivalent to all the international, public aid for development purposes. That oil crisis which shook the economies of well-off industrialized countries could, in other words, further widen the gap between the countries of the Third World. Certain underdeveloped countries have natural resources which have development potential whereas other countries of the Third World are entirely empty-handed in that respect. In that context, because of that phenomenon we have been witnessing for the past six to eight months, it should be noted that those two groups of countries of the Third World will no longer be part of the Third World as such, hence the possibility of further imbalance.

The oil problem and that of food shortage might even cause us some day to question some traditional partnerships and confront us quite suddenly with the urgency of establishing a new international order, based on a more equitable distribution of goods, in order to narrow the international gap between the rich and the poor.

The United Nations are presently holding an extraordinary session on raw materials and development. I think that is the most suitable place for such problems to be discussed with a view to finding a worldwide practical solution. Honourable senators had the opportunity to read these past few days in most Canadian newspapers the full text of the speech delivered to this extraordinary U.N. session by Mr. Boumediene, President of the Republic of Algeria. I think he is one of those, if not the one, who brought about this extraordinary U.N. session.

Hon. Mr. Martin: He is the one who proposed it.

[Hon. Mr. Deschatelets.]

Hon. Mr. Deschatelets: Yes, I think so. I certainly do not share many of the views emphasized by Mr. Boumediene in his speech, but I must admit that he stated the problem in a way that calls for reflection. The energy crisis and the subsequent spectacular rise in prices have made the rich and industrialized countries realize their dependence on certain raw materials which are vital to their economy. And I am not referring to oil only. I think the United States and Canada have learned something from this crisis. Mr. Boumediene's text suggests that if immediate action is not taken to help more substantially those countries that suffer from food shortages, especially near the desert where the life of a staggering number of human beings is at stake, some countries producing raw materials might group together, which would seriously affect industrialized countries.

It seems that this threat has been well understood by the American Secretary of State, Mr. Kissinger, who has warned the Third World countries of the danger that such a bloc of raw material producing countries could mean. In his statement, he set up a six-point program allowing for an international mutual aid policy on a more realistic basis than those that we have had until now.

I also want to note a suggestion, which I find very interesting, made by the Shah of Iran who said that his country is willing to consider that the oil-producing countries place in an international common fund amounts equivalent to 1 per cent of their oil exports, so as to enable them to offer long-term low-interest loans to developing countries who need them most.

Honourable senators, this extraordinary session of the United Nations was centered on developing countries. One can imagine that it will lead to an evolution or a reappraisal of the raw material and development problems which cause poor countries hardships which we could hardly suspect eight months ago. Moreover, inflation is another cause of these problems. The obvious intention of Algeria seems to have been to make the world aware of this new phenomenon which could, on the short term, pit developing countries against rich industrialized countries.

● (2130)

During this United Nations session, the Canadian Secretary of State for External Affairs, the Honourable Mr. Sharp, has thought fit to stress again some principles that are shared, according to me, by the great majority of Canadian parliamentarians, especially the sovereign right of the producing countries to develop their resources according to a recognized right, the owner's right. But he also said, if I remember correctly, that this owner's right has to be compatible, for the developing countries, with access rights to these resources and also with some stability so that there would not be any political interference. I believe this was a direct reference to the behaviour of the Arab oil-producing countries which based their supply of oil on some strictly political considerations. This is a situation which countries like Canada and the United States cannot accept. It is said that, generally, the chasm grows wider between the economic development of industrialized countries and that of developing countries.

I should like to rectify this commonly heard assertion because it is not altogether true. I feel that we must not consider the situation of developing countries globally.

Let me explain myself. The truth is that many industrialized countries such as Japan, Western Germany, Canada and the U.S.A., have witnessed an extremely swift economic acceleration exceeding all expectations. But on the other hand, several developing countries also experienced very substantial economic progress these last few years and for some of them the progress was spectacular because of their potential for the development of some raw materials. I think that, when considering all this, the fairest conclusion would be that in the circumstances a yearly review of the economy of developing countries should be made so that more substantial support be directed towards the countries with the most urgent needs, because, again, there are now among the countries of the Third World very big differences so that some do not need our immediate help whereas others do.

Once again the United Nations seems to be just the organization to co-ordinate international help to developing countries by giving priority to the poorest ones.

Honourable senators, I felt I could not talk about the trip I made on the occasion of the inauguration of educational establishments in francophone African countries, without at least alluding to those aspects. As for me, after having presided at the inauguration of those two higher learning establishments in Senegal and Cameroon, thanks to Canadian contributions of almost \$17 million in a field as vital as education for underdeveloped countries, I came back convinced that Canada is not only aware of the obligations that we have towards Third World countries, but that we are now assuming a large part of our international responsibilities.

[English]

On motion of Senator Langlois, debate adjourned.
The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, May 1, 1974

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

RAILWAY RELOCATION AND CROSSING BILL

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 facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings.

Bill read first time.

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

Hon. Mr. Cameron: With leave, next sitting.

Hon. Mr. Flynn: Leave is granted.

The Hon. the Speaker: With leave of the Senate and notwithstanding rule 44(1)(f), it is moved by the Honourable Senator Cameron, seconded by the Honourable Senator Connolly (Ottawa West), that this bill be placed on the Orders of the Day for second reading at the next sitting of the Senate.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Part 3 of a Study by the Systems Analysis Branch of the Canadian Transport Commission entitled "Midwestern Ontario-Bruce Public Transport" and dated February 1974.

FORT-FALLS BRIDGE

OWNERSHIP—SCHEDULE OF TOLLS—GROSS REVENUES— NOTICE OF INQUIRY

Hon. Douglas D. Everett: Honourable senators, I give notice that I have a series of questions to ask of the Leader of the Government. They are as follows:

1. Is the present bridge between Fort Frances, Ontario, and International Falls, Minnesota, owned by the International Bridge and Terminal Company?
2. Is the International Bridge and Terminal Company a subsidiary or affiliate of the Boise Cascade Corporation of the U.S.A.?
3. Is the bridge a Customs and Immigration entry point between Canada and the U.S.A.?
4. What is the schedule of tolls charged to users of the bridge?

5. What are the nearest Customs and Immigration entry points between Canada and the U.S.A. to the east and west of the bridge?

6. What gross revenues did the International Bridge and Terminal Company derive from the operation of the bridge in the calendar years 1972 and 1973?

7. What other Customs and Immigration entry points between Canada and the U.S.A. impose tolls for their use and which of them are privately owned?

Hon. Mr. Martin: Honourable senators, I am sure that Senator Everett will understand why I should wish to take this series of questions as notice, which I do.

THE SENATE

REMARKS ATTRIBUTED TO CLERK OF THE PRIVY COUNCIL— QUESTION ANSWERED

Hon. Mr. Martin: Honourable senators, there was some discussion last evening of press reports of remarks said to have been made concerning the Senate by the Clerk of the Privy Council, Mr. Gordon Robertson. At that time I said that I would endeavour to secure the text and to determine what had been involved. I have since done so.

I think the simplest course to follow would be to table the text and ask that it be printed as an appendix to today's *Hansard* so that any senator who is interested can see exactly what was said.

Hon. Mr. Choquette: But you will be commenting on it.

Hon. Mr. Flynn: And it will be printed?

Hon. Mr. Martin: I have asked that it shall be printed.

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

Hon. Senators: Agreed.

[For text of speech see appendix, pp. 362-364]

Hon. Mr. Martin: It will be found that what is involved is one single paragraph in a text of some 13 pages. It will also be found that the paragraph was part of an address to describe to an American audience certain differences between our federal system and theirs. The paragraph in question is at page 3, as follows:

If, as has been said, the upper house in a federation is "to mirror the federal bargain", our mirror in Canada was cracked from the beginning. Our Senate was indeed designed to represent regions rather than population—24 Senators from each of four regions: the Maritime provinces, Quebec, Ontario and the west. There are another six for Newfoundland since it joined Canada in 1949. But our Senate is appointed by the federal government of the day: it is not elected. It is acutely conscious that it cannot claim to represent or to have received the confidence of any constituent.

cy, so its powers, virtually equal in law to those of the House of Commons, have in fact been attenuated to something like a suspensive veto. It is in no position to champion regional rights with any degree of conviction or force.

● (1410)

Mr. Robertson's paper was one of three presented to an international panel discussing "Decentralizing Decision-making" in federal systems. The other papers were on the relevant situations in the United States and Mexico. I have read Mr. Robertson's paper in entirety and he presents a reasonable and responsible discussion of a subject of apparent interest to political scientists and constitutional lawyers, especially in the United States. In the course of it, he found the appointive basis of our Senate relevant to the discussion and presents a thesis as to certain consequences resulting from it. One may agree or disagree with the thesis. Personally, I do not agree with it. However, it is a thesis that has been presented by others and has been presented by him, as I think the context shows, in a responsible manner. Mr. Robertson has assured me that in no sense was any attack or criticism of the Senate intended. He much regrets that his remarks should have been so interpreted.

Hon. Mr. Croll: Honourable senators, I understood the leader to table the speech, but was it the intention that it should appear as part of *Hansard*?

Hon. Mr. Langlois: There was a motion to that effect.

Hon. Mr. Croll: I thought it should have been simply left with the Clerk.

Hon. Mr. Flynn: There was a motion that it be included in *Hansard* so that we know the whole story.

Hon. Mr. Molson: May I ask the Leader of the Government the name of the body to which this address was given? I am afraid I did not catch it.

Hon. Mr. Martin: It was made before the American Society of International Law.

Hon. Mr. Molson: Thank you.

[Translation]

CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAM "LES BEAUX DIMANCHES"—QUESTION OF PRIVILEGE

Hon. Mr. Langlois: Honourable senators, I rise on a question of privilege which has nothing to do with the one we have just discussed. Mine deals with the program televised last Sunday, April 28, on the French network of the CBC and entitled "Les Beaux Dimanches".

I do not know whether other senators saw it but, to my mind, not only was that program in very bad taste, but it also ridiculed not only the Canadian parliamentary system but Her Majesty the Queen and the Governor General of Canada as well.

I feel that such programs should not recur. I insist on this as I intend to suggest to the chairman of our Standing Committee on Transport and Communications that he consider the possibility of requesting the chairman of the CBC and the chairman of CRTC to appear before our committee, as witnesses, bringing with them the video

tapes of that program so that other senators might also see it and form an opinion on the advisability of having Canadian taxpayers pay the tab for such programs. This one lasted one hour and a half. In addition, I would like to know how much it cost, just as I would like an explanation of what seems to me to be much too frequent an occurrence.

Indeed, every time the CBC broadcasts similar programs, it seems that the artists who play the roles are always those who are well known as active separatists in Quebec. Whether this is a coincidence or whether it reflects a preconcerted will to emphasize the message which obviously must be conveyed to the people, I do not know. I should also like to hear from the chairman of the CRTC whether this is the type of program he has in mind when he speaks of Canadian content. For my part, if that is what is called Canadian content, I would rather see American westerns because they, at least, are not anti-Canadian.

Hon. Mr. Fournier (Madawaska-Restigouche): Honourable senators, I wish to add a few words to Senator Langlois' remarks. I had a chance to watch this program on Sunday night, and it made me furious. I found it disgusting and immoral, particularly when they made fun of democracy and the Queen and so forth. This program was very expensive, because it is the people who pay for it. Besides, such programs cannot be of any good to the public at large.

Some people might accept this kind of thing as a trifle or comedy, but I think it was going far beyond a joke, and I certainly endorse Senator Langlois' recommendations. I hope it will be possible very soon to show this program to all senators as it was aired on the French network so that they may all realize how contemptible it was.

Hon. Mr. Desruisseaux: Honourable senators, I did not watch this program, but this is not the first time we have had reason to complain about this series. Having been in that business for 12 years, I wish to note that it would be useful to determine once and for all who has to check these programs so that we may know what is the procedure when censorship is necessary, when people do not follow their text or when Canadian authorities are ridiculed. I think this is a very good chance to do so.

Hon. Miss Lapointe: Honourable senators, I fully agree with the comments of my colleague Senator Langlois. I will surely second a motion if he moves one.

Hon. Mr. Langlois: Honourable senators, I surely do not wish to force the hand of the chairman of the Senate Committee on Transport and Communications, but I must tell him that I intend to put a motion to this effect, if my suggestion is not accepted.

Hon. Mr. Flynn: Honourable senators, I think that in practical terms it is not necessarily the responsibility of the chairman of the committee to convene it to study this problem. I rather think that it should be done on the recommendation of the Senate. Therefore, I invite Senator Langlois to present his motion at the first opportunity.

Hon. Mr. Martin: It happens too frequently.

[English]

Hon. Mr. Welch: Madam Speaker, I cannot hear what is being said.

Hon. Mr. Hicks: The volume is very poor.

The Hon. the Speaker: No doubt something will be done about that.

● (1420)

NATIONAL FINANCE

INFORMATION CANADA—CONSIDERATION OF REPORT OF COMMITTEE—DEBATE ADJOURNED

On the Order:

Consideration of the Report of the Standing Senate Committee on National Finance on Information Canada, tabled in the Senate on Tuesday, 30th April 1974.—(*Honourable Senator Everett*).

Hon. Mr. Everett: Honourable senators, I was given leave to make a statement on the report on Information Canada, which was tabled last evening. With leave, I would ask that Senator Grosart be allowed to speak at this time in consideration of the report.

The Hon. the Speaker: Has the Honourable Senator Grosart leave to proceed at this time?

Hon. Senators: Agreed.

Hon. Allister Grosart: Honourable senators will recall that we apparently had some difficulty last evening as to just where we were in the presentation of this report, if I may use the word "presentation." I think it is of the utmost importance that reports of this kind be put before the Senate, not merely for consideration but for adoption. I know that in the past we have had some different procedures, largely because the activities of Senate committees have changed considerably in the last few years. There have been occasions when reports of Senate committees have been put before the Senate for adoption, and I suggest that this is a case in which it would be of the utmost importance that this report, which deals with Information Canada, be discussed in that context.

I therefore would suggest that the opportunity be given at this time to Senator Everett, if he so desires—and I have discussed this with him—to move the adoption of the report. I believe this would be quite in order under our rules. As I understand it, we finally decided yesterday that we are now dealing with a motion to take into consideration the report of the committee. I would suggest, therefore, that a motion arising from that discussion to adopt the report might be in order.

Hon. Mr. Sparrow: Perhaps I might ask a question at this stage. Has there been any precedent established for adoption of such reports?

Hon. Mr. Grosart: I had hoped to avoid a discussion of that, as it would take me into a broad discussion of the rules. The fact is that our rules are considerably out of date, I think, in respect of this. Rule 78 deals generally with the reports of a select committee, and this is a select committee. Rule 78(1) states that the report shall be presented by the chairman of the committee; rule 78(2) states that such a report shall be received without debate. Rule 78(3) states:

A report which by its own terms is for the information only of the Senate shall be laid on the table but

[Hon. Mr. Welch.]

may on motion be placed on the orders of the day for future consideration.

That is what has happened in this case; it has been placed on the Orders of the Day for future consideration. What I am suggesting is that the Senate, in considering the report, could quite properly decide to adopt it.

The other sections of rule 78 refer specifically to bills, and they are not germane to this discussion. What I am suggesting is that if we are entitled to consider the report, we are entitled to move that it be adopted.

Hon. Mr. Martin: Honourable senators, I think Senator Grosart himself has indicated that there is nothing in our rules about adopting a report. Certainly, under rule 78(3) there is a provision that a report, which by its own terms is for the information only of the Senate, be laid on the table and may on motion be placed on the Orders of the Day for future consideration. We certainly can consider it, and that was done earlier. I am sure there are senators who wish to speak on this report. It is a very important report, and we ought to have an opportunity of studying and debating it.

But the motion before us is for consideration of this report. Once we have done that, the Senate can then decide what it should do. The Senate, of course, is always master of its own wishes. To do that at this moment would not, I think, be in accordance with our rules, nor would it be the right thing to do.

Hon. Mr. Deschatelets: May I put a question to Senator Everett? It seems to me that this report has aroused much interest. I should like to know if there is a reason why he does not move consideration of his report, which would then be open for debate. Is there any special reason not to do so?

Hon. Mr. Martin: That is the very thing we are discussing.

Hon. Mr. Everett: Honourable senators, I would prefer to move the adoption of the report, even though it goes against some of the precedents of the Senate. These reports are prepared by committees of the Senate; they are put before the public, and I think they ought to have the force of acceptance by the total Senate. I believe that makes good sense, and I think Senator Grosart's suggestion is a sound one. If there is a ruling against it, I would of course accept the ruling. However, if it is possible to move the adoption of the report so that after debate it is either rejected or accepted by the Senate, I would like to do so. If it has the backing of the entire Senate, I would be more than pleased to make such a motion.

Hon. Mr. Molson: Honourable senators, perhaps we are reading into our rules meanings that are not there. Rule 78(2) says:

A report presented to the Senate shall be received without debate.

That is all right; the report can be received by the Senate and it does not need to be debated. If on the other hand there is any reason why the report should be debated, I see no reason why rule 78(3) should not apply and the chairman of the committee or his designated member of the committee move that it be considered on a future day. This

gives us an option. The rules give an option to deal with the report in any way desirable.

If a committee reports a bill without any amendment, it is simply accepted and there is no debate. If there are amendments, there is provision for that. On the other hand, if the report is on the activity of a committee on a special subject, it is obvious, as Senator Everett has said, that the committee would like to know whether the Senate concurs and puts the weight of the Senate behind that committee report. That is perfectly simple. The chairman would then move that it be considered or that it be adopted. As Senator Martin just said, we are masters of our own house; there is no limitation; there is nothing in the rules that precludes that. I would suggest that under the existing rules we can deal with these reports in the way that seems best to the house, and accept, approve or debate them as we see fit.

Hon. Mr. Langlois: I think what we have done so far is quite in order, because we have only been asked to consider the report, which we are presently doing. Rule 78(5) surely allows this chamber to entertain a motion to debate the report. It says:

When the report recommends amendments to a bill—

Then these are the important words.

—or makes proposals which requires legislative implementation by the Senate, a motion to adopt the report shall be in order: Provided that where the recommended amendments or proposals which require legislative implementation are substantial, consideration of the report shall be postponed to a future day.

The report presented to this house contains a recommendation, which is a major one, that an act of Parliament be passed to regulate Information Canada in the future. This would require substantial legislative implementation, and I think its adoption should be the subject matter of a motion in due course. However, we can carry on and give consideration to the report subject to such a motion being made later on. It has not been made as yet, but I understand it could be made under our rules at any stage during our consideration of the report.

Hon. Mr. Flynn: I think we should express gratitude to Senator Grosart for having raised this point. Undoubtedly some clarification is needed. It is quite clear from the reading of rule 78, along with certain others pertaining to reports of committees, that presentation of a report is one thing, consideration of a report is another, and adoption of a report is yet another.

● (1430)

Presentation needs no debate, of course. All you do is present a report, leave it at that, and then there is no debate. You have then the choice of having the report considered, or adopted. If the report provides for amendments to a bill, it must be adopted before third reading of the bill, as amended, can be considered. If you have a report like the one with which we are now dealing, you can either ask for consideration or for adoption.

I agree with Senator Langlois that we could adopt the report. But it has to be noted that the practice about these reports from committees has not been to move the adoption of the report but merely consideration of the report.

This was so in the case of the report—and I see Senator Lamontagne nodding—of Senator Lamontagne's Committee on Science Policy. I mean, it would be quite in order now to move for the adoption of a report like that.

Hon. Mr. Molson: No.

Hon. Mr. Flynn: Well, maybe not. It would break ground in the sense that we are not adopting a piece of legislation or adopting a report which has several recommendations. We are going to be faced, each of us, with whether we agree with the whole of the report or disagree with some of the conclusions, and then—

Hon. Mr. Lamontagne: You have to read it.

Hon. Mr. Flynn: We have to read it, as Senator Lamontagne has suggested, and well he might, for his Science Policy report has not been read by everybody, although it has received wide publication. This is the difference, of course, between consideration and adoption: the Senate would have to say that it agrees with every recommendation of this committee or of this report if adopted.

I have no objection to a motion to adopt the report, but to me it does not mean the same as consideration of the report. The three stages have to be considered and I think the rules might be clarified. There is nothing in the rules which is in contradiction with the idea of either considering the report or adopting it.

Hon. Mr. Molson: Honourable senators, I wonder if I might say a word, following Senator Flynn's comments. If we think back, there are some reports that we have adopted—such as those of the Committee on Internal Economy, on the Rules of the Senate and others which would be thought internal—and by their nature they require the concurrence of this chamber, otherwise they are ineffective and mean nothing.

Hon. Mr. Flynn: That is right.

Hon. Mr. Molson: Generally speaking, I fully agree with Senator Flynn and I just want to point out that the nature of a report sometimes calls for it to be dealt with a little bit differently.

Hon. Mr. Everett: I quite agree that this is breaking new ground, nevertheless I am inclined to think—and I think honourable senators will, too, on reflection,—that it is better for these reports to come before the Senate, to be examined by the Senate, and adopted if possible. Then the full force of the Senate is behind the report.

I appeal to Her Honour the Speaker on the matter—either allow me to bring forth a motion now to adopt the report, or allow the motion for consideration of the report to proceed at this time and, at the end of the debate, allow me to bring forth a motion for adoption of the report.

Hon. Mr. Martin: That is right.

Hon. Mr. Flynn: That is right.

Hon. Mr. Everett: I would ask Her Honour the Speaker to give a ruling on this point.

The Hon. the Speaker: Honourable senators, I think the second suggestion is the right one, that we should proceed with consideration of the report. Then, after we have had an opportunity to know what is in the report, we can be prepared to deal with a motion for adoption.

Hon. Senators: Agreed.

Hon. Allister Grosart: Honourable senators, I concur, of course, in the ruling that has been made. I suggested that the motion for adoption be made now because I thought this would make for a better debate and provide an opportunity for amendments. I do not know how, under a motion just for mere consideration, amendments can be proposed. However, I will leave that point as it is not so important.

The main point has been made—and I think it is to the credit of the Senate that it has been decided—that a report such as this can be put before the Senate for adoption, regardless of what precedents there may be.

I congratulate Senator Everett and the vice-chairman of the committee, Senator Sparrow, and others on the production of this report. I regard it as an important report which can be of tremendous benefit in offsetting inefficiencies and mismanagement in an area which has been of considerable controversy.

The committee worked long hours. I was a member of the committee, but I am sorry to say I did not attend all the meetings because I was unavoidably away. At any rate, I can congratulate the whole committee for producing what I consider to be an excellent report.

One question which I have been asked in the last 12 hours by senators who have not read the report is whether the report is a "whitewash" of Information Canada. I can assure honourable senators that this report is *not* a whitewash of Information Canada. Indeed, it makes some major suggestions for change, not only in the structure of Information Canada but in its approach to the important problem of the outflow of government information to the Canadian public.

To support that statement, honourable senators, I would draw your attention to the summary of conclusions and recommendations which takes up only three pages at the beginning of the report. In this summary you will find such statements as "Information Canada's main function is to regulate and co-ordinate departmental information activities"; "to achieve an effective overall information service to the Canadian public at the lowest possible cost"; again, "should regulate and co-ordinate"; again the phrase "continually evaluate"; the phrase "evaluate the cost effectiveness"; and referring to the blue book of estimates, and this is with respect to the whole government structure, "the cost of information services should be fully and clearly shown." Another phrase is "screening the information budgets of all departments", and so on.

I will come to these in a little more detail later, but throughout this whole report there is an emphasis on a new role for Information Canada, namely, to take charge in a real way of the outflow of information from departments and possibly from other applicable agencies, although the report does not go too fully into the question of the outflow from certain crown corporations.

The first and major recommendation is that there should be an act of Parliament setting up Information Canada. As things stand at the moment, Information Canada is the result of a dreadful and inexcusable bureaucratic shortcut. This vitally important agency was set up under an appropriation act dealing with supplementary

[The Hon. the Speaker.]

estimates. As a result, Information Canada has never had any terms of reference. To those who have been critical of Information Canada—and I am one of them—it should be pointed out that Information Canada was placed in an impossible position right from its inception. The Prime Minister did make a speech following a report by a task force, but in that speech he certainly did not lay any clear responsibility on Information Canada for the regulation and coordination of the total outflow of government information.

The second concern of the committee was that Information Canada should not become a government tool for propaganda. That accusation has been made, particularly in the press, largely because of the fact that Information Canada was, in rather vague terms, made responsible to various ministers, and because a change of the minister responsible was made without any basis in common sense except that perhaps the minister who had been interested was moved to another department and thought, therefore, that Information Canada should move with him.

This actually happened, and this is the kind of inefficiency which has hampered greatly the operations of Information Canada.

● (1440)

The question, of course, is often asked: Is there a place for Information Canada? Should we have it at all? This has perhaps been the major question that has been asked since it undertook these important duties. I for one think there is a place for Information Canada. The committee makes it very clear that it is not a major function of Information Canada to turn out more information, that the real function of Information Canada is to get control of the outflow of information. It makes specific suggestions.

I am sure that every honourable senator is aware, from looking at his desk after he has been away for two or three days, of the endless duplication, the waste, the nonsensical repetition of material that he finds. It is the correction of this kind of thing that is clearly indicated in this report as a function of Information Canada.

The question, of course, is this. How does an agency such as Information Canada, not itself a ministry, take control, regulate and coordinate—these are the terms used throughout the report—the information flow from departments? The report makes it clear that it does not contemplate Information Canada moving in and creating all the necessary material in each department. The report makes it clear that it does not see Information Canada as the central propaganda output—using "propaganda" in the best sense, because that word does have a good sense, of course. On the other hand, it does see the necessity of regulation, and it goes quite far.

One of the things that interested me, particularly—because, as honourable senators know, I had at one time some connection with the advertising agency business—is that this report sees Information Canada getting control of the allocation of advertising between advertising agencies. It quotes the task force, which made it very clear that at the time the task force reported, the whole business of government advertising was just a matter of political patronage. The report strongly suggests that there should be an immediate end to this, and that it should be one of

the functions of Information Canada to see to it that the appointment of advertising agencies is on the basis of their efficiency, not their past services to any government.

This matter has been raised recently in the press, and one would hope that one of the committee recommendations that will be acted upon with some speed by the government is this one dealing with the allocation of government business to advertising agencies. The fact is that the federal government is by far the largest client of the advertising agency business in Canada. In fact, it dominates it to an extent that may be creating some danger—I say, “may be creating some danger”—to the freedom of the press in Canada.

A very interesting suggestion by the committee, one which puts some teeth into its future operations, is that Information Canada should have a special relationship with the Treasury Board.

Recommendation 5 reads:

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.

I should think that most of us are aware I am not referring to any particular government at the moment, although, if there is an optimal position, I think it has been reached fairly recently.

We are aware that there is excessive expenditure by departments, not all political although to some extent political, but also to promote perhaps the ego of a minister. We find those around him more concerned with winning the approbation of the minister than the approbation of the public. A good example of this is that on my desk this morning, for example, I find mimeographed copies of three speeches by ministers, all of which appear in *Hansard*. By comparing them I could make a good guess as to which publicity man in which department is the white-haired boy of the minister. Some are only putting it out in one colour, but the boys who are really working for their ministers are putting out speech press releases in two, three, and in one case, four colours.

Hon. Mr. Martin: What colour would be best one for a minister to use?

An Hon. Senator: Blue.

Hon. Mr. Flynn: Senator Denis doesn't know anything about that.

Hon. Mr. Grosart: I myself would be in favour of considerably more “blueing” of the whole outflow of information, but at the present time it has occasionally a strong red tinge and, I am sorry to say, I suspect at times a rather pink one. I would rather not be misunderstood in that remark—

Hon. Mr. Martin: You won't.

Hon. Mr. Grosart: One reason I suggested we might be debating this on a motion for adoption is that I am not in full agreement with some of the recommendations. I hasten to say that my disagreement is in fairly minor things, and in that kind of discussion I should like to see one or two points raised. For example, the regional offices of Information Canada are useful when associated with

bookstores and enquiry centres, and so on. The number of regional offices should be limited to Halifax, Montreal, Toronto, Winnipeg and Vancouver. I think there should be a regional office in each province. I am quite sure the chairman would reply that under recommendation 8 there will be an enquiry centre in each province which might operate, in effect, as a regional centre, but I see some discrepancy between the two recommendations.

Also there is the question of government bookstores. The committee looked at this problem seriously, because it is very, very expensive to set up a government bookstore in a location of high public exposure. The committee recommends a limitation of the number of bookstores, and of the places and provinces in which they would be located. One recognizes that every Canadian is entitled to access to government publications, and the report therefore suggests that there be a more efficient method of distribution to private booksellers than there is at the present time. It is important to me that as far as possible the public have complete exposure to all publications of the Government of Canada. When it is left to private bookstores, which must pay for the books as they receive them, naturally they are not going to display all the books. In fact, I do not think there is a single private bookseller in Canada who displays more than one-twentieth of the total. That is just a guess, but I have spent some time in these bookstores. On the other hand, anyone who goes through large bookstores in a metropolitan centre will be amazed at the wealth of publications and subjects of interest, perhaps being unaware that there is a government publication on that subject. I might say that some of the provinces through their government bookstores are doing a much better job than we are. Here I refer particularly to British Columbia where I myself on a casual visit wound up buying 12 books that I did not even know were published.

● (1450)

The committee endorses the activities of the expositions branch. This is the branch which has the responsibility for Canadian participation in expositions around the world. I find myself in full agreement with that. Unfortunately, the expositions branch ran into a deficit last year, and I would hope that we might have a little closer look at this to find out why. Members of the committee will recall that the subject was raised when we were discussing the last supplementary estimates, but we did not get any complete answer as to why they ran a deficit.

The committee also suggests that Information Canada should have some responsibility for the monitoring of information personnel in the departments. With this I find myself in the fullest agreement, because to my knowledge, and I am sure to the knowledge of many senators, there are people calling themselves public relations officers or information officers in the government service who would not qualify in a business public relations kindergarten. The term “public relations officer” or “information officer” is sometimes, not too often, used to cover a multitude of sinners if not of sins.

One final comment, I hope that honourable senators will have an opportunity to examine this report very carefully because it goes into more detail of the current operations of Information Canada and of the whole total outflow of

government information than has ever been done previously. I think it does a better job than the task force which tended to be a little abstract, a little idealistic, whereas in my view the recommendations which we have here will produce a great improvement. In time it will represent a definite step forward, although I am not suggesting for one moment that even the full adoption of this report will completely solve all problems that surround the great question of the outflow of government information to the public.

Hon. Herbert O. Sparrow: Honourable senators, in the few moments that I should like to take to discuss this report I want to commend the chairman of the Standing Senate Committee on National Finance for his foresight in directing and advising that committee in taking on this very important study which is now summarized in the report before you today. He has given in this chamber a very clear and concise explanation of that report, and I am sure that all senators who listened last evening have a good understanding of what the report contains and now have sufficient information either to agree or to disagree with the contents of that report.

I want to tell Senator Grosart also that I listened closely to what he said today, and appreciate greatly the explanation that he has given of the report. As we are all aware, Senator Grosart has played a very important role in the work of the Senate Committee on National Finance and in its work on this particular study.

So far as all members of that committee who worked so diligently are concerned, I want to concur in what has been said by the chairman and by Senator Grosart in that regard and to agree that they did an excellent job on that committee.

The members of the staff of Information Canada were helpful to us. We received a great deal of help from the President of the Treasury Board. The Minister of Labour, who appeared before our committee as being responsible for Information Canada, was very forthright with us and was of great assistance to the committee. I mention those few, although there were many other witnesses who were extremely helpful and to whom I wish to express our commendations and thanks.

The Standing Senate Committee on National Finance felt, with some justification, that its review of the estimates in total, although a worthwhile exercise, left insufficient time to do much more than take a cursory look at each department and agency of government. Your committee felt that there was from time to time a need to take an in-depth look into certain departments and agencies of government, unfettered by the pressures of time and deadlines. It was the consensus of the committee that these in-depth studies of specific departments would be of value to Parliament, to the government and to the citizenry, when it appeared that a department or agency might not be fulfilling its designated function on behalf of the people of Canada. To serve Canadians as they should be served, a government department or agency must spend its budget as detailed in the estimates. It must spend its funds in a prudent and benefit-conscious manner and must utilize its manpower efficiently. Following upon the committee's impressions and guidelines, the most obvious

[Hon. Mr. Grosart.]

and logical study to be undertaken at the time appeared to the committee to be that of Information Canada.

This agency of government was given birth through an appropriations act in June 1970, following a statement in the House of Commons in February of that same year by the Prime Minister to the effect that such an agency would be established. He outlined at that time certain guidelines that the new agency would follow. Information Canada, born without the security of an Act of Parliament spelling out its authority and responsibility, has lived a frustrated, maligned and largely undefended existence. The critics of Information Canada have had a fear, real or imagined, that this agency was or would become a highly sophisticated propaganda machine defending and promoting the government of the day. I believe that when our committee began the study of Information Canada, most of the members of that committee believed that Information Canada was not fulfilling a sufficiently useful function to justify its budget or even its very existence.

● (1500)

They believed that it was or could become a propaganda machine for the government of the day and that after an in-depth study a recommendation would be made to abolish the agency. I believe that Information Canada was and is fulfilling a useful function and that its budget can be justified, that it has not been and is not now a propaganda machine designed to protect and promote the government in power.

Having said that, I wish to quickly state that there are, however, areas in which improvement can be made in its functions and that a vigilant, perceptive and critical eye must be levelled at this agency at all times to see that it is not used as a propaganda machine. I believe that if the government agrees with the conclusions arrived at by your committee and follows its recommendations, Information Canada will be a most useful agency. It will work effectively with other government departments on behalf of Canadians in assisting to satisfy their hunger for factual information. In the process it will either save a considerable amount of dollars or give better service, or both.

Information Canada has what appears to me to be a very sincere and dedicated group of employees who have done a good job, despite untold frustrations, of nurturing, guiding and developing an organ of government that has as yet not matured. It is now time for Information Canada to come of age and begin to fulfil the important role it can play. Information, proper, factual and relevant, is perhaps the most important oil to lubricate the wheels of change, whether that change takes place in business, industry or the private lives of individuals. The amount of information that can be made available is so great that no person could possibly put it all to use, understand all of it, or physically or mentally handle it.

Information relating to areas of federal government concern should be made available to all citizens. Information desired by citizens should be made easily available on request, at no cost for certain items and at reasonable cost for others.

Some government information may not be of interest or value to all people, and therefore it should be distributed on request. He who knows a lot about a few things serves better than one who knows a little about a lot of things.

Information Canada, given the necessary opportunity and power by an act of Parliament, can improve the quality and efficiency of government information services. It can regulate and coordinate departmental information activities to produce a comprehensive information system. It can evaluate departmental information programs to ensure that they are employing the most effective techniques to satisfy the information needs of the public. It can evaluate the cost effectiveness of all information programs and act to prevent waste and duplication. It can make easily available to the public factual and useful information on federal policies, programs and services.

Information Canada is extant, should remain so and, if the recommendations contained in this report are followed, will remain so. I commend this report to honourable senators, to the government and to all Canadians.

On motion of Senator Langlois, debate adjourned.

BUSINESS OF THE SENATE

Hon. Leopold Langlois: Honourable senators, before moving the adjournment of the Senate I should like to remind you that immediately after the Senate rises the Standing Senate Committee on Health, Welfare and Science will meet in Room 356-S, and the Standing Senate Committee on Banking, Trade and Commerce will meet in Room 256-S.

In addition to the meetings already announced for tomorrow morning, the Standing Senate Committee on Internal Economy, Budgets and Administration will meet at 10.30 and the Standing Senate Committee on Standing Rules and Orders will meet at 11 o'clock. At 8 o'clock tonight the Standing Senate Committee on Foreign Affairs will meet in Room 356-S to consider Canada-U.S. Relations.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(See p. 354.)

THE "NEW FEDERALISM": CANADIAN DEVELOPMENTS IN
DECENTRALIZING DECISION-MAKING

PAPER PRESENTED BY MR. R. GORDON ROBERTSON, CLERK OF THE PRIVY COUNCIL
AND SECRETARY TO THE CABINET, TO THE 68TH ANNUAL MEETING
OF THE AMERICAN SOCIETY OF INTERNATIONAL LAW
APRIL 25-27, 1974, WASHINGTON, D.C.

In the years leading up to 1867, the Fathers of the Canadian federation—or "Confederation" as it was loosely called—set out, among other things, to avoid what they perceived to be some of the deficiencies of the American federation. The United States had just survived the devastating war between the States: a war that our statesmen thought was made possible by the existence of overly-powerful States and an unduly weak central government. We would profit by that experience. Our constitution was designed to include several features that would provide a strong centre. Those who devised our constitution, however, underestimated the capacity of the judges of the Privy Council in London, then our final court of appeal, to interpret up as down and round as square. The result of this and other factors is that we ended up with a much weaker central government than that of the United States and provinces very much stronger than your States. Indeed, I suspect that Canada has one of the most decentralized systems of government in the world. Notwithstanding this, today we still hear complaints by provincial governments about "domination by Ottawa".

Canadians and Americans have so many things in common, and their legal and constitutional roots are so entwined in the long history of law and government in England, that I think we tend to forget how fundamentally different our federal systems are in their day-to-day reality. The differences are legal, structural and operational. With all the respect that one trained in the law can accord to a group of lawyers, I would say that of these the legal differences relating to the federal concept as such are the least important. What have turned out, I believe, to be much more significant are what I call "structural" differences. A third category are "operational differences"—differences in the way things work. On balance, these differences have created a situation in which our provinces play a role more important than the distribution of powers or the results of judicial interpretation alone would have produced. They are much greater sovereignties than your States and their role in our federation goes well beyond that of administering particular categories of governmental powers. These differences are significant in relation to the question of decentralization.

Among the structural factors that have enhanced the role of our provinces, a significant one is that the provinces are ten in number and not fifty. They are few enough that most, led by a strong Premier as they usually are, can be significant personalities on our national stage. Moreover, two of those ten provinces together contain over sixty per cent of our population. The Premiers of Ontario and Quebec can speak—especially if they do so together—with a degree of influence and authority that, in relative terms,

does not have any parallel in the United States. Moreover, the Premier of Quebec has a special place as the head of a province that is over 80 per cent French-speaking. Heading the only government in the country that represents a population that is in majority French-Canadian, he sometimes claims to speak with the voice, not just of Quebec, but of French-Canada. These facts of structure would, by themselves, have given the provincial governments a place of strength. There are other aspects of our system, however, that have created for them a role as regional champions and spokesmen that your States do not enjoy to the same extent.

If, as has been said, the upper house in a federation is "to mirror the federal bargain", our mirror in Canada was cracked from the beginning. Our Senate was indeed designed to represent regions rather than population—24 Senators from each of four regions: the Maritime provinces, Quebec, Ontario and the west. There are another six for Newfoundland since it joined Canada in 1949. But our Senate is appointed by the federal government of the day: it is not elected. It is acutely conscious that it cannot claim to represent or to have received the confidence of any constituency, so its powers, virtually equal in law to those of the House of Commons, have in fact been attenuated to something like a suspensive veto. It is in no position to champion regional rights with any degree of conviction or force.

In our House of Commons, the life of the government depends on keeping a constant majority in approval of its policies and actions. The Prime Minister is there to lead; the Cabinet is there to debate and to explain; and the Members on the government side provide approval and applause in the face of the enemy across the Chamber—for they are drawn up face to face like contending armies. Party discipline has to be strong or the life of a government may be short. The result is to leave little room for the voicing of regional complaints or for their compromise and adjustment in our elective house. The regional arguments occur and the compromises are made in the party caucuses, which are secret. They also occur in the meetings of our Cabinet which includes representatives from all regions, but those meetings too are secret. In short, we do not have in our central governmental structure the place for public and vigorous voicing of regional differences that you have in the United States Congress and especially in your powerful Senate. This fact, plus the other structural differences to which I have referred, combine to place in the hands of our provincial governments a major role among the public voices of regional interest. The open debate and apparent reconciliation of regional differences—so important in any federation—tends to occur to a large degree

through direct contest and negotiation between the federal and provincial governments. This fact in turn has had an important influence on the degree to which powers can be centralized in Canada and the way in which "decentralization" has developed.

"Big Government" of the modern variety normally brings with it an increase in the centralization of real power. That seems clearly to have occurred in the United States. In Canada I do not think it has—precisely because of the basic strength of the provincial governments to which I have referred. We have, indeed, explored many techniques for decentralization and made considerable progress in that direction.

The strongest pressure for decentralization came from Quebec. French Canada felt it had not been given an equal deal in Confederation. One solution proposed in recent years by a minority of Quebecers was separation: for Quebec to become an independent country—possibly with some form of association with "Canada". A more moderate solution was to demand an increase in the powers of the government of Quebec, either powers for Quebec alone—"special status"—or an increase in the constitutional powers of all provincial governments. In the period 1968-71, we carried out a review of our constitution through a series of federal-provincial discussions. One of the central questions we looked at was whether some responsibilities could be shifted from the federal to the provincial governments, particularly responsibilities of a kind that would meet Quebec's demand for more "control" over matters vital to the preservation of the French "fact" or culture in Canada. The review was as comprehensive as we could make it. While disagreement in 1971 brought the review to an end before every part had been completed, it was apparent that the federal and provincial governments were unable to reach a consensus on any area of consequence where constitutional decentralization of final decision-making authority could occur without undue damage to the federal government's capacity to play its essential role. In short, constitutional decentralization appeared to provide no solution.

To provide an effective response to the pressures of Quebec, and also to the demands of other provincial governments for a more effective voice in decisions they thought vital to the interests of their region, we have had resort to what might be called "operational" or "administrative" decentralization. It is not exciting or dramatic, but it has been effective. To a degree it is the old process, familiar to our pragmatic tradition of liberal democracy, of doing sensible things in a reasonable way. The kind of decentralization we have worked out does not transfer powers, nor does it try to cleave them into new and more precise divisions. It operates rather on the basis of a recognition that modern government, with the inter-weaving of programs and policies as they reach further and further into the interconnected web of life, requires cooperation rather than separation and negotiation rather than confrontation. To effect it, we have created a whole complex of conferences and meetings between governments. Prime Minister and Premiers, Ministers of every kind of portfolio, and officials of virtually every level and kind meet and explain, argue and negotiate with a frequency to rival

the United Nations and all its collected agencies. The most recent sessions at the "top level" were in March and produced a consensus of Prime Minister and Premiers on the difficult problem of oil and oil prices.

This new operational decentralization is not, however, simply a matter of discussion and negotiation. A further element in the arrangements has been to strengthen the fiscal positions of the provincial governments in a way that can make the exercise of their proper powers more effective and real.

In the fifties and early sixties there had been important transfers of fiscal resources from the federal government to the provinces. This was done principally through allowing provincial income taxes levied on individuals to be offset—up to a limit which was successively increased—against federal income tax. These were called abatements. This period had also seen the introduction of what we called opting-out: an arrangement which allowed a province to take, in place of federal payments under conditional grant programs, compensation in the form of increased abatements against federal taxes. This was primarily designed in response to demands from Quebec to be freed from conditions that it thought impaired its freedom of action and distorted priorities in provincial fields to accord with federal preferences. The opting-out was made available to all provinces but only Quebec took advantage of it.

We had also begun to see, before our constitutional review, a reduction in the conditions attached to federal grants. This trend has continued. We have now gone further and are providing options for individual provincial action within purely federal schemes. Under the new federal Family Allowances Plan, provinces may request that payments to families be varied from the national norm of \$20 per child to harmonize with the province's own welfare programs. Provided the federal payments average out to \$20 per child, and do not fall below \$12 for any individual child, the federal government will comply.

Federal cash transfers to the provinces are now roughly a quarter of the federal budget; about 40 per cent are unconditional or block grants. The most important unconditional grants are the so-called equalization payments, which are paid to the governments of the seven poorer provinces. Their purpose is to enable provincial governments across the country to provide services at a level that is roughly in keeping with the national average without having to resort to unduly burdensome levels of taxation. The grants operate under a largely automatic formula which is renewed every five years.

After transfers, the provincial and municipal governments as a group now spend quite a bit more than the federal government.

I should mention one important difference in the Canadian grant system as compared with the United States. The Canadian federal government almost never deals directly with municipal governments. Grants are nearly always paid to the provinces. Administrative decentralization below the provincial level is therefore up to the provincial governments.

The present result of the developments of the last ten years in Canada is certainly a "new federalism" in the

sense that it is something quite unknown to our constitution. It is also quite different in degree from anything that prevailed before the early 'sixties. Decentralization has occurred in two ways: a more effective expression for the provincial or regional view about federal action, and more effective capacity for the provinces to act without condition in provincial fields.

If this sounds idyllic, let me disabuse you. We have our full share of frustration with government and alienation from it. We are all familiar with the modern schizophrenia. On the one hand, people demand that government react and "do something" about every problem that arises. In the next breath, they resent the all-pervading activity of government. Similarly, there is a demand for speedy action to meet rapidly changing problems, but at the same time an equally great insistence on participation by all in the decision-making process. Governments at all levels face these ambivalent attitudes, which suggests that decentralization, while it may help, cannot alone solve the problem of alienation.

I am not at all sure that decentralization in any conventional sense—the shift of the clear power of decision from the centre to provincial or to municipal governments—is likely to prove feasible to any large degree. As government action becomes increasingly pervasive, and as it reaches into steadily more complex programs and arrangements, the need for coherence and consistency steadily grows. It becomes progressively more difficult to establish lines of demarcation in policy or in action. Policy becomes a seamless web: economic policy, social policy, cultural policy, communications policy and a host of others become inextricably intertwined. Blurring of responsibility is likely to become an increasing characteristic of modern federations. In such circumstances, the decentralization of final decision-making authority becomes increasingly difficult. If this conclusion based on Canadian experience can be generalized, it may be that the future path for federations does not lie in that direction at all. It may rather lie in the direction we have recently been exploring in Canada: on the one hand the liberation of the provinces "to do their own thing" and to do it effectively; on the other, the increasing acceptance of provincial voices and participation in the decision-making of the central government.

It seems increasingly possible that the best means of reducing friction is for our two levels of government to get more mixed up together, not to draw apart. That "mixing" creates real problems at both the executive and the legislative level. Both orders of government—federal and provincial—find themselves constrained to adopt courses of policy and kinds of program that are not totally desired by either. The achievement of the least common factor of disagreement in federal-provincial conferences may look rather more like a pretty high common factor of general distaste when the results are debated in Parliament or provincial legislature. Nor do the legislative bodies take kindly to the idea that governments, responsible to them and theoretically influenced by their debates, might mortgage their freedom of action to other governments beyond their own control. Indeed, for that reason, and also to ensure that the final and collective responsibility of Cabinets for their own decisions and actions is maintained, care has to be taken to ensure that a distinction is maintained between agreement and commitment on the one hand and final Cabinet decision on the other. Even with this care, there are occasional evidences of strain, especially upon the conventional relationships of legislatures and executives in our Parliamentary system. The existence of those strains is, however, a reflection of a reality that is a form of decentralization. The control of Parliament or of a legislature over the policy of the government responsible to it is a bit more elusive and perhaps more diffuse in some cases precisely because the locus of executive commitment to policy and program is not as easily identified or as specific as once it was. The process normally applies to federal policies and federal programs since it is usually they that are the subject of negotiation and compromise. However, the process has not been one-sided. The federal government has become increasingly involved, through conference and policy discussion, in matters that once were regarded as totally provincial, such as urban affairs and social housing. Through these means, in matters of general importance, policy development and, to a degree, decision-making have been considerably "decentralized" in recent years in Canada from the constitutionally defined centres of legislative and governing authority.

THE SENATE

Thursday, May 2, 1974

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

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Capital Budgets of the Cape Breton Development Corporation for the three months ending March 31, 1974, pursuant to sections 21 and 26 of the Cape Breton Development Corporation Act, Chapter C-13, R.S.C., 1970, together with copy of Order in Council P.C. 1974-653, dated March 21, 1974, approving same.

Capital Budgets of the Cape Breton Development Corporation for the fiscal year ending March 31, 1975, pursuant to sections 21 and 26 of the Cape Breton Development Corporation Act, Chapter C-13, R.S.C., 1970, together with copy of Order in Council P.C. 1974-654, dated March 21, 1974, approving same.

Report on operations under Part II of the Export Credits Insurance Act for the fiscal year ended March 31, 1974, pursuant to section 27 of the said Act, Chapter 105, R.S.C., 1952.

NATIONAL PARKS ACT

BILL TO AMEND—REPORT OF COMMITTEE PRESENTED

Hon. Salter A. Hayden: Honourable senators, I desire to present a report of the Standing Senate Committee on Banking, Trade and Commerce to which was referred Bill C-6, to amend the National Parks Act.

The report was read by the Clerk Assistant, as follows:

The Standing Senate Committee on Banking, Trade and Commerce to which was referred Bill C-6, intituled: "An Act to amend the National Parks Act", has, in obedience to the order of reference of Tuesday, April 23, 1974, examined the said bill and now reports the same without amendment.

In addition, your committee desires to state that, despite the urgency of this legislation in the present circumstances, it should at once indicate its opposition to the principle of clause 2 of Bill C-6, and that it should serve notice that the clause will not be taken as a precedent in so far as the Senate is concerned and that such provisions, which fail to recognize sound parliamentary principles, should not be included in future. Moreover, the inconsistency between clause 2 and clause 10 of the bill should also be noted. Obviously the establishment of new parks and the significant enlargement of existing parks should be dealt with on the same basis.

However, the committee considers that the availability of the beneficial provisions of the bill should

not, at this time, be delayed because of the defects noted above.

Respectfully submitted.

Salter A. Hayden,
Chairman.

Hon. Mr. Hayden: With leave of the Senate I should like to add a word of explanation.

Hon. Senators: Agreed.

Hon. Mr. Hayden: The rider which was read is simply for the purpose of preserving the position of the Senate in relation to the type of legislation found in clause 2 and, possibly, clause 10 of the bill. In reporting this bill without amendment, we did not wish to leave it stand in that form, which might be cited as a precedent.

I should like to take a few moments to tell you the effect of the form of legislation contained in clause 2 of the bill. It provides for a proclamation by the Governor in Council in respect of significant additions to existing park areas. The clause sets out the procedure for advertising in the *Canada Gazette* the intention to issue a proclamation, together with a description of the area to be added. Provision is made for advertising in major newspapers and in the area in which the lands are situated.

Clause 2 further provides that this notice of intention to issue a proclamation shall be tabled in the House of Commons and referred by that House to its Standing Committee on Indian Affairs and Northern Development. That committee shall then hear witnesses and report to the House of Commons. A motion must then be made by the chairman of the standing committee to the House of Commons for concurrence in or disapproval of this intention to issue a proclamation in respect of making additional lands part of an existing park. This clause also provides that there will be no debate on that motion. In the event the House of Commons does not approve, or if they concur in the disapproval contained in the report of the committee, the proclamation procedure will not be available. If the reading of the bill were confined solely to that clause, it would appear that there is only one legislative body in the Parliament of Canada. In this case we have the House of Commons dealing with the matter entirely and exclusively, with no reference at all to the Senate. We felt that this was not proper parliamentary practice, and our committee was unanimous in the view that we should not approve this form of procedure.

● (1410)

Clause 10 provides by proclamation for the creation of additional parks in areas described in the bill. The committee found procedures in that clause which fell short of those outlined for the addition of lands to an existing park. It felt that there should at least be consistency in the procedures.

The committee felt that the merits of the bill were beyond doubt and that the public would derive benefits from bringing the bill into law. The committee was influenced also by the manner in which the minister explained his position in relation to the bill. He said frankly that he had opposed clause 2 in committee of the other place but was outvoted. He had pointed out that it was not a good way to proceed, but he said that he wanted the bill for the good that was in it. He stated that if he did not get it this session he did not know when, if ever, it would become law. He pointed out that there were arrangements and negotiations in process for the creation of additional parks and additions to existing parks.

One member of our committee said that he would speak against clause 2 but would vote to have the bill reported without amendment. To avoid any risk that the committee might establish a precedent by permitting this sort of thing to be incorporated in a bill, it was decided that the report should contain a rider stating specifically that it was not a precedent and pointing out what the committee considered to be wrong with clauses 2 and 10. It was agreed that the rider should state that the bill was being reported without amendment because in general it was beneficial to the public.

Hon. Mr. Flynn: Honourable senators, I agree with what has been said by the chairman of the committee. I am happy that the committee agreed with the objection that I raised on second reading with regard to the procedure outlined in clause 2, which completely ignores the Senate.

I agreed in committee that we should avoid useless confrontation with the Commons at this time and that the Canadian public should benefit from the good contained in the bill. But I wouldn't want the position we are now taking to be considered a precedent.

I assure honourable senators that on whatever side of the house I may be sitting when we reconvene at a later date, I will adhere to the same position.

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

Hon. Mr. Langlois: Next sitting.

Hon. Mr. Flynn: If royal assent could be given this evening, I have no objection to the bill's receiving third reading now.

Hon. Mr. Langlois: Next sitting.

Hon. Mr. Laing moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

**FARM IMPROVEMENT LOANS ACT
SMALL BUSINESSES LOANS ACT
FISHERIES IMPROVEMENT LOANS ACT**

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans

[Hon. Mr. Hayden.]

Act, and had directed that the bill be reported without amendment.

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

Hon. Mr. Langlois moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INTERNAL ECONOMY

SUPPLEMENTARY BUDGET OF SPECIAL COMMITTEE ON SCIENCE POLICY TABLED

Hon. Donald Smith, 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 additional expenditures of the said Special Senate Committee on Science Policy respecting the holding of a special meeting to determine the feasibility of establishing a Commission on the Future as authorized by the Senate on March 27, 1974.

BUDGET OF JOINT STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS TABLED

Hon. Donald Smith, 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 Joint Standing Committee on Regulations and other Statutory Instruments for the proposed expenditures of the said Joint Standing Committee on Regulations and other Statutory Instruments with respect to its review and scrutiny of statutory instruments pursuant to the report adopted by the Senate on April 30, 1974.

CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAM "LES BEAUX DIMANCHES"—NOTICE OF MOTION

Hon. Leopold Langlois: Honourable senators, I wish to give notice that on Monday next, May 6, 1974, I will move 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 April 28, 1974, on the French network of the Canadian Broadcasting Corporation.

Hon. Mr. Grosart: Explain.

Hon. Mr. Langlois: I spoke to this matter yesterday. If honourable senators will read *Hansard* of yesterday's date, they will see the reason for this motion.

TRANSPORT AND COMMUNICATIONS

CHANGE IN COMMITTEE MEMBERSHIP

Hon. Mr. Langlois, with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the names of the Honourable Senators Argue, Buckwold and McNamara be substituted for those of

the Honourable Senators Burchill, Sparrow and van Roggen on the list of senators serving on the Standing Senate Committee on Transport and Communications. Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Langlois: Honourable senators, might I have leave at this stage to say a word of explanation as to what is in store for us before the end of the present week?

Hon. Senators: Agreed.

Hon. Mr. Langlois: I wish to give this explanation now so that honourable senators can make necessary arrangements. Although I am not prepared now to present a motion for the adjournment of the Senate, it is intended that the Senate will sit tomorrow and very likely on Monday afternoon. I am delaying my motion until I see what takes place in the other place over the balance of the day in order to determine whether we should come back at 11 a.m. tomorrow or at 2 p.m. If we are to come back at 11 a.m., I shall have to present a special motion at the end of the present day's sitting; otherwise, the motion will simply be that we adjourn until tomorrow at 2 p.m.

I thought, in all fairness to honourable senators, I should give that explanation at this time. I long ago abdicated my role as a prophet of what might take place in the other house. However, I cannot be deaf to the prophecies we heard on the radio and television last night from certain people of importance in the other place. I think all honourable senators know what is to be expected next week. It was this uncertainty of the situation in the other place that prompted me to suggest that we sit tomorrow, and possibly on Monday. It is very likely that the other place will be sending us legislation, which we would not wish to see die on our Order Paper because of any failure on our part to be available to consider it.

● (1420)

I think all senators understand the situation and would agree that we have no choice but to sit tomorrow, and Monday if necessary, for this purpose.

Hon. Mr. Flynn: Honourable senators, I think we all understand the message of the Deputy Leader of the Government. It seems to me, however, that under the circumstances we could probably deal with these measures—which, though important, are not urgent—on Monday afternoon. I understand, however, that something may happen today in the other place which may indicate that we will have to work tomorrow. I do not expect dissolution to take place before Wednesday next. But we have always been cooperative, and I can assure the Leader of the Government that we will do our utmost to facilitate dissolution.

Hon. Mr. Langlois: I am happy to know that even if I have abdicated my role as a prophet I now have a worthy successor, although I have no more confidence in his prophecies than I used to have in mine.

Hon. Mr. Martin: So that there will be no misunderstanding about the implications of the record when it appears—

Hon. Mr. Flynn: There won't be any doubt.

Hon. Mr. Martin:—and so that it will not be thought Senator Langlois spoke for all of us, let me add that the conclusion about dissolution was not proffered by him, and certainly not commented on at all by me, because I do not share Senator Flynn's pessimism.

Hon. Mr. Flynn: You mean optimism.

FISHERIES

EXTENSION OF AGREEMENT BETWEEN CANADA AND THE UNITED STATES—QUESTION

Hon. Mr. Grosart: Honourable senators, I should like to direct a question to the Leader of the Government on a matter of some urgency. It is my understanding that there has been an extension of a certain agreement between Canada and the United States affecting fishing rights in Canadian territorial waters. I would ask him what is the terminal date of that extension, and what will be the situation if the problems arising over base lines between the United States Government and Alaska are not resolved by the terminal date.

Hon. Mr. Martin: Perhaps Senator Grosart would permit me to reply to that tomorrow. I used to know something about these things, but now I do not.

RAILWAY RELOCATION AND CROSSING BILL

SECOND READING

Hon. Donald Cameron moved the second reading of Bill C-27, to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings.

He said: Honourable senators, first of all I must thank my colleagues for giving me permission to proceed with this bill today, because I have to leave for the West tomorrow. I hope that the dire predictions I hear on every side do not come true during my short absence.

On reading the debate on this bill in the other place, I was impressed by the fact that it seemed to have the support of all parties, certainly as far as the principle of the bill was concerned, and that is a good augury for the passage of the bill.

It is a privilege to have the opportunity to introduce this bill, which I consider to be a very timely and significant piece of legislation. It is a bill which I know will be warmly welcomed by both provincial and, particularly, municipal authorities right from one end of the country to the other.

The bill is divided into four parts. Part I deals with joint urban development and transportation plans for relocation schemes. Part II provides for special grants for grade separations. Part III provides for railway grade crossing assistance. Part IV is a general clause relating to transitional provisions in respect of the Railway Act. This bill is the concern of both the Ministries of Urban Affairs and Transportation, but it is also of major concern to the provinces and, as I indicated earlier, to every municipality in the country.

When we talk about relocation of railways and the building of grade separations, we are talking in terms of big money. Just to give an example, there has been talk for some years about the relocation of the railway tracks in the city of Calgary, an area with which I am very familiar. At the present time the CPR main line effectively bisects Calgary from east to west, and the town has grown up north and south of the tracks. There was some talk in 1962 about moving the tracks from their present location immediately south on 9th Avenue to a new location several blocks north along the south side of the Bow River. That is something I am delighted did not go ahead, because it would have destroyed an area, the Bow River front, that has a great deal of aesthetic potential. Nothing came of this plan at the time, but if such a plan were contemplated today, it is estimated that the work would cost \$100 million. That is one indication of the cost of a project of this kind. As a consequence, there is no question the railway will remain where it is.

What applies to Calgary I am sure will apply to many other cities. This raises the next obvious question of alternatives. While I am using Calgary as an illustration, what applies to Calgary would apply with some modification to Winnipeg, where they already have had a very intensive study of transportation, and to the smaller city of Wetaskiwin and many others across Canada.

An alternative to moving the tracks is to design the central core of the city around the railway tracks so that high-rise office blocks, apartment blocks, and/or supermarkets, may be built in that area in a way that would effectively screen the railway from the rest of the community. The railway could be covered over with a parking area, something that is very necessary in a high density area. This to me would be a desirable thing to have happen.

Where there is high-rise development in office blocks, apartment blocks or supermarkets, developing along a railway line, proper attention will have to be paid to the engineering so that the foundations will be deep enough and substantial enough to withstand vibrations in the soil, and proper attention will have to be paid to soundproofing so that the railway will not be an irritant in that respect.

Another thought which occurs to me is this. In many cities it would be possible to plant a row of trees along the railway right of way, outside the high density area. These trees would not only have the effect of obliterating an eyesore but they would serve to deaden the sound for people living in homes adjacent to the railway tracks. It would be naïve to think that in any talk of moving railway lines, lines which have been established for many years in our cities and towns, we would not run into conflict with certain established vested interests, and the vested interests of people who might be affected by the relocation. I do not doubt for a moment there will be a good deal of controversy in this respect. But we are safeguarded by the fact that no plan of removal will be made until it has the consent of the local planning authorities in respect to the design of the relocation of the tracks, grade separations, financing, or whatever it may be.

Honourable senators, that is by way of introduction. On this matter of planting trees, it just happens that the City of Calgary will be celebrating its centennial in 1975. I can

[Hon. Mr. Cameron.]

think of no better project for the Canadian Pacific Railway, if not on their own responsibility at least certainly with the cooperation of the municipal authorities, than to plant a tree screen and thereby set an example to many other cities.

• (1430)

In Eastern Canada much of the railway network was established over 100 years ago and much of the remainder will pass the century mark in the next 25 years. In Western Canada the railway network is not quite so old, but in both East and West our cities have grown up around a railway network which has gone largely unchanged since it was originally established. The changes that have occurred in our cities since the railway lines were laid out are enormous. The railways have been indispensable to the creation and growth of Canada and the Canadian economy, but in the 1960s and 1970s they have come to be seen more and more by residents of our cities as part of the urban problem; in many urban areas they are an impediment to desirable urban development.

When railways under federal jurisdiction received their charters they also acquired the right of expropriation to construct their lines. There has never been in the statutes a formal method by which municipalities and provinces could reverse this process and arrange for the relocation of railway lines in urban areas or control their use. In many cities, for example, some railway lines might be used to greater advantage as rapid transit lines to improve urban transportation. The bill before us, the Railway Relocation and Crossing Bill, does establish a procedure by which municipalities and provinces can rearrange railway networks within urban areas and, if necessary, relocate some railway lines altogether.

The Ministry of State for Urban Affairs and the Ministry of Transport have spent a good deal of effort on determining how federal power could be brought to bear on the urban problems created over the years by the relationship between railways and cities, and by the presence of tracks, yards, and other rail facilities in urban areas.

The legislation before us is the result of many months of examination and assessment of suggestions from many interested parties. It is a major federal initiative to help achieve a better balance between the need for efficient rail services and the adverse effects of railways on the quality of the urban environment and urban development in Canadian communities. As well, the measure will increase public safety at level crossings by eliminating this hazard in many places.

It is designed to apply particularly to cities where railway facilities—that is, tracks, yards and terminals—are formidable obstacles to planned and orderly urban transportation and urban development, and to meet the demand for new or improved grade separations where line crossings now exist or where new lines might be developed.

Honourable senators, the legislation being placed before Parliament contains two complementary elements. The first element, which is railway relocation and rerouting, will permit the federal government, for the first time, to fund and support in a major way the planning for, and implementation of, railway relocation and rail traffic rerouting proposed by provinces and municipalities.

The provisions for railway relocation are intended to enable the flow of traffic on lines in cities to be modified or to permit lines to be relocated entirely, in accordance with urban development and transportation plans prepared by the provinces and their municipalities.

Where a rail line is relocated, the property thus vacated may be put to any number of uses, in accordance with the priorities established by such plans. These priorities can include the provision of improved and expanded rapid transit facilities, land for housing, and recreational facilities.

The second element involves the expansion of the railway grade crossing fund, which has helped improve rail safety and security in urban and rural areas of Canada for more than 60 years. Federal financial assistance provided through the fund will be more than doubled and new special assistance will be provided for large-scale projects to meet increasing costs and new situations.

As I said earlier, the proposed legislation is divided into four parts:

- I. Joint Urban development and transportation plans;
- II. Special Grants for separations;
- III. Railway grade crossing assistance;
- IV. General.

Part I provides financial assistance for planning and carrying out railway "relocation" projects, which may take the form of projects calling for rerouting of railway traffic over lines of other railways, limiting the use of railway lines, for example, to passenger trains or the use of railway lines for rapid transit, as well as actual physical relocation of lines.

In such cases, the applicants—a province plus all the municipalities in an urban area—must first have agreed upon an urban development plan and a transportation plan for the area. Federal assistance of up to 50 per cent of the cost of the studies to produce these urban plans may be provided by the Minister of Transport and the Minister of State for Urban Affairs.

The applicants must also submit a financial plan showing, among other things, how the costs of the transportation plan are to be met. Other federal departments may also meet part of the costs where their programs permit such participation; that is, for acquisition of land for buildings, housing projects, and so on. Provincial and municipal authorities may also contribute, and I suspect that DREE might come into this picture, too.

After the Canadian Transport Commission has been advised by the Minister of State for Urban Affairs that federal programs contemplated for use in the plans are available, and the Governor in Council has indicated he is prepared to authorize the use of moneys for a relocation grant, the commission may consider the application.

Now, I said earlier that this was a very costly business, and I have some figures here to give some indication of what the costs could be. The average annual expenditures under all parts of the Railway Relocation and Crossing Act are expected to be held by budgetary procedures to an average of about \$50 million per year in the next five

years, and the approximate distribution of expenditures is expected to be as follows:

In the first year, the relocation under Part I, and the special grants under Part II, will be \$10 million; in the second year, \$15 million; in the third year, \$20 million, and in the fourth and fifth years, \$25 million.

In the railway grade crossing fund under Part III, it is expected that the cost in the first year will be \$25 million, and \$30 million in each succeeding year. In addition, grants for studies amounting to \$3 million per year will be available from the Ministry of State for Urban Affairs and from the Ministry of Transport.

Another question which has come up, particularly in Calgary, is that of air rights over railway tracks where it is decided to cover them over. I have received information from the Department of Justice that air rights over railway property are normally the property of the railway company, subject to any reversionary rights which may be stipulated in the various instruments of conveyance. Railways can build over their rights-of-way, or permit others to do so. The value of air rights would be part of the property value for which the railways would have to be compensated under the Railway Relocation and Crossing Act. All air rights are subject to provincial laws, municipal bylaws, and limitation of structure heights near airports, and so on.

On this matter of relocation, some senators may have heard a broadcast last night by a representative of the CBRT, the Canadian Brotherhood of Railway Transport and General Workers. He was opposing the bill and said that the contemplated removal of the stations from downtown areas would make things much more difficult for the ordinary worker with a car, who would have to pay higher parking fees in downtown areas after the station was moved. I cannot see the logic of this, but that is what he said. Secondly, a man without a car would have additional difficulty and higher costs in getting to work. I suggest that such statements are based on a misconception.

● (1440)

To me the GO train in Toronto is just one of the adaptations of modern transportation technology in moving large numbers of people efficiently and at low cost. Nobody is going to move the Union Station in Toronto, although there was talk about it some time ago. I think that Senator Deschatelets mentioned this matter in the chamber on one occasion when he decried the removal of the Union Station in Ottawa from the very convenient downtown location to where it is now, out in the sticks beyond Alta Vista.

Hon. Mr. Deschatelets: Unfortunately, I am one of those responsible for that.

Hon. Mr. Cameron: I thought I heard you say that you regretted that move.

Hon. Mr. Deschatelets: I do.

Hon. Mr. Martin: What does Senator Deschatelets regret? I never knew him to regret anything.

Hon. Mr. Cameron: The removal of the Union Station away out into the sticks beyond Alta Vista.

In any event, we saw in last night's papers the plans for the urban development of the east side of the Rideau

Canal—a natural and logical development for the city of Ottawa, and one that I am glad to see. I do not expect the railway tracks to be brought back to the Union Station, although I would not rule it out altogether. If this plan is carried out, then it is possible that within 25 years something like that might be done. Hotels, shopping centres and apartment blocks could be built on both sides of the canal in the near downtown area with the railroad underneath. The noise of the trains would be deadened, and parking facilities could be provided to serve that area. To me this makes a lot of sense.

Hon. Mr. Deschatelets: This is the case in Montreal.

Hon. Mr. Cameron: Yes, Montreal is a good example, and in New York the Commodore Hotel is located on 42nd Street right above Grand Central Station. There is nothing new or radical in this approach, and it becomes more sensible all the time. It would benefit the high-density core and near-downtown area of Ottawa. I can think of no nicer place to plant a stand of trees than along the canal. They would add to the beauty of the place as well as serving to deaden the sound in the area beyond the core, and would enhance it generally. It is a costly business, but it is a step in the right direction.

It is a necessary condition that any railway involved will neither gain nor lose as a result of carrying out the plans. The commission, possibly after an optional public hearing, may make orders requiring any railway involved (a) to cease to operate over any railway lines in the urban area; (b) to permit the trains of another railway to be operated over its lines in the urban area; (c) to restrict traffic over a railway line in the urban area to certain classes of traffic; and (d) to build a railway line in a specific location.

To me this makes a lot of sense. Why should we have a CNR station at one end of town and a CPR station in another, with railway tracks between? It is more sensible to have the two railways operating over one set of tracks into the core of the city. As new technology is applied to transportation we will find that the light fast trains will not cost the billions of dollars now being spent on Ste. Scholastique and Pickering airports. If we were to spend some of that money on light rapid transit trains we would be getting better value for our money as far as short-haul traffic is concerned—that is, on runs up to 300 miles.

If a railway is required to cease to operate over a line, the commission may recommend that the Minister of Public Works acquire the land which the line occupies by purchase or expropriation, and the Minister of Public Works may subsequently dispose of the land in a manner consistent with the accepted urban development and transportation plans. In other words, it all goes back to the local authority so that the autonomy of the people is protected.

When orders have been made by the commission as described above, the commission may recommend payment of a relocation grant not exceeding 50 per cent of the net cost of railway relocation. The net cost is to be determined by the Canadian Transport Commission according to a schedule which will take into account such factors as changes in value of railway land and the adjusted costs of new railway facilities—that is, the cost of new railway facilities plus or minus any change in railway operating

[Hon. Mr. Cameron.]

and maintenance costs. Just think of the land that the CPR acquired in Winnipeg, Calgary and Vancouver, and compare its value in 1880 or 1890 with its value today. Land is a tremendous asset, and one that the railways would undoubtedly want to be well compensated for in the event of any of it being expropriated.

When the commission recommends that the federal government acquire railway land for urban redevelopment and transportation, that acquisition may be made by the Department of Public Works, either by purchase or by expropriation.

The provisions in respect of increased assistance for the protection of railway grade crossings cover both grade crossings and separations and follow many representations by interested groups as to the expansion and modernization of the Railway Grade Crossing Fund. Such expansion is intended to bring grant provisions into line with the increased costs being experienced in the construction and modernization of overpasses and subways designed to eliminate hazardous crossings and severe traffic bottlenecks. This bill, in Part III, provides for increased federal assistance through the Railway Grade Crossing Fund—which continues to exist—and, in Part II, for special grants for separations.

Part III of the act would replace section 202 of the Railway Act which established the Railway Grade Crossing Fund, a special account established in 1909 to help finance work done for the protection, safety and convenience of the public at railway crossings. Part III provides for continuation of the fund with new ceilings on assistance.

I can summarize the proposed new federal assistance by saying that in respect of level crossing protection work 80 per cent of the costs may be paid from the Railway Grade Crossing Fund, up to a limit of \$1 million, the existing limit being \$500,000. For reconstruction of, or improvement to, existing grade separations 50 per cent of the cost may be paid from the Railway Grade Crossing Fund up to a ceiling of \$625,000, the existing limit being \$250,000.

Part II, "Special Grants for Separations," introduces the new provisions I have mentioned for federal grants to meet part of the costs of grade separation projects at railway crossings when construction or reconstruction costs appear likely to exceed \$1,250,000, or where a new crossing is required by a highway traffic rerouting scheme. The commission may conduct an inquiry into the proposed project and recommend to the Ministry of Transport that a special grant be provided. It may also recommend special terms and conditions for the grant, and may specify the share of costs to be borne by the railway concerned and the applicant province or municipality.

In respect of the very expensive grade separations there is an escalated scale of grants. For example, there may be a grant of over \$2 million for the construction of a new separation costing \$3 million, and a grant of about \$1.3 million for the reconstruction of a grade separation costing \$3 million. New grade separations required by highway traffic rerouting schemes will qualify for special grants equal to 50 per cent of the construction costs.

● (1450)

This bill maintains the existing provisions of the Railway Act, in that a railway crossing must have been in existence for at least three years before an application can be made for a grant from the Railway Grade Crossing Fund towards the construction of a grade separation. This provision prevents unnecessary new rail crossings. However, there are two exceptions to that "three-year rule"—first, when the new grade separation is required by a railway relocation-rerouting project; and, secondly, when it is required by a new highway traffic rerouting scheme. Grants provided for the reconstruction of, or improvement to, an existing grade separation will be made available where the grade separation has existed for at least 15 years. Formerly, such grants were limited to grade separations that existed prior to June 29, 1955.

Honourable senators, the Railway Relocation and Crossing Bill deserves the support of all members of the Senate. It is being eagerly awaited by many Canadian cities and towns. In this respect I called the mayors of some of our urban centres, who said "Get it through as fast as possible." I assured them that all parties were in agreement with that principle.

The bill is the result of much careful work extending over many months. It makes possible the reshaping of the transportation networks and urban development in many of our communities. It greatly extends federal government assistance in improving the way of life in many Canadian cities and towns.

I respectfully commend this bill to your favourable and sympathetic consideration.

Hon. Mr. Fournier (Madawaska-Restigouche): Honourable senators, I do not rise to speak, as I do not wish to delay the referral of this bill to a committee. However, I would like to reserve the right to say a few words on third reading.

Hon. Sidney L. Buckwold: Honourable senators, I feel that I should pass on the experience I had during my term of office as mayor of a medium-sized city, during which time a railroad relocation took place. The city is Saskatoon, a metropolis in northern Saskatchewan. I believe my experience is worth recounting, if only to re-emphasize the importance of this bill and to give further support to the excellent presentation made by Senator Cameron in introducing it.

Saskatoon, like most cities—and especially Western cities—grew up around the railway track. The railway came through a small settlement. In 1901 Saskatoon had a population of 113, and at the present time it is about 135,000, and that increase was caused by the strip of steel which connected that little settlement with so-called civilization.

Cheap buildings sprang up around the railroad tracks, and before long the area deteriorated. As the municipality grew, business moved to the prime locations away from the tracks. The city grew and spread, and the dividing line, as Senator Cameron has pointed out, became the railroad tracks. Some people lived on the right side of the tracks, and others lived on the wrong side.

In Saskatoon, we found it was going to be a very expensive matter to get motor traffic across the fairly extensive area owned by the Canadian National Railways. Over-

passes would have cost some millions of dollars. The whole problem of moving traffic in an orderly manner was something which had to be considered by the city, and those who were involved in its planning. We took the bull by the horns and said we would like to get the railroad out of the downtown area. We met with the railway company and negotiated for some time. As a community we received absolutely no help from any senior government. Naturally, I would like the provision of this bill made retroactive, because it would save the city some millions of dollars.

However, it became obvious after the period of negotiation that if the land owned by the railroads, with its low assessment, could be developed into prime commercial property it would be a pretty good business deal from the point of view of the city itself. This was true, in spite of the fact that the capital costs were borne by the city, because the higher assessed value of the redeveloped railway land became a very important source of revenue. The city receives some hundreds of thousands of dollars a year in extra revenue, so that the investment pays off.

The advantages have been unbelievable in so far as the city of Saskatoon is concerned. The first advantage is that the division between the west and east sides of the city has been eliminated. It has saved some millions of dollars in traffic facilitation, and has allowed a complete downtown urban redevelopment program to be undertaken at no cost to the municipality other than the money paid to the railway to move.

By the way, the railway still owns the land. We agreed to pay them the cost of moving, which involved abandoning a bridge and moving their yards and station. They retained control of the land, the air rights and all the other matters that were under their jurisdiction. They then put the development of the property up for tender, and several were received. In due course, they accepted a beautiful development known as Midtown Plaza, right in the heart of downtown Saskatoon. This has provided, in my opinion, a second start for the city, a second chance to develop the heart of the downtown area.

The initial fears of some of the commercial establishments in the immediate vicinity proved to be unfounded, because the strengthening of the downtown area more than compensated for the additional competition created by new shops, buildings, office space and the kind of thing that often disturbs people who cannot see the future and the reaction that will take place when revolutionary development of this type is undertaken. As a matter of fact, one of the Massey awards for Urban Excellence, which is sponsored by the Massey Foundation and the Canada Council, was given to Saskatoon for this midtown development and railroad relocation.

We have seen a tremendous change in Saskatoon. Any honourable senator who has seen the beautiful development that has taken place in connection with the relocation of the railroad will understand my enthusiasm in supporting this bill. I can visualize what it will mean to almost every city in Canada. I think this measure is one of the most important forward steps, and one of the most encouraging pieces of legislation involving urban development, that has been presented by the Government of Canada for a long time.

● (1500)

I agree that the movement of a station from the downtown area creates a problem. That problem has been magnified recently by the energy crisis, which may cause a return to mass transit, and emphasized the importance of railways in the movement of people into and out of urban areas.

In Saskatoon the railway company was not really concerned about the relocation of the depot. Frankly, I believe they had written off the movement of passengers by rail.

I asked the railway officials, "Are you not worried about losing passenger traffic by moving the railroad depot four or five miles from downtown Saskatoon?" Their answer was that the airlines seemed to do all right by locating their passenger terminals some distance away, and they could see no reason why such a move would not be equally acceptable to people travelling by train. Personally, I do not accept that argument. I do not think it is right. I believe we are now seeing a return to importance of the railway passenger service.

One solution would be to move the railroad depots out of the city centres, and provide rapid downtown connections. There should be federal government assistance to the municipalities for the movement of the public to and from the downtown areas. That is an integral part of any relocation. We see it here in Ottawa. There was nothing wrong in relocating the railroad station. It made good sense. I am sure the people of Ottawa are delighted at having the trains moved from downtown. It is a little inconvenient, but that can be corrected by providing an improved service. That could involve substantial cost, but assistance might be provided through this bill.

Saskatoon was the first city in Canada to make this very important move which, although costly, has been, in my opinion, most beneficial.

Hon. Mr. Martin: Before Windsor?

Hon. Mr. Buckwold: Windsor has a long way to go yet.

Hon. Mr. Martin: Windsor made some changes, too.

Hon. Mr. Buckwold: If you recall, Windsor had some problems with regard to the riverfront.

Hon. Mr. Martin: But they are not as bad they were.

Hon. Mr. Buckwold: I would guess that Windsor has a long way to go in improving. I say that kindly, because it is a wonderful city, and it returned Senator Martin to Parliament for many years.

Hon. Mr. Laing: There is smoke.

Hon. Mr. Buckwold: Yes, smoke, distillery fumes, and all that kind of thing.

Hon. Mr. Martin: There is no reason why a constructive question should bring insults.

Hon. Mr. Buckwold: I was merely indicating that Windsor is a city very much on the incline, which is developing into a great Canadian metropolis through good planning and good leadership.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Buckwold: I hope that satisfies the Leader of the Government.

[Hon. Mr. Buckwold.]

Honourable senators, I may have taken up too much time in relating this experience. Our community is proud of what is going on. That is an indication of what can happen as a result of financial assistance by the federal government. I respectfully commend the rapid passage of this bill to the house.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Cameron, bill referred to the Standing Senate Committee on Transport and Communications.

ANIMAL CONTAGIOUS DISEASES ACT

BILL TO AMEND—REPORT OF COMMITTEE PRESENTED

Hon. Hazen Argue, Chairman of the Standing Senate Committee on Agriculture, reported that the committee had considered Bill S-2, to amend the Animal Contagious Diseases Act, and had directed that the bill be reported with the following amendments:

1. Page 3: Strike out clause 3(8) and substitute therefor the following:

"(8) Section 2 of the said Act is further amended by adding thereto, immediately after the definition "prescribed", the following definition:

"reportable disease, means African Swine Fever, anaplasmosis, anthrax, avian pneumoencephalitis (Newcastle Disease), blue-tongue, brucellosis, cysticercus bovis, equine infectious anemia, equine piropiasmosis, foot and mouth disease, fowl typhoid, glanders, hog cholera, maladie du coit (dourine), mange, pullorum disease, rabies, rinderpest, scrapie, sheep scab, trichinosis, tuberculosis, vesicular disease of swine, vesicular exanthema of swine, vesicular stomatitis or such other disease as may, from time to time be designated by the Minister;"

2. Pages 3 and 4: Strike out lines 37 to 40, inclusive, on page 3 and lines 1 to 8, inclusive, on page 4 and substitute therefor the following:

"veterinary biologics" means any substance or mixture of substances derived from animals, helminths, protozoa or micro-organisms, manufactured, sold or represented for use in

(a) the diagnosis, treatment, mitigation or prevention of a disease, disorder, abnormal physical state, or the symptoms thereof, in animals, or

(b) restoring, correcting or modifying organic functions in animals."

3. Page 6: Strike out lines 41 to 45, inclusive, and substitute therefor the following:

"by this Act to be prescribed;

(t) for the marking of animals and the affixing of tags and other devices to animals by inspectors or other officers appointed pursuant to this Act for the better execution of this Act and for the elimination or prevention of infectious or contagious disease among animals; and

(u) generally, for the better execution of this Act, and for the elimination of infectious or contagious disease among animals.”

4. Page 12: Strike out the word “livestock” where it appears on page 12, and substitute therefor the word “animals”.

5. Page 12: Strike out lines 17 to 20, inclusive, and substitute therefor the following:

“(b) respecting the transportation of animals affected with or suffering from an infectious or contagious disease or incapacitated by reason of age, infirmity, illness, injury, fatigue or any other reason;”

6. Page 13: Strike out the word “livestock” where it appears on page 13 and substitute therefor the word “animals”.

7. Page 13: Strike out line 17 and substitute therefor: “stalls, containers, pens and fetherings in aircraft,”

8. Page 14: Strike out the word “livestock” where it appears on page 14 and substitute therefor the word “animals”.

9. Page 14: Strike out lines 7 to 10 inclusive.

10. Page 14: Strike out “34.1” in line 11 and substitute therefor “34”.

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

Hon. Mr. Argue: With leave, now.

Honourable senators, I am not an authority on procedure, but we would like to have the bill considered on third reading tomorrow. In my view, the amendments should be explained on third reading. They are in the main technical amendments that were recommended to the committee by officials of the Department of Agriculture, and the committee itself made some suggestions that

appealed to the departmental officials. These amendments have the unanimous support of the members of the committee and the officials who were present.

Hon. Mr. Martin: That explanation is helpful. I did not know that the amendments were fully concurred in by the Department of Agriculture. If Senator Langlois' pessimism prevails next week—I am not saying that I share it—we do not know what might happen to the bill. However, if the amendments are concurred in by the minister, the situation is altogether different. I take it, from what Senator Argue has said, that that is the situation.

Hon. Mr. Argue: That is correct. I would point out that this bill originates in the Senate. Therefore, the amendments are, in a sense, the Senate's own amendments. We are sending to the House of Commons a bill that is more refined and, we hope, more acceptable than the bill that was referred to the committee.

Hon. Mr. Martin: Is it necessary to have third reading tomorrow? Could we not deal with the bill now, and send it to the House of Commons?

Hon. Mr. Argue: Senator McGrand is the sponsor of the bill in this house. I would have thought it a more orderly procedure to have third reading tomorrow.

Hon. Mr. Martin: It might be more orderly, but it could result in no bill.

Hon. Mr. Langlois: The Leader of the Government is now sharing my pessimism.

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

Senator Argue moved that the report be taken into consideration at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Friday, May 3, 1974

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

OFFICIAL REPORT (HANSARD)

SENATORS' STYLE OF ADDRESS—SPEAKER'S DECISION
RESERVED

The Hon. the Speaker: On January 11, 1974, the Honourable Senator Godfrey put a question to the Leader of the Government. It is reported at page 1445 of the *Debates of the Senate* as follows:

Honourable senators, I have a question to address to the Leader of the Government.

For years I have been puzzled as to why in Senate *Hansard* members of this house who speak are designated as "Honourable Mr." I presume, because of this, that they had appropriated to themselves the title of "Senator" to which they were not technically entitled. However, in the proceedings of standing committees I note that the members of this house who speak are designated as "Senator." Furthermore, in the *Minutes of the Proceedings of the Senate*, a member of the Senate is designated as "the Honourable Senator." My question is: Why has this house not effected uniformity in the printed reports of the Senate and discontinued a form in Senate *Hansard* which appears to be archaic?

In his reply the Honourable Senator Martin stated that this matter had been raised a number of times by the Editor of Debates and had been brought to the attention of previous Speakers, and he concluded by saying:

I would hope, Madam Speaker, that you would be good enough to carry on where Senator Deschatelets left off and deal with this question.

Honourable senators, because the matter has been raised many times, it has stirred up a great deal of interest, and many senators have given me the benefit of their thinking on the question. I have to say that the views expressed show divergent opinions and are all based on arguments which are difficult to accept or reject without very serious consideration. Because of this, I should like a little more time before reaching a decision. I shall endeavour to do so very shortly, within a few days.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of a working document entitled "A New Perspective on the Health of Canadians", issued by the Minister of National Health and Welfare in April 1974, together with a statement by the Minister and a news release relating thereto.

Capital Budget of the Freshwater Fish Marketing Corporation for the fiscal year ending April 30, 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. 1974-960, dated April 25, 1974, approving same.

RAILWAY RELOCATION AND CROSSING BILL

REPORT OF COMMITTEE

Hon. Maurice Bourget, Deputy Chairman of the Standing Senate Committee on Transport and Communications, reported that the committee had considered Bill C-27, to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Bourget: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(b), I move, seconded by Senator Fournier (de Lanaudière), that the bill be now read a third time.

Hon. Edgar Fournier: Honourable senators, yesterday I said that I would like to say a few words on the motion for third reading of this bill. My remarks will be brief, because I had the opportunity this morning of attending the Standing Senate Committee on Transport and Communications, which was the proper place for directing my questions.

I hope honourable senators will read the report of the committee's proceedings, for I am sure they will find it interesting. A number of questions were answered about various problems relating to the railways.

I want to thank the sponsor, Senator Cameron, for the manner in which he presented this bill to the Senate yesterday. He did a wonderful job, although his speech was rather lengthy and at times I was inclined to regard it as somewhat of a "national dream" in that we will be spending millions and millions of dollars relocating railways, and everything that goes hand in hand with such projects.

In reading *Hansard* of the other place it became obvious that those who spoke on this bill were full of national dreams involving enormous expansion programs and other ways of wasting the taxpayers' money. I did not come across one member who had anything to say about farm crossings. We were told in committee this morning that there are some 36,000 crossings throughout Canada, most

of which are farm crossings. In most areas these farm crossings present certain problems.

The crossings are not classified as farm crossings, private crossings, level crossings, overpasses, underpasses, or whatever; they are simply classified as "railway crossings". There are, however, these various types, some of which are protected and some unprotected.

In my area most of the farms are small, but they have been divided on several occasions by these crossings. They were cut or divided by two railways, the first division coming in the late 1890s when the CPR was built. The CPR more or less zigzagged across the valleys, taking land where building costs would be kept to a minimum. Between 1908 to 1910 they built the Grand Trunk Railway, which later became the Canadian National Railway. In many areas the two railways run parallel within a couple of hundred feet of each other.

In many farming communities the barn is on one side of the railway tracks and the farmhouse on the other side. These farm crossings are essential for farms, and other crossing are badly needed. Until 1960 there were not too many problems resulting from these farm crossings, because the old-time section men knew all the farmers and they maintained these crossings in a way that kept difficulties to a minimum. However, since 1960 the whole system has changed. Most of the old-time section men have been replaced by the younger generation. To get a farm crossing now, one has to apply to the railway company concerned, and very often the company decides that a farm crossing is not called for. The house is on one side and the barn is on the other, but there is nothing you can do about it. If you call the highway department they will say it has nothing to do with them, that it is labelled as a farm crossing and they cannot take their snowplough over the crossing. It is a farm crossing and the planks are only 10 feet, so they cannot go there because in order to use the heavy equipment the planks have to be 16 feet. There are all sorts of problems. The foreman of the section will tell you he has no authority, that there is nothing they can do. That is just a brief example.

● (1410)

I hope some of these problems will be thrashed out. This bill does give an opportunity at least to complain and be listened to. I believe the whole problem arose when farms were divided and subdivided several times. The moment a farm became too small to operate the farmer would move away. Then the railway would quickly block the roadways and put gates in and there were no more railway crossings. In subsequent years the land would be sold, a family would be re-established there, but the barn would be on one side of the track and the house on the other. Then the authorities would say there could not be a railway crossing there.

We had an interesting discussion in committee. Senator Riley commented on the number of railway accidents, especially in New Brunswick. The Ministry of Transport representative gave us an explanation, but several of us could not accept it. The explanation was very simple. Thirty years ago there were three men to a section, which would extend between six and eight miles. The men would travel on what they called a hand-pumper, which had tow levers operated by two men. They would travel along the

section, inspect the roadbed and by using a lot of shims keep the roadbed level. In the early fifties the hand-pumpers had disappeared. They were replaced by motor car speeders. Then the sections were extended to between ten and twelve miles, but the section men were still there on the job inspecting the track. In the early sixties the whole system was changed. Then the section was extended to between 35 and 45 miles, with two or three men driving on the highway in cars going from crossing to crossing, with the result that there was no inspection. True enough, there is what they call a trainmaster travelling possibly 100 to 150 miles on a motor car at high speed, who is supposed to find out if there are trouble spots. That has resulted in the roadbed going to pieces. Anyone walking on the railway roadbed can see the heavens. The answer we received this morning was that in order to overcome these heavens they reduce speed instead of using the old shims. That was not a very good answer.

Honourable senators, that concludes the few remarks I wanted to make, and I thank you for your patience.

Hon. Arthur Laing: Honourable senators, I should like to add a few words to this debate for a variety of reasons. One is that I come from the city of Vancouver, which by all odds is the largest port in Canada today. But it would not be of any consequence at all had the railway not been built. It was the railway which created the port, and I think we should in a discussion of a bill relating to transportation give some considerable attention to that fact.

First of all, however, I want to make reference to the laudatory speech yesterday of Senator Buckwold, whom I accuse personally today of being entirely too modest in respect of the rerouting of the rail track in his beautiful city of Saskatoon. I can fully understand why he would like to see this legislation retroactive, because the initiative of himself as mayor of that city at that time, and of his council, had the effect of inducing the railways to go ahead with that rerouting. I would say that modesty is Senator Buckwold's greatest asset, because the Senator Buckwold of today happens to have a record of civic leadership in this nation unexcelled by anyone.

Hon. Senators: Hear, hear!

Hon. Mr. Laing: At the time of his leadership in Saskatoon, Senator Buckwold not only managed the problem of the railway relocation but was largely responsible for the establishment of the Mendel Art Gallery. Saskatoon also has the best museum of farm implements on this continent. These are attributes of a city which contribute enormously to its character, and I think that much of the effect of these in Saskatoon today is as a result of Senator Buckwold's superb leadership at that time.

But on the question of relocating railway lines, the fact that Saskatoon was able to relocate its rails with relative ease does not mean that every city in Canada would be able to do the same, and it certainly would not apply to Vancouver.

I was in business in Vancouver for 27 years, and I lived on the wrong side of the tracks as far as doing business was concerned. At that time the railways had the right to spot their cars at 9 o'clock in the morning and at 5 o'clock in the afternoon, which meant that they had the right to

close off the street ends for five minutes so that their cars could be spotted. The chaps running the trains never seemed to use stop watches, because generally the traffic would be held up for at least 25 minutes. In those days we couldn't afford overpasses, but, even so, we were happy to defer to the railways, because at that time we knew that our jobs depended on the railways. That was more apparent in those days than it is today, but I believe if we looked carefully at transportation in Canada today we would realize that, just as much today as in those days, the railways do ensure the jobs of most Canadians.

In the meantime, the railways have lost out to trucks, which have taken over the handling of the higher-rated freight. The airplane, of course, has taken from the railways the highest rate of all and has had the effect of pushing the railways back to the handling of wheat, coal, cement, sand and gravel, none of which carries a very high rate.

Vancouver harbour is served by a railway which runs alongside the water. If anything were to happen, you would drop right into the water. The railway was originally intended to go to Port Moody only, at the head of the inlet, but it was discovered later that it was possible to take it the additional 16 miles into Burrard Inlet proper. If you look out the train windows on the side away from the saltchuck you see a 70- or 80-foot bank of clay. That railroad cannot be rerouted because the investment in Vancouver harbour today is over a billion dollars. The elevators there handled over 9 million tons of grain last year, and any concept of moving them, as we have heard, from Vancouver to Roberts Bank—and Senator McIlraith will remember Roberts Bank—is out of the question. Roberts Bank is a bulk loading area for coal, and for sulphur and potash in the future. We are just about to add 150 acres at Roberts Bank by pumping out additional land, and you cannot put goods of the type we are talking about next to a bulk loading area because it is an area of dust. Lumber operators were going to handle lumber there but they quickly changed their minds, because when they have sold lumber they don't want a claim back. And if we send our wheat and other goods through there, we don't want a claim back because of dust. We are precluded, therefore, from going out to that particular harbour, and we have to do the best we can at Burrard Inlet.

● (1420)

This bill will relate only to that area of Vancouver from Burrard Street west to Stanley Park. As we all know, this is a naval reserve and probably the best known park in Canada. It has been granted to the city on a 99-year lease. That is the area we are talking about in Vancouver, and it is going to be very difficult to get the kind of assembly areas there that are envisioned in this bill.

I have talked to Senator McNamara, who knows a very great deal about the grain business. I am not certain that the kind of relief we want is going to be achieved at ports such as Vancouver by the rerouting of rail yards alone. There have been times when as much as 340,000 tons of coal have been sitting at Roberts Bank, but when I was there last week there was less than 50,000 tons because ships had come in and taken it away. But the coal is being continually replenished. We have got to look forward to

[Hon. Mr. Laing.]

storing at salt water ports the products of Canada, including grain, that move in this manner.

Why do we insist upon keeping grain on the Prairies instead of getting it to salt water ports as rapidly as possible and having it stored there? There is no point in continuing to grow grain on the Prairies unless we are certain that we have an export market. That is what we are dependent upon. If we are confident of our ability to command that export market in the future, then we should handle our grain in such a way that it can be loaded on ships as soon as they arrive. If world population experts are correct, assurance of export markets was never so firm. We have had as many as 20 ships lying in Vancouver harbour, some up to 14 days, waiting to dock or waiting for the arrival of their cargo of grain.

I am not speaking in Vancouver's favour when I say this, but in my view the grain should be cleaned on the Prairies, and the screenings should be used there as live-stock feed. We want the screenings in Vancouver too because they make pretty good feed for dairy cattle in the Fraser Valley. As a matter of fact, after a little molasses has been added they can be shipped to Japan and sold for \$60 or \$80 a ton.

The present system is uneconomic. There should be straight grades of clean grain lying in bulk at the salt water ports, ready for delivery to ships. I think this is more important than moving railroad tracks. I am told that this is what is done in Australia. Expensive elevators are not used there. The grain is graded and stored in flat bins of steel and concrete, and when a ship comes into port it loads the grade it wants, and away it goes. All that is needed is a conveyor belt under the bin. It is my hope that some study along these lines will be made in the future.

I wanted to speak on this bill, honourable senators, because its joint sponsor in the other place was the Minister of State for Urban Affairs, who is also the member for Vancouver-Centre. He has been interested in this matter for a very long time. A considerable amount of work has been done on it. I would have hoped that the railway companies would not have required the initiative of the national government to push them into this sort of thing. I say this because I have looked at railway properties in various cities, and I know that they are extremely valuable.

From the offices of the CNR in Edmonton one can look down on an expanse of land—160 to 170 acres of railway tracks—right in the centre of the city. It is some of the most valuable property in Edmonton. So, I would have expected the initiative to be taken by the railway companies because the development of property such as that in Edmonton will result in tremendous income to them.

However, to the extent that the civic governments require this legislation, and if it is the case that the railways will not be pushed into this without the initiative of the federal government, then this is a very good bill indeed, but care must be taken to ensure that huge sums of the taxpayers' money are not spent to assist organizations like the railway companies to make all of the profits that will result. Here we have to be very careful indeed. I think they should contribute as much as possible because, after all, they are going to get the returns on the developed

properties, and, as I have said, some of them are exceedingly valuable.

There was a proposal that in Vancouver—Senator McIlraith is familiar with this because it was made when he was Minister of Public Works—we should rent air rights over railway tracks for federal government buildings. Senator McIlraith stopped this in time. We owned the corner of Granville and Hastings, which was worth \$40 or \$50 a square foot, and they wanted the same price for air rights over the tracks. It was really a case of one elephant for one rabbit.

Hon. Mr. Martin: But Senator McIlraith had done everything he could.

Hon. Mr. Laing: Yes, he was going to make as good a deal as he could, but they would not talk reason. My point is that the land where the tracks are is of great value in many places, and the railways will be the recipients of tremendous benefits. We should be careful not to give them more money than is required to do the job, or to get it under way. In other words, this should be done at the initiative of the government, and there should not be a wholesale expenditure of funds to increase the profit of individuals and corporations.

Motion agreed to and bill read third time and passed.

● (1430)

FISHERIES

EXTENSION OF AGREEMENT BETWEEN CANADA AND THE UNITED STATES—QUESTION ANSWERED

Hon. Paul Martin: Honourable senators, yesterday Senator Grosart asked me a question regarding an extension of the reciprocal fishing privileges agreement between Canada and the United States. Specifically, he wanted to know whether there had been an extension of this agreement and, if so, what was the terminal date.

In answer I reply as follows: The agreement has been extended to May 8 to allow the United States to resolve some of its legal difficulties arising from the March 19 court decision in favour of Alaska on the location of the baseline in Cook Inlet.

The government is fully aware of the implications for Canada-United States fisheries relations, and for the Law of the Sea, if Canadian fishermen are excluded from the area in question in Cook Inlet, without some satisfactory *quid pro quo*, and, if the agreement lapses, if Canadian fishermen are excluded as well from other United States fishing zones and no effective Canadian response takes place. The subject is being given serious study on an emergency basis. The government will ensure that Canadian interests are protected.

NATIONAL PARKS ACT

BILL TO AMEND—THIRD READING

Hon. Arthur Laing moved third reading of Bill C-6, to amend the National Parks Act.

Motion agreed to and bill read third time and passed.

FARM IMPROVEMENT LOANS ACT SMALL BUSINESSES LOANS ACT FISHERIES IMPROVEMENT LOANS ACT

BILL TO AMEND—THIRD READING

Hon. Sidney L. Buckwold moved third reading of Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act.

Motion agreed to and bill read third time and passed.

ANIMAL CONTAGIOUS DISEASES 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-2, to amend the Animal Contagious Diseases Act, which was presented yesterday.

Hon. Hazen Argue, Chairman of the Standing Senate Committee on Agriculture, moved that the report be adopted.

He said: Honourable senators, this report contains some amendments, and perhaps I can explain them in two or three sentences.

One amendment is to add another disease to the list of reportable diseases, namely, African swine fever. The second amendment introduces a somewhat different definition of "veterinary biologics" in order to cover hormones, or substances that contain hormones, so that they may be brought under this act. A further amendment would give authority under the act to place tags and other identification on animals being inspected. Apparently the department has been using tags and other means of identification, perhaps without authority. This amendment would give them precise authority.

The report includes a further definition to widen the scope of the act, if not to widen the scope of the practice, and so make it possible for officers acting under this legislation to control the shipment of animals which, although not diseased, may suffer from infirmity, injury, fatigue and so forth. Finally, the committee felt that the word "livestock" wherever it appears in the act, should be changed to "animals." This will make it absolutely clear that this act can apply to small animals, or pets, as well as to livestock as we ordinarily understand that word.

Hon. Mr. Buckwold: Will the honourable senator permit a question? The report says "can apply." Should it not be "must apply?"

Hon. Mr. Argue: It is "shall" and "may." I have been through that over the years. I am not a lawyer, but certainly the department has the authority to cover all animals and, presumably, the officials will carry out the terms of the act. Therefore, it "shall apply," but perhaps "can" is the right word.

Hon. Mr. Martin: We must not have a quarrel between two Saskatchewan senators.

Hon. Mr. Argue: And both learned in the law.

Hon. Mr. Martin: Agreed.

Motion agreed to and report adopted.

THIRD READING

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

Hon. Mr. McGrand: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(b), I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

TURKS AND CAICOS ISLANDSREQUEST OF STATE COUNCIL FOR CLOSER ASSOCIATION
WITH CANADA

Hon. Hazen Argue: Honourable senators, I should like to say a few words about the inquiry standing in my name. There is a good deal of interest in this matter. There are

those who regard it favourably, and those who do not. A Commonwealth Parliamentary Association delegation of five, headed by Mr. Heath Macquarrie, M.P., visited the Turks and Caicos Islands some months ago. I have arranged for Mr. Macquarrie and other members of that delegation to be invited to a dinner meeting next Tuesday evening at 6 o'clock in room 601. I am hopeful that all five members will be present.

I am extending a general invitation to all honourable senators, but if more senators plan to attend than can be accommodated in room 601, the number will have to be limited.

The Senate adjourned until Monday, May 6, at 2 p.m.

THE SENATE

Monday, May 6, 1974

The Senate met at 2 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem*, in the Chair.

Prayers.

BUDGET SPEECH

ACCOMMODATION FOR SENATORS IN SENATE GALLERY OF HOUSE OF COMMONS

The Hon. the Speaker *pro tem*: Honourable senators, as previously announced, the Minister of Finance will deliver his budget speech in the other place at 8 o'clock this 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.

BUSINESS OF THE SENATE

Hon. Mr. Flynn: May I ask the Leader of the Government why, in view of the program we have before us and the great accomplishments made on Friday last, the Senate was convened for today?

Hon. Mr. Martin: That is the usual type of question the Leader of the Opposition puts to me at this juncture in a session. If he will read *Hansard* of the other place for Friday last, he will see the reason why we have not even received the pensions legislation. That legislation was held up because of the actions, I take it, of only one member of a particular party—much to the annoyance of the majority of the members of that party. However, I know that the purpose of Senator Flynn's question at this time was more tactical than it was information seeking, and I will have to treat it as such.

Hon. Mr. Flynn: I just wanted to see whether the Leader of the Government is still suffering from over-anxiety.

Hon. Mr. Martin: Oh, I am always cautious.

NATIONAL FINANCE

INFORMATION CANADA—CONSIDERATION OF REPORT OF COMMITTEE—DEBATE CONTINUED

On the Order:

Resuming the debate on the consideration of the Report of the Standing Senate Committee on National Finance on Information Canada, tabled in the Senate on Tuesday, 30th April, 1974.—(*Honourable Senator Langlois*).

Hon. Mr. Langlois: Honourable senators, I am pleased to yield at this time to Senator O'Leary.

The Hon. the Speaker *pro tem*: Has the Honourable Senator O'Leary leave to proceed at this time?

Hon. Senators: Agreed.

Hon. M. Grattan O'Leary: Honourable senators, first let me thank Senator Langlois for his courtesy. I spoke to him last week about my desire to say a few words on this matter.

Hon. Mr. Croll: You made a speech last night.

Hon. Mr. O'Leary: This is a subject about which I am supposed to be an authority. Before I disabuse you of that quaint idea, I should like to begin by congratulating Senator Everett. Senator Everett has added enormously to the power of debate in this chamber. But there was one fault I had to find with his speech the other day. Some historian once said that the difference between the great orator John Bright and Mr. Gladstone was that while Bright sailed from headland to headland Gladstone explored every inlet. The trouble with the speech the other day, the splendid speech of Senator Everett, was that he failed to explore every inlet.

● (1410)

To my way of thinking there is one fundamental fault with Information Canada. What Information Canada really needs—what I would do with it myself had I the power to do so, and what Mr. Stanfield should do with it—is to get rid of the whole shebang, pass an act of Parliament or even an order in council defining the duties, the obligations and the limitations of Information Canada, and start all over again. Get rid of the whole shebang and start anew with new people.

I remember when Information Canada was set up and a long-time friend of mine, Mr. Jean-Louis Gagnon, was put at the head of it. I have great admiration for Mr. Gagnon. I remember when he was editor of *Le Soleil* and he had the courage, in Quebec at that time, to oppose General Franco. Later he came with me, with a party of Canadian journalists, who were invited by the British Council, to look at Britain's war effort. This was not a very easy task. O'Connell once said of the Englishman that he had all the qualities of the poker except its occasional warmth. They did warm to Jean-Louis Gagnon and he became a hero, but he was not the right man to put at the head of Information Canada. Mr. Gagnon had too much of gay cynicism in him to put him in a position of that kind. Besides that, I am sure he felt that public money grew on trees.

What Information Canada needs really is an act of Parliament defining clearly its duties, its obligations and its limitations. As we set it up, it was all sail and no anchor, all chart and no compass. There was no clear definition of what it was supposed to do. And what has it been doing? It has been giving us a surfeit of information, the sort of thing which the distinguished Governor General spoke about when he spoke to the Canadian press in Toronto last week. He said, "We are being choked with paper, we have a surfeit of what is called information."

I am a reader, I even read the Bible, its poetry is among my favourites, but I cannot and could not ever find time to read all the matter that comes over my desk from Information Canada. Every two or three weeks I make an attempt to find my desk—by throwing out all the matter that comes from Information Canada. I do it with a sense of guilt for the poor dear charwoman who has to clean up my room the next morning.

This is nonsense. Information Canada was supposed to coordinate and to control the matter put out by the various departments. It has not been doing that. We are getting more matter, more so-called information from the various departments than ever before since I have been in this chamber. The trouble is that the people who are called information officers for those various departments are not information officers at all. Too often they are merely publicity agents for their ministers, supposing their jobs to be to show the Canadian public that this minister or that is a superman—and, my God, could there be a greater misinformation than that?

What is the proper need, if we are going to keep it? If there is an election—I do not think there is going to be one, but if there is one and the result is what I think it is going to be—

Hon. Mr. Martin: What do you think the result is going to be?

Hon. Mr. O'Leary: I said all that on Saturday. If the result is what I think it is going to be, I am afraid that Mr. Stanfield, being a responsible man, will have to get rid of Information Canada and start all over again.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. O'Leary: What Information Canada needs, or rather what such a department needs is, one, a responsible, knowledgeable, intelligent head; it wants what we in the press call a responsible managing editor; and, two, it wants a financial comptroller. We are spending too much money on this sort of thing. In the meantime, there should be set up in both chambers of Parliament a committee on information. If information is as vital as we say it is—and I think it is pretty vital in what is called participatory democracy—then surely each house should have a committee on information before which we could bring these young men and women to ask them why they are sending out this so-called information.

The other day my deskmate said, and quite truly, that you will read a speech in *Hansard*, you have it, and then three weeks later you get it all over again in a very expensive format. Surely it is nonsense for that to happen.

You know, honourable senators, I am a bit suspicious of this cry in the press now that the public has "a right to know." I very much doubt that proposition without limita-

[Hon. Mr. O'Leary.]

tions. In my early days when I went to a meeting of the press the great cry used to be "the freedom of the press." Now that has changed and it is "the public's right to know."

Who elected these people who are running the newspapers to see to it that the public has a right to know? Who gave them a mandate to see that the public has a right to know? This is nonsense. Do you think my friend Mr. Roy Thompson has a mandate from the Canadian people with respect to his 30 or 40 newspapers in Canada to see that the public has a right to know? I doubt that, and I am sure that if one of Mr. Roy Thompson's papers began to lose money he would soon forget all about the public's right to know. He would limit the mandate right there. He did it in Vancouver when he stopped a daily newspaper. If he had a mandate to see to it that the public had a right to know, did he also have a mandate to end that mandate?

This question came before the Supreme Court a few years ago, and I would advise honourable senators to read what the Supreme Court said about the mandate of any newspaper to see to it that the public has a right to know. No newspaper publisher has been given that mandate. All he can do is to see to it that his own newspaper gives information as objectively and as fairly as possible. Nothing more. But if you heard some of those people talking now you would think that the Cabinet should be holding its meetings on the mall. You just cannot carry on government that way. There are always things in government which must be kept confidential, not only for our own sake but for the sake of our allies, the people with whom we are negotiating.

I have always been suspicious of that cry. I have never been a great advocate of press freedom. The printed word is merely an extension of the spoken word, and the newspaper has no more freedom than I, as a humble individual, have. That is all. It is an extension of free speech, of the spoken word; and if you read the Fifth Amendment which is always being quoted in the United States, you will see that it speaks of the "freedom of speech and of the press." It is "freedom of speech and of the press," and freedom of speech came first. Freedom of the press was merely an extension of that. This is what we are forgetting in all this nonsense about information and the public's right to know.

I would set up Information Canada in a different way altogether. I would pass an act of Parliament saying exactly what its duties were, exactly what kind of information it was supposed to give the public and that is all. I would set up a strong financial control to see that they were not running away with public money. They are running away with public money now; I have no doubt in the world about that. I can take you to my room now and show you so-called information that I had four weeks ago, in other forms of print. This is silly. Features appearing in the press three weeks ago are all done up in the most magnificent way and sent to me by Information Canada. I cannot read that material. You cannot read it. I doubt if any member of this chamber ever reads one half, one quarter, of the so-called information sent to him by Information Canada.

● (1420)

It was supposed to coordinate and control the information given out by the various departments. No such control exists, and no such control is being exercised. The young people in the various departments are now sending out more than they ever sent out in years gone by, and Information Canada does not seem to know anything about it, or to care anything about it.

I do not want to make an extended speech. I have another appointment which is far more important later this afternoon, but I do repeat that we must get rid of what we have now in what we call Information Canada. It is not doing its job. It is not informing the Canadian people. It is trying to build up various ministers, as I said, as supermen, and, my God, could you make a greater mistake than that? Or give anybody more misinformation than that? What is more, before we accept the recommendations made by Senator Everett's committee, this house should go into Committee of the Whole. I should like to ask many questions of Senator Everett, and I am sure he would give me honest and intelligent answers.

No man in this house has a higher regard for Senator Everett than I have, but he is a victim of circumstances. He and his committee were asked to investigate Information Canada, and I do not think they were able to do the job that should have been done. As I say, before we go any further, this chamber should go into Committee of the Whole, if we have time, and put Senator Everett under cross-examination. His statements are too general. There is statement after statement like that in this report. I am sure they are meant well, but we have to know what they mean. There are too many generalities. He did not explore enough in depth. It was too general. He made a splendid speech, but I defy any man to tell me what it all means, or what a lot of it means.

That is all I have to say. I do hope that when the election comes, if it does come—and I do not think it is coming, as I said yesterday, and I say it again now—and if the result is what I am sure it is going to be, then I think our inclination will be to get rid of Information Canada—not the proposition itself, but as it is set up and as it has been operating. Our inclination will be to get rid of it and start afresh.

Hon. Mr. Croll: May I ask a question? Because you are who you are and because of your background, particularly with respect to matters as important as Information Canada, would you take a minute and draw the distinction between full disclosure and lack of disclosure, and the right to know and the limitation of the right to know?

Hon. Mr. O'Leary: That is not an easy question to answer, really. It is not an easy question at all. I certainly think the public has a right to know in time, but it is a question of timing. You do not have to know the next minute. You do not have to have a press conference every week, or every day of the week.

I remember, in the days of Sir Wilfrid Laurier, who never gave a press conference, who never gave an interview—I went to interview him two or three times, and he said, "O'Leary, I know what your job is, I know what you are trying to do. I am an old newspaperman myself. But if

I have any answers to the questions you have asked me, I have to give them properly, in the Parliament of Canada, or in my caucus to my own party—the people to whom I am responsible." I think that is fair. But you now seem to have the situation that if anybody in the Cabinet gets a sore toe, they hold a press conference about it. I never went to a press conference. Borden, I think, held one in all the years that he was Prime Minister. I didn't want to go to these things; everybody got the information that was given then. I got my scoops, if there were scoops, in a different way. I didn't just sit there with everybody else while we all got the same information. I remember Borden coming in one day—the Cabinet had been sitting for nearly an hour over conscription—and we all sat outside waiting to hear what the great man would tell us. He came and he started by saying, "The Cabinet met today." We had waited there for two hours to see what was going to happen, and this is what we were told, "The Cabinet met today. We had under consideration the possibility of a military conscription act. No decision was come to." That was his press conference. And he was right. We had no right to say to him, "Now, look here, you tell us everything that went on in Cabinet today." I have never believed that as a newspaperman, and I don't believe it now. Frankly, and I often say this to the press, they are humoured too much. I want the press to stress responsibility and to have less stress on freedom.

Hon. Miss Lapointe: Honourable senators, may I make a slight correction to a statement made by Senator O'Leary in his speech? M. Jean-Louis Gagnon was editor of *L'Événement-Journal* and not *Le Soleil*.

Hon. Mr. O'Leary: My dear child, he was editor of *Le Soleil*, not for a long time, but long enough to oppose Franco in Quebec, which required a great deal of courage at that time.

Hon. Mr. Choquette: It showed his communism.

Hon. Miss Lapointe: Could I ask a question of the honourable senator? Is he in contradiction to his party which clearly stated that it would abolish Information Canada and never said that it would reorganize it afterwards?

Hon. Mr. O'Leary: My dear child, I have lived all my life in contradiction to my party. I don't just sit here and read yesterday's House of Commons *Hansard* to see what I ought to say today. I speak my mind; I have spoken it all my life, maybe often I was wrong, but never, if I could help it, on the side of wrong.

Hon. Mr. Flynn: Thank you, Senator Lapointe.

Hon. Paul Martin: Honourable senators, I am sure we all agree that if there is any man who could have greatly contributed to the work of this committee, that man is Senator O'Leary, with his long and distinguished career in journalism. He continues to be a luminary in that profession, even though he has divorced himself from the paper with which he was connected for such a long time. I cannot understand why Senator O'Leary was not a member of this committee; it is not the case that his party was not adequately represented, because we had as members of that committee Senators Grosart, Phillips, Welch and Yuzyk. And I take it that when Senator Everett spoke

the other day, he was speaking for the members of the committee, because there was no objection registered.

Hon. Mr. Flynn: Not necessarily.

Hon. Mr. Martin: Senator Flynn says not necessarily, but I should think if that is the case then we ought to have an expression of view during the course of this debate.

The Standing Senate Committee on National Finance spent some time in an examination of Information Canada. If these committees are to be taken seriously, and I take it that they are, and if their work is to be commended for its thoroughness, then I don't think we should just allow the report to be tabled by the chairman without some comment. While I may not necessarily agree with the forum for discussion which Senator O'Leary proposes, nevertheless I do think that we should not hesitate to comment on this report. Senator Everett took us through the report in its important sections. There has been a very wide discussion of the report—

● (1430)

Hon. Mr. Flynn: Not yet.

Hon. Mr. Martin: In the major newspapers and on television, most of it in my opinion complimentary. The report itself is not by any means a complete endorsement of all that Information Canada is doing, or has done. The report, I believe, is sound and logical. It has met the objective that members of the committee set out for themselves. I think it is a unique report and a valuable report. Its style has managed to reduce the complexities and the serious shortcomings, admittedly, of the government's information operations to language that is understandable and, perhaps for the first time, it has set out the essential requirements for overcoming those shortcomings in practical and workable proposals.

Recommendations and conclusions 3(b), 3(c), 4, 5 and 13 of the report form the essential foundation for action, it seems to me, toward the achievement of the effectiveness not only in Information Canada itself but across all government programs of information, the very objective that Senator O'Leary said this institution should have. The important recommendation is No. 1, and I do not think it quarrels with what Senator O'Leary said would be the kind of situation a new administration under Conservative auspices would seek to establish, having clearly eliminated the present one. This recommendation No. 1 proposed that there should be an act of Parliament defining Information Canada's authority and responsibilities. All other recommendations in this group of the key recommendations are, of course, substantial to the whole proposal itself.

The report points out that Information Canada's responsibilities to evaluate departmental information programs, to see that the maximum techniques, to use their word, are being used to meet the public need, to continually watch for and correct overlap and wastage in both the hardware and software of information within the government and to strive for the improvement of quality across the service as a whole, become realistic only when coupled with the means—that is, the clout—to make it happen as is recommended in the fifth recommendation of the committee, which reads:

[Hon. Mr. Martin.]

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.

That is the very important function that Senator O'Leary said a real information board, to use his language, should be engaged in doing.

The role of Information Canada in providing professional leadership in concert with other appropriate central agencies, such as the Public Service Commission and the Treasury Board Secretariat, for the upgrading of professional standards of information officers of government is a logical and proper investment in improving the quality of the service rendered.

Senator O'Leary said the committee should call these young information officers before the committee to be asked why they produce so much material. The committee had that opportunity. There was nothing to preclude the committee from calling officers. As a matter of fact, an examination of the report shows that many of the personnel in Information Canada, including the minister, were called before the committee. All that Senator O'Leary is saying is that more should have been called. That is why I regret that with his great knowledge and professional skill he was not on the committee.

Finally, the clear and open display of the costs of information services for each department in the annual blue book of estimates on Information Canada's role in defining information for this purpose is in itself a significant and welcome new information instrument and one that is long overdue. It does not do some things that Senator O'Leary suggested. Admittedly, when Information Canada was first conceived there was concern that we would be using this instrument for the purpose of propagating the work of individual members of the government. That has not happened.

Hon. Mr. O'Leary: Aren't you sure that is happening?

Hon. Mr. Martin: I certainly do not believe that is happening and this report is my authority for saying so.

Hon. Mr. O'Leary: I see what I see. I have speeches on my desk right now that were made three or four weeks ago. Why are they on my desk, and who paid for putting them on my desk?

Hon. Mr. Martin: I cannot say why they are on Senator O'Leary's desk. But that statement is not proof of what Senator O'Leary said, that Information Canada, in its present form, is for the purpose of propagating the work of individual ministers. I say this report does not serve as the authority for making that statement, and I do not believe that to be the case.

Hon. Mr. Flynn: That is only one of the recommendations concerning Information Canada.

Hon. Mr. Martin: Most of the recommendations—and they are major recommendations which are supported by the government—when implemented will supply the essential parameters. They will set out the limits of responsibility which Senator O'Leary speaks of and they will make it possible for Information Canada to do those things for which it is best suited.

Are we to argue that there is to be no coordination of all information services in the Government of Canada under the jurisdiction of each department? Of course. In the structure of government like the one we have in Canada, and as big as ours, the time has long come when this recommendation of the Finance Committee of the Senate should be heeded, that one of the functions of Information Canada should be to provide for the kind of coordination which Senator O'Leary said he would like to see established.

Hon. Mr. O'Leary: I say that coordination does not exist.

Hon. Mr. Martin: Recommendation 3(a) proposes that Information Canada should keep its own initiatives to a minimum. This is one of the very few cases where the committee's recommendations appeared to be vague. For example, what minimum? Surely it is agreed that the agency performs a valuable service in filling information gaps where no specific portfolio is responsible for the information in question, or where the program and service packaging of information is of distinct convenience to the public. For instance, Citizens' Services booklets—are they not of value? The Organization of the Government of Canada—will anyone deny that that is a valuable document? Federal Government Publications Selected for High School Libraries—is that not a good document to have been produced—

Hon. Mr. O'Leary: No.

Hon. Mr. Martin: —by Information Canada? Senator O'Leary says no. I would be interested in knowing how many have actually read that document, because it has won the approval of so many provincial departments of education all over Canada.

Hon. Mr. Choquette: We had that before.

Hon. Mr. Martin: The word "minimum" will be interpreted to mean, and I quote from the report:

... that which is necessary to provide what is legitimately needed and where Information Canada is the logical initiator.

Also, I believe that recommendation 3(e) is questionable. It states that:

While it may be desirable to tailor information to the individual, regional and special group needs, the cost of doing this can be disproportionate to the benefit.

Hon. Mr. Flynn: Did you object to this recommendation in committee?

Hon. Mr. Martin: I was not in the committee.

Hon. Mr. Flynn: But you are a member of that committee.

Hon. Mr. Martin: Yes, of course, I am a member of the committee.

Hon. Mr. Flynn: I thought you were criticizing the fact that Senator O'Leary—

Hon. Mr. Martin: I was not criticizing Senator O'Leary for not being a member of the committee. I was simply complaining that I could not understand how a man of his quality and experience could not have been put on that committee by those responsible for the allocation of posi-

tions. I have not the responsibility for putting Senator O'Leary on committees. Certainly, if I had, he would have been on that committee.

Hon. Mr. Flynn: Those who are members of the committee have less right to criticize.

Hon. Mr. Denis: Is it not true that the leader suggests the names of members of the committee?

Hon. Mr. Flynn: Certainly. You should not speak truisms of that kind. You and your leader have been around long enough to know that that is the usual practice.

Hon. Mr. Martin: With the Leader of the Opposition's great knowledge of the rules of Parliament, I do not know of anyone who violates our rules of debate more frequently and sometimes, I think, with less effect.

Hon. Mr. O'Leary: Would the Leader of the Government permit me a question?

Hon. Mr. Martin: Certainly.

Hon. Mr. O'Leary: Recommendation 6—the Leader of the Government has not yet come to it, apparently—says:

The Mobile Information Officer program appears to the committee to have developed into a social welfare service.

What is meant by that?

Hon. Mr. Martin: I will come to that in a moment.

Hon. Mr. Choquette: You will follow your notes.

Hon. Mr. Martin: That is exactly what I am doing. At least I have notes. If my friend had notes we would hear him more often in constructive and productive debates of the Senate.

Hon. Mr. Choquette: Who prepared them?

Hon. Mr. Martin: They are obviously prepared by the department concerned in these matters. I am not the minister in charge of information.

Hon. Mr. Flynn: You never have any notes of your own.

Hon. Mr. Croll: I thought Senator O'Leary told us that there would not be an election. Why are you starting into one so quickly?

Hon. Mr. Martin: A \$2 million national advertising program may be highly visible, but that does not mean it is effective. That is in one of the provisions of the report. There are many examples of this. How can one communicate with all members of the public with the different occupations, education, language, culture and needs, if only traditional means are used? Consideration must be given to meeting information needs as they exist on a local basis, especially in areas where people are rather isolated from responsible information services or the mass media.

Hon. Mr. O'Leary: Those are pure generalities.

Hon. Mr. Martin: Of course they are generalities. No one is a greater master of that than the Leader of the Opposition, but it does not mean that because they are generalities they are not applicable. In the same category, recommendation 6—

Hon. Mr. Flynn: He is coming to the attack.

The Hon. the Speaker pro tem: There have been too many questions asked of the honourable senator. The Leader of the Government should not be interrupted so often so that we might have an orderly debate.

Hon. Mr. Flynn: It will be much duller.

Hon. Mr. Martin: But it will be more orderly. It will reflect that the Leader of the Opposition is capable of making a speech as well as always trying to penetrate an observation in order to try to destroy what is being said by whoever happens to be speaking.

In the same category follows recommendation 6, which has to do with the mobile information program mentioned a moment ago by Senator O'Leary.

● (1440)

The mobile information officer program has proven that it does not require vast funding to communicate. This is where Information Canada takes issue with the report itself.

Hon. Mr. O'Leary: May I ask the Leader of the Government a question? What does the committee mean when it says:

The Mobile Information Officer program appears to the committee to have developed into a social welfare service.

What were they doing?

Hon. Mr. Martin: That is the argument I am dealing with now. I am saying that this is another recommendation of the committee with which the government does not agree. The information officers in charge of these mobile information units in Nova Scotia and Manitoba have handled inquiries from individuals who were, for a long time, without this type of federal service. But beyond the economics of the one-on-one contacts of these information officers, which appears to be the primary concern of the committee, these mobile officers have worked with more than 300 groups and thus were in contact with many times this number of individuals each time. Also, they have had free access to local news media of all kinds, thus reaching thousands of people. They have participated in fairs and exhibits, representing many departments, and they have given those departments access to, and feedback from, regions of those provinces that were virtually beyond the reach of traditional information techniques.

Information Canada does not only produce the information and pamphlets which we receive. This very program that is criticized in the report of the committee, and inferentially by Senator O'Leary, is, I think, one of the positive achievements of Information Canada.

Hon. Mr. O'Leary: What about the term "social welfare service?" What is meant by that?

Hon. Mr. Martin: Well, I do not agree that it is a social welfare service.

Hon. Mr. O'Leary: Does the government have no control at all over these people?

Hon. Mr. Martin: The committee has the right, in criticizing Information Canada, to use the language that it has. The mobile officer costs on an individual contact basis over a six-month period were approximately \$2.75 per contact. I am now dealing with the alleged cost of this

[Hon. Mr. Flynn.]

program. The report states that the number of mobile information officers would proliferate. Estimates are that not more than 60 are required on a national scale, since they are used on a priority basis and not on a province-wide basis. In fact, the number of mobile information officers in Manitoba has already been reduced. So that there is not a disposition, as is suggested by Senator O'Leary, to multiply the costs of these units, the value of which he greatly questions.

The expenditure for this service is minimal when one looks at its dividends. Its clients, for example, are more than 90 per cent in favour of its continuance. Go to Manitoba or Saskatchewan and ask the recipients of this service whether they wish to have it abandoned. I do not think any service of Information Canada has been more strongly approved than has this mobile information program. The clients of this service, of course, are the public and the federal departments. It can be further suggested that the mobile officers more than recover their costs through savings to other federal departments for whom the mobile service functions. This mobile information service, in my judgment, should continue.

Dealing with recommendation 7, the regional offices of Information Canada perform a much larger role than the committee thought useful. These regional offices provide, for example, communications assistance and feedback to federal departments on request. To eliminate this role would clearly necessitate an increase in the regional staffs of other federal departments and duplication of effort. Since this larger role was undertaken with the support of the departments themselves, realizing its worth and economies, it seems to me that a strong case for its continuance has been made.

With regard to recommendation 8, the committee has kind words for the inquiry service. However, it recommends that it be limited to 11 centres. This recommendation, I would suggest, should not be inflexible. Strong continuing demand for the service from one part or another of the country should at least be a matter for argument, should at least be open to consideration.

Then there is the question of increased telephone contacts through the use of special lines such as Zenith. This is worthy of considerable attention. However, these phone lines should not be regarded as constituting an entire system, nor as a replacement for mobile officers but rather as a supplementary tool.

There are many unresolved questions concerning such lines, among them being the cost. The figures in the report show a cost in excess of \$8 per call, with extra staff included, versus \$2.75 per contact under the mobile service previously mentioned.

It might be more reasonable to utilize community resources such as community information centres. Information Canada is identifying these centres and supplying them with federal information. One by one they are being tied into community networks, and the tying has been done, to a large part, by the mobile information officers.

Senator O'Leary says he does not like Information Canada. That is his position. There are many people in Canada who, because we have not been trained to have such a branch of the public service, find it difficult to

appreciate it. But we have a Senate committee made up of all parties which has examined Information Canada, and it has come forward with the view that Information Canada is a good institution.

Hon. Mr. O'Leary: No.

Hon. Mr. Martin: My friend says it hasn't. He has not read the report, nor listened to Senator Everett's speech which he praised so generously a few moments ago. The committee's report does come down in favour of Information Canada. The committee feels there should be certain limitations and that there are certain dangers, but it does come down in favour of it. It does not agree with the condemnation which Senator O'Leary has made.

Hon. Mr. O'Leary: It does.

Hon. Mr. Martin: Senator O'Leary is entitled to his view. He is entitled to examine Senator Everett who, unfortunately, is away today on public business, or any other member of the committee. He can discuss this matter with Senator Yuzyk who sits right behind him. Senator Yuzyk will tell him that he supports the recommendations of the committee; he can discuss it with Senator Phillips, a hard working senator who joins with other honourable senators in support of this report; he can discuss it with Senator Welch or with his deskmate, Senator Grosart, who worked hard in the preparation of this report and who joins in support of it.

Hon. Mr. O'Leary: No, no, no.

Hon. Mr. Martin: If he does not wish to discuss it with Senator Grosart, he need only walk down one step and discuss it with his leader who is also a member of this committee and who has not joined in presenting a dissenting report.

We all recognize your great quality as a journalist, Senator O'Leary, but we cannot join you in your condemnation of this Senate committee report.

Hon. Senators: Hear, hear.

Hon. Mr. O'Leary: Might I ask one question of the Leader of the Government before he sits down. As a distinguished and very active member of the Cabinet, does he know now, or has he ever known, the number of persons employed in an information capacity in the various departments of government, the various branches of government and in the information department itself? Do you know the number of so-called information people employed throughout the various branches and departments of government?

Hon. Mr. Martin: I cannot now give you—

Hon. Mr. O'Leary: There you are. That is what I want to find out.

Hon. Mr. Martin: Well, you say that is what you want to find out, but that is the first time you have put the question today.

● (1450)

Hon. Mr. O'Leary: Everybody knows the place is over-staffed; everybody knows Information Canada is spending money like water without good purpose. You did not explore the position. Nor did the committee. I do not always agree with Senator Grosart. I am not here as a

trained seal to agree with Senator Grosart, Senator Martin or any other person in this house. I am not against the principle of Information Canada. I am against the manner in which Information Canada is being conducted, and I think the people of Canada would agree with me if they knew all the facts.

Hon. Mr. Martin: It is certainly not perfect.

Hon. Mr. Flynn: I should like to ask the Leader of the Government two questions. He said that I did not produce a dissenting report. Is he not aware that it is contrary to our usages to produce a dissenting report? Secondly, I should like to know, after his speech accusing Senator O'Leary of opposing this report, whether Senator Martin supports the report made by Senator Everett and endorsed by Senator Grosart? Is he prepared to support Senator Everett's request that this report not only be considered but that it be adopted by the Senate?

Hon. Mr. Martin: It is obvious I could support it subject to the comments I made today.

Hon. Mr. Flynn: Subject to? Come on, come clean for once!

Hon. Mr. Martin: My friend must not get excited and must not ask questions merely to put on record that he is here. If he puts a question, I am willing to answer him, but I am not prepared every time he puts a question to have it followed by a tirade of abuse. If he wishes to make a constructive suggestion we will all be very glad to hear it.

Hon. Mr. Flynn: On a question of privilege: I think the remarks of the Leader of the Government about my putting questions merely to show that I am here are petty, entirely irrelevant and completely unjustified. I will not answer him because I don't consider such remarks deserving of a reply. If that is an example of the senator's sense of humour, then I consider it to be sadly deficient, not to say non-existent.

On motion of Senator Langlois, debate adjourned.

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL C-277 (HURON)—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-277, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

SECOND READING

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

Hon. John M. Macdonald, with leave of the Senate and notwithstanding rule 44(1)(f), moved that the bill be read the second time now.

He said: Honourable senators, the explanation of this bill is very short. The sitting member wishes to have the name of the constituency changed somewhat. It is the constituency of Huron in the Province of Ontario. It so happens that part of the County of Middlesex is in that constituency, and the sitting member felt it would be a

proper description of the electoral district if it were called Huron-Middlesex.

We have had bills similar to this before, and there has been some objection to them from this side of the house. However, all the previous bills have been passed, and I trust that this one will receive favourable consideration.

It may be wondered why this change is needed at this time. I can only say that originally it was felt there would be a redistribution bill in this session of Parliament, and they have been waiting for that. When it became obvious that there was not to be a redistribution bill there did not seem to be any urgency about having the change made. In recent weeks, due to certain circumstances, there has been a feeling of urgency that if the name is to be changed it should be done now.

I may say that the bill was passed by the other place without debate in the course of a very few minutes.

Hon. Mr. Lafond: Honourable senators, I have already on several previous occasions recorded my opposition to bills of this nature. Whether they be moved from this side of the house or the other side of the house, my objection stands. To my mind, they serve no positive or constructive purpose whatsoever. They do, however, serve to complicate the operation of our electoral process through the Chief Electoral Officer.

To introduce bills of this nature, particularly in a week such as this, seems to me to betray an utter lack of faith in the effectiveness of any action the Opposition is contemplating in the other place within the next 48 hours. Given that, it seems to me that the heads of many civil servants which, according to this morning's *Gazette*, Senator O'Leary would like to see roll can probably rest easy on Wednesday night, the next night, the next night and the next night.

Hon. Mr. Flynn: Honourable senators, I shall deal with the bill and not be irrelevant. My position on these bills is well known. I do not expect the Senate to give this bill any other treatment than it has given similar bills that have come to us. In principle I am opposed to names such as this. I think a single name is best. However, if it has to pass, let it pass.

[*Translation*]

Hon. Mr. Denis: Honourable senators, using the logic of the Leader of the Opposition, I wonder whether it would not be more simple to have his party called "Conservative" instead of "Progressive Conservative".

[*English*]

Motion agreed to and bill read second time, on division.

THIRD READING

The Hon. the Speaker pro tem: Honourable senators, when shall this bill be read the third time?

Senator Macdonald, with leave of the Senate and notwithstanding rule 45(1)(b), moved that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

[*Hon. Mr. Macdonald.*]

● (1500)

BILL C-281 (MIDDLESEX)—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-281, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

SECOND READING

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

Senator Macdonald, with leave of the Senate and notwithstanding rule 44(1)(f), moved that the bill be read the second time now.

Motion agreed to and bill read second time, on division.

THIRD READING

The Hon. the Speaker pro tem: Honourable senators, when shall this bill be read the third time?

Senator Macdonald, with leave of the Senate and notwithstanding rule 45(1)(b), moved that the bill be read the third time now.

Motion agreed to and bill read third time and passed, on division.

LAND USE

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Norrie calling the attention of the Senate to the question of land use in Canada.—(Honourable Senator Langlois).

Hon. Mr. Martin: Senator Bonnell wishes to speak.

Hon. Mr. Langlois: I am happy to yield to Senator Bonnell.

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

Hon. Senators: Agreed.

Hon. Lorne Bonnell: Honourable senators, in my opinion, land use in Canada is basically one of the rights of the provinces. Therefore there is very little that we members of the Senate or the federal government can do concerning this important and vital matter. I further believe that land use presents one of the great crises facing us today, and is probably equal in importance to the energy crisis.

Many people get uptight over land ownership. It does not bother me so much who owns the land, but rather what use they make of it. Under the old British law, a man's home was his castle and his land was his own. For governments, whether they be federal or provincial, to interfere with the rights of the individual is a very serious matter. We must never forget that the collective right of us all is more important than the individual rights of each or any one of us. Probably the best and most important way to control land use is through zoning for specific use.

In my view, that right belongs to the provinces and not to the Senate, the House of Commons or the federal government.

The part of this country most seriously interested in land use is probably the province of Prince Edward Island. The 1972 statistics showed that 6.5 per cent of Prince Edward Island was owned by non-residents, and 11.5 per cent of the shore front was owned by non-residents. The provincial government, which was close to the people, realized that a crisis could be at hand, and in 1972 the legislature passed an act called the Real Property Act, under which non-residents were restricted to the purchase of not more than ten acres, or five chains, 330 feet, of shore frontage. This was one of the first major steps taken by any government in Canada. If any individual or corporation wished to buy more than that, approval had to be obtained from the Lieutenant Governor in Council. Some large corporations incorporated in the province, feeling that because they were incorporated in the province they could buy more land than the ten acres, have proceeded to do so. The government took the issue to the supreme court of the province and won that decision, but these large corporations are now appealing to the Supreme Court of Canada.

In 1972, also in Prince Edward Island, the government of the day saw fit to set up a royal commission on land use and land ownership. It was the finding of that commission that the people of the province felt that the most important issue was not land ownership but land use. They also felt that the people in the local areas should have some say in the decision as to how land should be used. It was felt that prime agricultural land should remain as far as practicable in the agricultural sector of the economy.

In Prince Edward Island the most important physical resource is our land. The only "mine" in the province is the top six inches of soil, and we mine it year after year. The Government of Prince Edward Island realized the value of the physical resources, realized the value of the top six inches of soil, realized the value of the ecology and the environment, and decided that it could not allow much of the prime agricultural land to be owned by non-residents if it was not put into agricultural use.

● (1510)

The premier of the day, the Honourable Alexander B. Campbell, recommended to his government some new policies for the protection and the use of the land in Prince Edward Island. One of his recommendations was that a commission be set up consisting of seven members from the private sector, who would broadly represent the various concerned groups within the province as to land use. That land use commission will have at its disposal the technical and professional expertise within the provincial government. It will have the responsibility of establishing community and regional planning bodies when such are advanced by the communities and regions of the province; the responsibility of approving community and regional land use; and the responsibility of proposing programs to allow for the identification of lands for specific purposes. In addition, the commission will have the responsibility of making detailed recommendations to the provincial government in such areas as land use questions affecting inland and coastal land; rural, urban and recreational

subdivision policies; and highway access and strip development policies.

Probably the greatest thing done by the premier and his government is to make all agricultural land in the province of Prince Edward Island free of tax. If the land is used for agricultural purposes, no longer will there be any land tax, school tax or any other type of tax on it. The only land which will be taxed within the province will be land for homeownership, industrial land, recreational land, subdivisional land or other land not in agricultural use. In this way much of the idle land in Prince Edward Island will again be put to agricultural use, and that is a great concern of our people.

I should point out that the Government of Prince Edward Island has made available \$5 million to family farms for the expansion and development of rural lands in the province. They have done this by giving grants to farmers for the development of family farms. They have also established an environmental control commission to encourage the coordination of the various departments of government for the protection of the land for its proper use; for the protection of the environment; for the control of soil erosion; to coordinate the highways and road construction programs of the Department of Public Works with respect to soil erosion; and to control the procurement and purchase of land by non-residents.

With respect to one last part we might be able to play in the use of land in Canada, I would like to make three suggestions. First, there is a possibility that some of our provinces might decide that aliens would have to buy land under different terms from Canadians. If so, I believe that becomes a matter of federal jurisdiction, because when we start to talk about the purchase of land by aliens we immediately get into the question of immigration, which is definitely within federal jurisdiction. On that score I believe the provinces probably have not the jurisdiction to control the purchase of land by aliens unless they say it is the purchase of land by non-residents, which would include all people. If they want to exclude merely aliens, then I believe it becomes a matter of federal jurisdiction. Perhaps some federal legislation could be passed, therefore, to assist the provinces in their control of land use in so far as the purchase of land by aliens is concerned.

Secondly, I believe the federal government should provide funds to the provinces to assist them in research as to how they might better control and preserve their shore lines, which are being eroded by the seas on both the Atlantic and Pacific coasts. This is especially true in respect of Prince Edward Island's beaches.

Thirdly, I believe the federal government can do something in respect of land use so far as our national parks policy is concerned. In my view it is fine for the federal government to set aside 20,000 or 40,000 acres of land in the northern part of Canada to be preserved in its natural state for future generations. But to set aside 20,000 acres in a province like Prince Edward Island would be to take out of production almost 20,000 acres of prime agricultural land. I certainly do not believe that to be good federal policy. I believe the National Parks Branch should allow farmers within the boundaries of a national park to use that land and cultivate it, and it should allow them to do so from generation to generation. Land is too valuable to

let it grow up in yellow weeds and scrub brush just so that it remains in its natural state. In my opinion there is nothing more beautiful than a 400- or 500-acre field of wheat, potatoes or hay, or even 100 acres of pasture with beautiful cattle roaming about. I believe that most people who visit a national park in a rural area such as in Prince Edward Island would much prefer to see agricultural land being used to its fullest potential than to see it growing up in yellow weeds or scrub brush just so that a national park can be preserved in its natural state.

● (1520)

Therefore, I believe that if the subject of this inquiry is referred to the Standing Senate Committee on Agriculture, some recommendation to the National Parks Branch should be made for a change of policy in the smaller rural areas of this country, such as Prince Edward Island.

Honourable senators, it is not my intention to discuss this matter any further because, as I said before, it is basically a provincial problem. The subject is within provincial jurisdiction. It is a problem which is certainly growing in intensity and immensity, but it is something which the governments of our provinces are well able to handle without too much interference from the Government of Canada.

On motion of Senator Carter, debate adjourned.

EXPORT AND IMPORT PERMITS 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-4, to amend the Export and Import Permits Act.

Bill read first time.

SECOND READING

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

Hon. Charles McElman, with leave of the Senate and notwithstanding rule 44(1)(f), moved that the bill be read a second time now.

He said: Honourable senators, under the Export and Import Permits Act the Governor in Council may establish a list of goods, called an export control list, whereby the export of any article can be made subject to control for certain purposes as specified in section 3. The first objective of Bill C-4 is to add the following two purposes to those already set out in section 3 for which exports can be made subject to control:

(a.1) to ensure that any action taken to promote the further processing in Canada of a natural resource that is produced in Canada is not rendered ineffective by reason of the unrestricted exportation of that natural resource;

(a.2) to limit or keep under surveillance the export of any raw or processed material that is produced in Canada in circumstances of surplus supply and depressed prices and that is not a produce of agriculture;

[Hon. Mr. Bonnell]

Under the same act, the Governor in Council may also establish a list of goods, called an import control list, whereby the import of any article may be made subject to control for certain purposes as now specified in section 5. The second objective of the bill is to add the following purpose to those already set out in subsection 5(1).

(a.1) to restrict, for the purpose of supporting any action taken under the Farm Products Marketing Agencies Act, the importation in any form of a like article to one produced or marketed in Canada the quantities of which are fixed or determined under that Act.

The third objective of the bill is to repeal section 27 of the Export and Import Permits Act, which sets out the expiry date of the act.

The first point to note is that the amendments being proposed to the Export and Import Permits Act, apart from the deletion of its expiry date, are enabling legislation.

The objective of the amendment which would enable the Governor in Council to put items on the export control list to promote the further processing of a natural resource that is produced in Canada is self-evident. The amendment will provide one of the means which may or may not be needed for promoting processing of resources in Canada in those cases where such processing can be internationally competitive and consistent with a sound industrial structure.

This is not to imply that the most desirable or most effective way to encourage processing of resources is by introducing export controls. The government's general approach is to focus on constructive cooperative tools, such as multilateral trade negotiations, taxation policy, existing programs of industrial support, consultation with industry, and the foreign investment review process. Nevertheless, it is conceivable that an occasion might arise when, despite such positive efforts, or in conjunction with them, it may be necessary to make the exportation of some natural resources subject to control if further processing in Canada is desirable and is to be achieved.

The objective of the proposed amendment to limit or keep under surveillance the export of the raw or processed material that is produced in Canada in circumstances of surplus supply is to establish a provision which can be used, if needed, for ensuring that proper economic advantage is derived from raw or processed materials produced in Canada. Occasions may arise where Canada has a particular material in abundance, as well as an influential place in the international market in respect to its price, so that oversupply from Canadian sources could result in reducing or holding prices at an inappropriate low level, having regard to factors such as the capital invested in production and the long-term need and future value of the material involved. In the circumstances, various steps might be possible to promote appropriate pricing, such as international or national cooperative marketing arrangements. However, in certain situations, one advisable step could be to make the material in question subject to export control for a time. The proposed amendment in respect of material in surplus supply would make it possible to initiate such action, and to do so with the promptness that would yield best results.

Agricultural products are excluded from the amendment dealing with materials in surplus supply. The reason is that there are not any situations for products, other than those already under the control of the Canadian Wheat Board, where Canada would have the necessary strength in world markets to influence the price of a commodity by control of exports.

It is important to note that the proposed amendments in respect of export controls do not represent a departure from our traditional policy of encouraging trade liberalization, or an effort to take unfair advantage of customers for the products of our resources. The fundamental concern in proposing these amendments is simply to see that the full and proper economic advantage is derived from raw or processed materials produced in Canada.

In general it is expected, and it is the government's hope, that export restrictions will not be necessary to encourage increased upgrading of resources in Canada. The government will be looking first for positive means to encourage upgrading of resources prior to export in those cases where it makes commercial and economic sense. For example, if Canada's trading partners would agree in the forthcoming multilateral trade negotiations to reducing trade barriers which presently bear more heavily on processed than on unprocessed products, it could be expected that more value would be added to Canadian resources through further processing prior to export.

During the years ahead, new facilities will have to be established somewhere in the world to process Canadian resources. If it makes commercial and economic sense, this new capacity should be installed in Canada. This is a legitimate objective, and one that can be understood by countries with which we trade. If export controls were required for this purpose, they would, of course, be applied on a highly selective, product-by-product basis, and only after all factors, including long-term trading relationships, had been assessed.

● (1530)

Let me turn now to the proposed amendment aimed at establishing an additional purpose for which imports can be made subject to control, which is:

to restrict, for the purpose of supporting any action taken under the Farm Products Marketing Agencies Act, the importation in any form of a like article to one produced or marketed in Canada the quantities of which are fixed or determined under that Act.

The Farm Products Marketing Agencies Act allows for the creation of national farm marketing agencies to promote strong, efficient and competitive agricultural sectors having "due regard to the interests of producers and consumers." To date, such agencies have been established for eggs and turkeys. Under the act, agencies have the power—for eggs and poultry only—to determine quantities which can be marketed in interprovincial and export trade by setting production or marketing quotas. It is now possible that a supply management program of this kind could be undermined, on occasion, by an influx, or the threat of an influx, of low-priced products from other countries. Therefore, it is proposed to permit the application of import controls, if required, to support the operation of national supply management programs for eggs and poultry. This is not to imply that it would be the

intention of the government, if it did decide to apply import controls on eggs or poultry for a particular period, to attempt to insulate the Canadian market for these products from long-term trends in international prices.

If this amendment is passed, it does not mean that an agricultural product will be automatically added to the import control list because a supply management program is being implemented under the Farm Products Marketing Agencies Act. If the authorities concerned under this act believe that a particular product should be added to the import control list to complement a particular supply management program, they would have to make a recommendation to this effect. The government would examine the case and decide whether or not to recommend to the Governor in Council the desired addition to the import control list, as well as to establish the duration and conditions under which import controls will be exercised for the particular product in question.

Honourable senators, I would point out that the concept of having enabling legislation to apply export and import controls has been accepted in all western industrial countries and Japan. While the details of the laws involved vary from country to country, it is reasonable to say there is international recognition that there are certain circumstances in international commerce to which national governments can respond effectively only through import or export control action.

Finally, the bill proposes the repeal of section 27, since the inclusion of an expiry date in what is, in effect, ongoing enabling legislation is, first, inconsistent with the fact that the act is intended to implement various international commitments, as well as complement other acts of Parliament, which are not subject to expiry dates; and, second, an expiry date leads to unnecessary administrative expense both for industry and government departments, as well as introducing an element of uncertainty in private companies' export sales efforts on long lead-time delivery items with certain potential purchasers.

Canada has various ongoing international commitments that are implemented under the Export and Import Permits Act which are not subject to expiry dates corresponding to the limited duration of the act. These include export control commitments in respect of military equipment and strategic supplies; controlling trade with Rhodesia in keeping with the United Nations resolutions on Rhodesia; implementing international commodity control agreements—for example, cocoa—and administering cross-border arrangements with the United States to facilitate Canadian trade.

The act is also used on an ongoing basis, as required, to complement action initiated by the agencies acting under the statutes named in section 5(b)—the Agricultural Stabilization Act, the Fisheries Prices Support Act, the Agricultural Products Cooperative Marketing Act, the Agricultural Products Board Act and the Canadian Dairy Commission Act. None of these five acts contains an expiry date. In addition, the Export and Import Permits Act is used on a continuing basis for implementing import controls which are deemed necessary as a result of recommendations to the government made under the Anti-dumping and Textile and Clothing Board acts.

In referring to various other acts for which the Export and Import Permits Act may provide complementary support, perhaps I should mention that the act does not, of course, include any provisions, nor are any provisions being proposed, whereby items are automatically added to the import control list or the export control list at any time as a result of action initiated under other acts. When items are added or deleted from the import or export control list, the government makes a decision in each case, having regard to its international commitments and the recommendations which may be made to it by departments, agencies, or boards, as well as whatever other significant circumstances prevail at the time. The Canadian Dairy Commission Act is the only act in the group of five in section 5(b) for which the Export and Import Permits Act is being used to provide complementary support at the present time.

The inclusion of an expiry date in the act leads to unnecessary administrative expense for industry and government departments. For example, it is customary practice to issue export permits covering a six-month period to reduce the work of applying and issuance to a minimum. However, once the act approaches its expiry date, this economizing of effort cannot be achieved so that additional applications must be filed and processed this year.

Another example is that it is customary to issue certain export permits for periods of one year for aircraft replacement parts in cases where companies have specific on-going commitments to export items on an "urgent rush" basis in order that aircraft will be grounded for a minimum length of time but, during the calendar year in which the act is due to expire, the business of arranging these special permits must be done twice. The same situation exists in respect of approximately 400 special calendar year export permits which have been issued to logging and pulpwood firms. Similar difficulty is being encountered on the import control list side in respect of shirts where approximately 65 importing companies are involved.

● (1540)

An expiry date in the act can also introduce an element of uncertainty in private companies' export sales negotiations with potential purchasers, particularly in countries that are on the area control list. State-trading countries are accustomed to obtaining export permits—indeed, in most cases, require that a permit be issued—to cover a long lead-time delivery item before completion of a final sales contract. Cases have arisen, however, where it has been impossible to issue an export permit for long lead-time items since delivery was scheduled after the expiry date of the act.

Therefore, industry and government have been required to go to considerable lengths in such instances to provide as much reassurance as possible to potential buyers, short of a definitive commitment, that export permits will be granted. Since it is hoped that Canadian exports of long lead-time advanced technology products will expand to state-trading nations, it would be useful to reduce to a minimum, administrative impediments and irritations in dealing with these potential customers.

Honourable senators, I commend this bill to your favourable consideration.

[Hon. Mr. McElman.]

Hon. John M. Macdonald: Honourable senators, it is not my intention to speak to this bill at this time. I am sure we are all grateful to Senator McElman for his detailed and penetrating explanation of this important measure.

I understand there are honourable senators on this side of the house who wish to speak to the bill. I further understand that it is proposed to refer the bill to committee. In those circumstances, it might be better if the bill is read the second time now, and referred to committee. Those of us who wish to speak may do so on third reading.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator McElman, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

NOTICE OF COMMITTEE MEETING

Hon. Mr. Langlois: Honourable senators, I would like to inform the house that the Standing Senate Committee on Banking, Trade and Commerce will be sitting tomorrow morning. I do not yet know in which room or at what time, but I expect it will be at 10 or 10.30 a.m. The notices will be out this evening.

Hon. Mr. Buckwold: The meeting of the committee scheduled for Wednesday will still be held.

Hon. Mr. Langlois: I have now been informed that arrangements have been made for the committee to sit at 10 a.m. tomorrow in room 356-S.

CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAM "LES BEAUX DIMANCHES"—
TRANSPORT AND COMMUNICATIONS COMMITTEE
AUTHORIZED TO EXAMINE

Hon. Leopold 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 wish to make only a few comments at this time, since I gave my reasons for presenting this motion when I spoke to the matter on May 1.

On Sunday, April 28, I saw on the CBC French network a program entitled "Les Beaux Dimanches," to which I took very serious objection. I do not wish to prejudice the matter, but I feel strongly that this type of program should be drawn to the attention of the Standing Senate Committee on Transport and Communications because, in my opinion, Canadian taxpayers should not be asked to pay for this kind of program on the national television network.

The program in question concerned the opening of a session of Parliament at which, presumably, Her Majesty the Queen was in attendance. It concerned also the introduction to Rideau Hall of its new incumbents, the Gover-

nor General and Mrs. Léger. It was obvious to me, and to others who saw the program—several have since spoken to me about it—that its sole purpose was to cast ridicule not only on our parliamentary system but also on the high offices of head of state—Her Majesty the Queen and the Governor General.

The best way of acquainting the house with this type of program would be for a committee of the Senate to call as witnesses the President of the CBC and the Chairman of the CRTC, and to have an opportunity of hearing and viewing the tape of the program in order that it might be better able to pass judgment.

The program in question was entirely in French, and I would suggest that the French sound track and its English translation be available to the committee. Once the members of the committee have seen and heard this program, I am sure they will agree with me that this type of program should be banished from both the French and English networks.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Langlois: I would rather see an American western than such programs. At least American westerns have the virtue of not being anti-Canadian.

I would also suggest that the opportunity should be taken to inquire of the Chairman of the CRTC whether, when he refers to Canadian content of radio and television networks, it is this type of program he has in mind. The Canadian public are entitled to an explanation from those on whom Parliament has imposed the duty of supervising the national networks and ensuring that the public view programs which are not destructive of our parliamentary institutions.

I commend this motion to the house. It is not moved with any intention of imposing the views of this house, or

of Parliament, as to what should be heard on the radio and television networks, but merely to ascertain whether Canadians are being provided with programs which are not directed against our cherished institutions.

● (1550)

Hon. Mr. Choquette: Neither the Senate chamber nor the Senate committee rooms are equipped to show this program. I think in such cases as this we usually go across the street to the press building to view programs.

Hon. Mr. Langlois: I agree with Senator Choquette that we should take advantage of the facilities across the street to view this program.

Motion agreed to.

THE HONOURABLE LÉON M. GOUIN
FELICITATIONS ON RETURN TO CHAMBER

[*Translation*]

Hon. Mr. Martin: Honourable senators, before we adjourn, I would like to tell Senator Gouin that we are very happy that he is among us today and I hope his health has so improved that he will be with us most of the time.

[*English*]

Hon. Mr. Choquette: I would like to add that I am pleased to see Senator Gouin in the front row. I hope it will be permanent.

Hon. Mr. Martin: I hope Senator Choquette does not mean by that that somebody else should go; if so, perhaps he would give up his seat.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Tuesday May 7, 1974

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

HON. MURIEL MCQUEEN FERGUSSON

SPEAKER OF THE SENATE—FELICITATIONS ON HONORARY
DEGREE

Hon. Paul Martin: Honourable senators, before we begin our proceedings today, I should like to extend to Madam Speaker our warmest congratulations upon being awarded an honorary degree on Monday last by Acadia University.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: I am sure we all feel that this is a recognition of Madam Speaker's great qualities and the distinguished way in which she presides over our affairs.

Lest there be any doubt that our Speaker is held in high intellectual appreciation in the Atlantic provinces, it is to be noted that she is to receive, I believe, an honorary degree from St. Thomas University. In anticipation of this, our congratulations and warmest good wishes.

Hon. Jacques Flynn: Honourable senators, may I assure Madam Speaker that the words expressed by the Leader of the Government are shared by everyone in this chamber. I congratulate you, Madam Speaker, on having yesterday been awarded an honorary doctorate. And I further congratulate you on the other doctorate that you are soon to be awarded. I can assure you that since you took over the duties of Speaker of this house you have done honour to the Senate, and we are thankful to you for that.

Hon. Senators: Hear, hear.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Commissioner of Patents on proceedings under the Patent Act for the fiscal year ended March 31, 1973, pursuant to section 27 of the said Act, Chapter P-4, R.S.C., 1970.

Copies of twenty-four contracts between the Government of Canada and various municipalities in the Province of British Columbia for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, Chapter R-9, R.S.C., 1970 (English text).

EXPORT AND IMPORT PERMITS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce,

reported that the committee had considered Bill C-4, to amend the Export and Imports Permit 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 a third time?

Senator McElman: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(b), I move that the bill be read a third time now.

Hon. Mr. Flynn: Is there any need for third reading at this time?

Hon. Mr. Langlois: I think the best reason is that we are to have royal assent some time this afternoon.

Hon. Mr. Argue: Why?

The Hon. the Speaker: It is moved by Honourable Senator McElman, with leave of the Senate and notwithstanding rule 45(1)(b), that this bill be now read a third time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. L. P. Beaubien: Honourable senators, the purpose of Bill C-4 is to amend an act which was put on the statute books as a temporary measure and which was to die on the 31st of July 1974. Bill C-4 is not, therefore, simply an amendment to an existing act. Admittedly, an act such as the Export and Import Permits Act has been in effect in one form or another since 1947. I can hardly pretend, therefore, that this particular act is merely temporary in nature. Nevertheless, it should be noted that it does trace its origin to the old war regulations as a result of which it gives to the Governor in Council a tremendous amount of discretionary power. Now, the two suggested amendments to the act which are embodied in Bill C-4 would make those discretionary powers even more wide ranging than they are.

I am far from convinced that such wide-ranging discretionary powers are either necessary or appropriate, and I feel, therefore, that this bill is of the type which should be considered long and hard and most carefully before being passed by the Senate.

It is to the credit of the Chairman of the Standing Senate Committee on Banking, Trade and Commerce that he worked long hours on this bill last night, and, having gone through it carefully, he is of the opinion that we should pass the bill without amendment. I am as a matter of course impressed by his judgment and I do not want particularly to oppose him. I must say again, however, that it makes absolutely no sense to me to give such vast discretionary powers to the Governor in Council so that, for example, all of a sudden the Governor in Council can stop eggs from being imported. Two years ago grade A large eggs were selling for 47 cents on the market in

Ottawa. They are now selling at 87 cents. That is an increase of 85 per cent in two years. If there is no restriction on eggs below the border and we can get them in at a few cents cheaper, would it not be a good idea to do so, when people are having so much trouble with inflation that they find it difficult to make ends meet? That is just one example, but there are many things like that which the Governor in Council has the power to control—the power to keep out of the country or to limit in quantity or to prevent from leaving the country, and so on.

I am not pretending for one minute that there are not many people just waiting to do the wrong thing, but I do think that, after all, if we are going to have any kind of free economy we should not give carte blanche to the government to do what it wants with respect to export and import; to tell us that we can do this or do that or export potash or not export it, and so on. I am not saying that the government would stop anyone from exporting potash. I am merely saying that these powers are there and there is no reason why they should be there. That is what I am saying. During the war, of course, these things had to be.

● (1410)

A witness this morning told us that we had to stop people from exporting arms. Honourable senators, there are no arms made in Canada, or at least, nothing that today could be considered military hardware. In any event, when you see all the fighting that is going on all over the world, obviously everybody seems to be able to buy all the most expensive tanks and planes, and everything that they could conceivably want, without any trouble, so why should we be told we cannot export any arms? We do not produce any arms. We produce shotguns, perhaps, but that is hardly the same thing.

Here we are faced with all kinds of regulations which, to my mind, do not apply in this day and age—not to us, anyway. Therefore, it is a great mistake that we should have an important bill which is going to put a great many people in Canada, who are performing a useful service of giving employment, in a position where they are going to have to find out if the Governor in Council is going to allow them to do any ordinary thing that one would think they should be able to do. Under these regulations they are going to have to go and find out in a way that just puts everybody's costs up. If you are planning to produce a certain article because you can sell it in the United States, you are going to have to find out if the Governor in Council will allow you to sell it in the United States, so you are going to spend a lot of money on this finding-out process before you can make up your mind whether or not you can produce the article.

The way costs are going up is unbelievable, and so is the amount of legislation that we keep putting through all the time. Things are getting to be so complicated now that, honest to goodness, any business of any size spends about 8 or 9 per cent of all its expenses trying to find out what it can do and what it cannot do.

The Senate is one place that should take the necessary time to look at these things carefully and quietly rather than jam them through the day after it gets them. Many of our knowledgeable senators are not here today because we do not ordinarily sit on Monday and Tuesday afternoons. Some senators with practical experience who could really

help us when we are considering this type of legislation are unable to attend when we sit at odd times. They are active in something else; they have other things to do. All you have to do is look around the Senate now to note how many really active senators are absent, especially those who do not live in Ottawa or who are not fortunate enough to live in Montreal. How many times are they here when we make a difficult decision? There are at least 17 senators whose opinion on this bill would be valuable, but unfortunately they will never see it before it is passed.

Motion agreed to and bill read third time and passed, on division.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that she had received the following communication:

GOVERNMENT HOUSE
OTTAWA

7th May 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 today, 7th May, 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.

LAND USE

INQUIRY—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Norrie, calling the attention of the Senate to the question of land use in Canada.

Hon. Chesley W. Carter: Honourable senators, I should like to begin by complimenting Senator Norrie on her presentation of the inquiry now before us which directs our attention to the question of land use in Canada. As Senator Norrie pointed out, there is a widespread clamour from all parts of Canada for a national land use policy, and she is to be commended for focusing our attention on it at this time.

Ideas and attitudes concerning land use have changed throughout the years in accordance with the changing

demands of man himself upon his environment. The early settlers used the land to provide themselves with the basic necessities, food and shelter, and the use of the topsoil for grains, vegetables and fruits, the forest for animals, skins and food and trees for shelter and fuel as well as for boats and rafts for transportation. With industrialization came a new set of demands; industrialization needed energy and so hydro energy needed land for its transmission and distribution. Industry grew out of the development of our resources; the minerals below the soil, the processing of trees into lumber, pulp, paper and other products. The products of industry had to be transported, which in turn used up more land for roads, railways, terminals and other transportation facilities.

Industrialization led to urbanization, which in turn led to specialization whereby farmers changed from subsistence farming to commercial agriculture. Urban centres relied upon farmers as producers of food while farmers relied on the sale of their food products to purchase many of the necessities that they used to make for themselves. Incidentally, with the growth of affluence among nations, this pattern is now being repeated on a world scale. Economically advanced nations such as the Soviet Union and Japan are now foremost food importers, thereby seriously affecting the food situation.

● (1420)

Urbanization increased the demand on our land resources. Urban life tends toward concentration and crowding. As industrialization increased and people became more affluent they demanded better homes, better designs, better materials and larger housing lots for individual families. Collectively, they demanded wider streets and better communications with other urban centres. This meant construction of highways, airports and air terminals, all of which required large areas of land.

Growing affluence brought the automobile within the financial capacity of the middle class. This in turn created the need for parking spaces outside office buildings, churches, amusement centres, supermarkets, railway stations and airport terminals. This also greatly increased the demand on available land. It was at this point in Canada's development that a Special Committee of the Senate on Land Use in Canada was appointed in 1958. The committee submitted its final report in 1963. From the deliberations of that committee sprang two very positive results. One was the ARDA program, which was embodied in the Agricultural Rural Development Act. The other was the Canada Land Inventory. This grew out of the committee's findings that land use in Canada was greatly limited by topography, climate, location and difference in soil. The committee found there were over 500 different types of soil in Ontario alone. The Canada Land Inventory was also given great support by the Resources for Tomorrow Conference held in 1961. Experience with early ARDA programs and experiments and pilot projects designed for regional economic expansion made it apparent that without a land capability inventory, programs of land adjustments and regional economic development would be based on judgment which, in the absence of essential information, would be fallible and costly.

As stated in CLI Report No. 1, at the top of page 2:

[Hon. Mr. Carter.]

Canada's relatively abrupt transition from a primarily agricultural economy to a primarily urban-industrial economy resulted in changes in land use; further changes may be expected as new economic and demographic changes occur. Effective planning for change of this nature requires an information base of the physical quality of lands and soils and the location and quantity of each type.

Regional economic expansion, therefore, made this type of land inventory a necessity. However, since land is under provincial jurisdiction it could be carried out only in conjunction with the provinces. Federal approval for the inventory was given in October 1963, and federal-provincial consideration of the program took place one month later. The nature and the scope of the program were determined by each province and carried out in full or in part by the provinces in accordance with a specific federal-provincial agreement whereby the federal government undertook to reimburse each province for all direct operational and staff costs incurred in the conduct of the project. On the federal side, the projects were carried out under the aegis of the Department of Regional Economic Expansion, but it has since been transferred to the Department of the Environment. It was not only an inventory of land, but also a land capability inventory.

The survey was carried out and data compiled under four headings: agriculture, forestry, recreation and wildlife, wildlife being divided into two subheadings, one dealing with wild fowl, which comes under federal jurisdiction, and the other under the heading of undulates, which includes all animals and those birds which come under provincial jurisdiction.

The capability of land was classified under each of those headings, with ratings ranging from one to seven, class one being the highest or equivalent of excellent, and class seven signifying complete unsuitability.

The survey took into account not only the present use being made of the land, but alternative uses and possible multiple uses. The inventory is therefore geared to future planning rather than land management. The various classifications had to be worked out in conjunction with the provinces and concurred in by all of them. Much information had already been collected by the cooperative soil survey organizations of Canada by federal and provincial departments of forestry, parks and recreation, and from wildlife studies.

Land use had also been the subject of study by geographers, economists, land administrators and planners. Geographers from the federal Department of Energy, Mines and Resources had been engaged in a program of land use mapping since 1950 and had accelerated the program through extensive interpretation of aerial photographs. Statistics Canada, the Economics Division of the Department of Agriculture, and provincial statistical agencies had been continuously compiling information on the social and economic factors of land use.

A way was found to integrate all this information, along with the new data from the inventory itself, so that it could be computerized, stored, retrieved and analyzed by electronic computers. A way was found for recalling this information and producing it on computer-made maps. The computer mapping technique developed by the

Canada Land Inventory will facilitate more detailed future studies as more detailed land capability information becomes available and as socio-economic factors change.

The Canada Land Inventory project was completed in 1971, and nine reports are available as follows:

1. Objectives, Scope and Organization
2. Soil Capability, Classifications for Agriculture
3. The Climates of Canada for Agriculture
4. Land Capability Classification for Forestry
5. The Economics of Plantation Forestry in Southern Ontario
6. Land Capability Classification for Outdoor Recreation
7. Land Capability Classification for Wildlife
8. Soil Capability Analysis for Agriculture in Nova Scotia
9. Land Owners and Land Use in the Tantramar Area, New Brunswick

Coming from Newfoundland, I was particularly interested in reports Nos. 4, 8 and 9 dealing with forestry and agriculture in the Maritime provinces.

Land capability ratings for forestry run from class 1 to class 7. Class 1 denotes the productivity of 111 to 210 cubic feet per acre per year, while class 7 denotes complete unsuitability. Class 1 capability is found only in British Columbia. Class 2 land capability has a productivity of from 91 to 100 cubic feet per acre per year.

The report showed there were no areas of class 1 or class 2 forest land in Nova Scotia or Prince Edward Island, and only a very little of class 2 in New Brunswick. In fact, most forest areas in the Maritime provinces fall into the class 4 and class 5 category, with a few small patches of class 3. Class 3 has a productivity from 71 to 90 cubic feet per acre per year, while class 5 has a productivity from 30 to 50 cubic feet per acre per year.

● (1430)

As far as Newfoundland is concerned, most of the forest land falls within class 4, although there are considerable tracts of class 3 and even some of class 2. These latter are mostly forests of balsam fir mixed with birch and white spruce.

Report No. 8 deals exclusively with agriculture in Nova Scotia. The summary appears at page viii of report No. 8, and reads:

Nova Scotia has a land area of 13,057,000 acres. The climate is humid temperate. Annual precipitation ranges from 60 inches in coastal areas to about 40 inches inland; the frost-free period ranges from 160 days on the south coast to less than 60 days in a few inland valleys.

The uplands and highlands usually have shallow, stony soils, and rock outcrops are common. Most areas with significant agricultural potential are found in the lowlands, where the soils have developed on deep tills, alluvial floodplains and fluvio-marine sediments of tidal estuaries. Less than 25 per cent of the province has agricultural potential under present economic conditions.

The soils have developed under conditions of high rainfall, a cool temperate climate, and forest vegetation. This combination of factors has favoured the process of leaching and, as a result, most of the soils are naturally acid and have low fertility. These conditions must be corrected before satisfactory yields of most crops can be attained. The most widely used soils are relatively stone free, moderately coarse textured and freely drained. These are preferred because they can be adapted to growing a wide range of crops. Finer textured soils have a restricted range of use because of inadequate drainage, low permeability or other factors. The major soils found in the provinces are podzols and luvisols, with smaller areas of regosols and gleysols.

Areas of the province having significant acreages of cleared farmlands with soils suitable for a wide range of crops have been designated as *multi-crop blocks*. These areas total 930,000 acres, of which about 30 per cent is now cleared arable land.

Other areas having actual and potential use, primarily for forage oriented agriculture, are designated as *limited-use blocks*. These areas total 1,911,000 acres, of which about 12 per cent is now cleared arable land.

The remainder of the province, about 10,216,000 acres, is classed as *non-agricultural land*. This area has some potential for those types of agriculture not dependent on an arable land base or which require only a small acreage of good land for a viable operation.

Three major areas, Northumberland Shore, Annapolis Valley Region, and the Cobequid Shore are deemed to have adequate acreages of suitable soils to support grain farming as a major enterprise. In addition, these areas are suited to the production of small fruits, vegetables, potatoes and forage crops, including corn for silage. Of these three regions, only the Annapolis Valley is considered suitable for commercial production of tree fruits.

Antigonish Shore has a largely undeveloped potential for small fruit and vegetable production. A ready and growing market exists for these products and for fluid milk in the Strait of Canso and Sydney industrial areas. The potential of this shore for tobacco production is under investigation.

Sydney and Yarmouth have locational advantages which partly offset the disadvantages of poorer soils. A ready market exists in each area for fluid milk, small fruit, and fresh vegetables, all of which can be produced on a commercial scale. Farmers in these areas are next door to the potential markets of Newfoundland and Northeastern U.S.A. and would be in a position to benefit should these markets be developed on a large scale.

Lunenburg County is situated reasonably close to Metropolitan Halifax-Dartmouth. Moreover, a significant acreage of this area is suitable for commercial production of small fruits, vegetables and tree fruits. Development of local markets, together with expanded production of these products, would seem to offer

the best chance for a viable agricultural industry in this area.

Lowbush blueberries, cranberries, Christmas trees and tobacco show promise in specific areas of the province; the potential for expansion in these crops should be further investigated.

That is the end of the summary on the situation in Nova Scotia.

Hon. Mr. Choquette: There is nothing on grasshoppers or anything like that?

Hon. Mr. Carter: They do not have grasshoppers, and we do not have snakes in Newfoundland.

Hon. Mr. Langlois: It is too close to salt water.

Hon. Mr. Carter: The New Brunswick survey was limited to the tidal marshes of the Tantramar area at the head of the Bay of Fundy. The principal findings of that survey are to be found at page 30 of CLI Report No. 9, and are as follows:

1. The Tantramar area was once one of the most important and prosperous agricultural areas in New Brunswick. Now, however, only 79 of the 372 interviewed landowners holding five acres or more in the area are dependent on the sale of crop and livestock products for their major source of income. Only 22 of these 79 landowners reported gross farm incomes exceeding \$5,000 per annum, and they account for 80 per cent of the area's gross farm income. Eight of these 22 owners are over 60 years of age and will soon leave the agricultural industry. This leaves the area with only 14 farm operators who can be considered as having long-term viability.

Substantial inputs of capital and of management training would be required to raise the incomes of the other farm operations to acceptable levels. Given the magnitude of the inputs required and the current technological and economic conditions affecting Canadian agriculture, it is unlikely that such allocations would prove to be economic.

2. Three groups of landowners, those who derive the major share of their income from non-farm sources, landowners over 60 years of age but not in commercial agriculture, and non-resident owners, together account for 82% of the landowners interviewed. They control 58 per cent of the total acreage and 40 per cent of the improved agricultural land reported in the landowner interviews.

3. Resource-based income is derived from farming, forestry and fishing; however, forestry and fishing account for less than 5 per cent of the total gross income from resource-based activities.

4. Income from non-resource-based activity accounts for nearly 82 per cent of the estimated total net cash income earned by the landowners for all sources. Government transfer payments alone account for 20 per cent of total net cash income and exceed agriculture and the other resource-based activities as an income producer.

5. Landowner incomes tend to be very modest; only 9 per cent of the interviewed landowners have net cash incomes exceeding \$6,000 per annum, whereas 74

[Hon. Mr. Carter.]

per cent earn less than \$4,000 per annum. The non-farmers under 60 years of age, as a group, have larger net cash incomes than the farmers. Only 25 per cent of the non-farmers have net cash incomes less than \$3,000 per annum in contrast to 61 per cent of the farmers.

6. The Canada Land Inventory data indicate that 31,000 acres of cleared land are located in the study area. However, the landowner interviews which accounted for virtually all of the improved farm land, revealed that there are only 19,000 acres of improved farm land. Furthermore, a detailed survey of present land use carried out in 1967-68 indicated that only 11,800 were used regularly for agricultural uses. These figures indicate that a considerable portion of the 31,000 acres of cleared land in the area is idle or has been abandoned by agriculture.

● (1440)

Paragraph 7 describes the pattern of agricultural land use in the area, and goes on to say:

Two clearly defined agricultural nodes can be delineated on the basis of an analysis of the present pattern of agricultural land use and the factors underlying it. These are:

- (a) the Middle-Upper Sackville area,
- (b) the Point de Bute area.

Together these two agricultural nodes produce three-quarters of the gross farm income generated in the Tantramar area in 1967-68.

I skip over paragraph 8, which states that fragmentation of land holdings presents a major obstacle to the promotion of more effective use of the area's land resources. I come to paragraph 9, which reads:

The waterfowl habitat of the Tantramar area is of major significance, even when judged at the national level. The marsh area contains some of the most productive waterfowl habitat in eastern Canada and is located on a major lane of the Atlantic migratory bird flyway.

The report goes on to say in paragraph 10:

The social and community structure of the area is in a state of disorganization.

It concludes with a number of recommendations, but I have not been able to find out whether any of the recommendations have been implemented.

The total land area of Canada is estimated at 2,272 million acres, of which about 68 per cent is forest. The 1956 census showed that only 184 million acres were occupied at that time, and only 174 million acres, or 7 per cent, were utilized for farming. The 1966 census showed 174.1 million acres in farms, practically unchanged from a decade earlier. The 1971 census, however, showed a decrease of 2.6 per cent, down to 169.7 million acres, the first drop since 1940.

I have a table provided by Statistics Canada which shows the decrease by provinces. If honourable senators agree, I would ask that it be inserted in *Hansard* at this point.

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

Hon. Senators: Agreed.
(The table follows)

	ACRES	%
Newfoundland—		
1966.....	49,513	plus 26.6
1971.....	62,704	
Prince Edward Island—		
1966.....	926,978	minus 16.4
1971.....	774,630	
Nova Scotia		
1966.....	1,851,895	
1971.....	1,328,875	minus 28.2
New Brunswick—		
1966.....	1,811,695	
1971.....	1,339,133	minus 26.1
Quebec—		
1966.....	12,886,069	
1971.....	10,801,116	minus 16.2
Ontario—		
1966.....	17,826,045	
1971.....	15,963,056	minus 10.5
Manitoba—		
1966.....	19,083,817	
1971.....	19,008,259	minus .4
Saskatchewan—		
1966.....	65,409,363	
1971.....	65,056,875	minus 5
Alberta—		
1966.....	48,981,875	
1971.....	49,506,287	plus 1.1
British Columbia—		
1966.....	5,292,310	
1971.....	5,823,231	plus 10.0
Yukon and N.W.T.—		
1966.....	4,268	
1971.....	4,448	plus 4.2

1966 census—174.1 million acres in farms
1971 census—169.7 million acres in farms—first drop since 1940
Decrease in Canada: 2.6%

NOTE: Figures include pasture and rangeland in the west.

Hon. Mr. Carter: The table shows a 26 per cent increase in acreage in Newfoundland, but since our total acreage in 1971 was still only 62,704 acres, that figure has little significance.

As Senator Norrie pointed out, many changes have taken place in our attitudes and thinking with respect to land use since the last Senate committee submitted its final report in 1963. Now we are more conscious of the value of our resources, and the millions who die every year of hunger and starvation have impressed upon us the fact that soil is one of the most precious of all our

resources. The same is true of water, which is becoming a very scarce resource. In fact, we are becoming more conscious of the growing scarcity of our resources and of the need for conservation.

Speaking of starving millions, I should like to give three brief quotations from eminent authorities on the world food situation. The first is from Dr. A. H. Boerma, Director General of the FAO, who says:

There is little if any margin against the possibility of another widespread harvest failure and the world has become dangerously dependent on current production and hence on weather conditions.

The second is from Dr. Norman Borlaug, the Nobel Prize winning wheat expert, who says:

Only a handful of people are aware of just how close we were to having 50 to 60 million people die this year.

The third is from Lester Brown, who is a food production specialist, who says:

With less fertilizer and two per cent regular increase in population this is the first year in which one can say positively: There will be a reduction of food production in Asia, regardless of the weather. Never before in my memory was it possible to say that.

Later Mr. Brown goes on to say that in 1961 the grain reserves of the grain-exporting countries were enough to feed the world for 95 days. In 1971 the figure was 51 days. Now he says the reserves are sufficient for only 29 days. This decline in reserves, the increase in population, which grows by some 70 million to 75 million people a year, and the shortage in fertilizer, mean that the world is much more susceptible to the vagaries of changing weather conditions.

We have become not only more conservation-minded but more ecology-minded as well. We have become more conscious and appreciative of our environment generally and of the interdependence of land, air, water, vegetation, wildlife and man himself.

Ten or twelve years ago nobody bothered much about pollution. Now we recognize it as one of our greatest problems. During the last decade our values have changed somewhat and we are now beginning to place more value on the quality of life rather than on more affluence. This, in turn, has placed more emphasis on the use of land for recreational purposes, and has raised concern about the ownership of recreational land by non-Canadians and absentee owners. All of this has brought home to us the moral issue of stewardship of the land we possess and of our duties and obligations to future generations.

A decade ago we were far less sensitive to urban sprawl, and only now are we beginning to recognize what a menace it is, and what it will lead to if allowed to go unchecked. Maurice Strong, Executive Director of the United Nations Environment Program, writing in the *Financial Post* on May 26, 1973, stated:

Within thirty years the human race will have crossed a fateful and astonishing historical watershed. Man will be living for the first time in a predominantly urban planet... We must set to work now before sheer scale and sheer speed have carried us into settle-

ments constructed by chance and pressure, and set fast in unyielding concrete and steel, before we have time to know whether such settlements are really worthy of the name of a fully human environment.

Boyce Richardson, writing in the 1973 July/September issue of *Nature Canada*, said:

● (1450)

No one can say that Canadians are not aware—in a vague kind of way—of the dangers that lie ahead for our cities. We know that urbanization is the dominant trend in every country on earth, and that Canada is one of the most urban nations of all, urbanizing at a faster rate, almost, than any other nation. We know that wealth alone is not enough to enable this process to be controlled and put to the benefit of people, because we have the evidence of the breakdown of so many American cities. The remarkable changes that have occurred in Canada in the last decade warn us of what lies ahead. Is it not remarkable, then, that the nature of the cities we are trying to build, and the methods open to us, remain very largely undiscussed by the Canadian public? There has been more discussion about Quebec separatism, the British North America Act, women's liberation, than there has been about cities and how they are to grow. Such discussion as there is of cities is usually negative. Indeed, for quite understandable reasons, hatred of cities has become a fashionable emotion. Mankind hating cities! Could anything be more unnatural and terrible?

If it is hard to admire the job made of managing the urban growth of Montreal or Toronto in the fifties and sixties, how optimistic can we be when we examine the prospect that lies ahead? The projections vary somewhat, but to take the more conservative, we can see that by the year 2,000—less than thirty years from now—Montreal will grow from a population of 2,780,000 to 5,170,000, Toronto from 2,530,000 to 5,250,000, Vancouver from a million to 1,800,000, Ottawa from 560,000 to more than a million, and Edmonton from 470,000 to more than a million. By that time, the nine major cities, in which about nine million Canadians now live, will contain nearly eighteen million people.

The sort of change that this population increase implies for the physical plant of our cities hardly bears thinking about. Montreal will have to increase its occupied dwellings from 815,000 to 1,972,000, Toronto from 713,000 to 1,813,000, and so on. The three largest cities by that time will contain 40 per cent of Canada's population, and will need four million new housing units. Montreal and Toronto will need to add between 400 and 650 square miles to their land areas, and Vancouver between 125 and 250 square miles.

Honourable senators, these figures indicate the importance and the urgency of the motion before us and the need for the greatest possible efficiency in the use of our land resources. The Canada Land Inventory can provide us with the data to select the most beneficial use and indicate where multiple use is possible. In my opinion, the quicker this inquiry gets underway the better for Canada, and I urge the strongest support for this motion.

On motion of Senator Buckwold, for Senator Rowe, debate adjourned.

The Senate adjourned during pleasure.

● (1500)

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

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 respecting the Electoral Boundaries Readjustment Act.

An Act respecting the Electoral Boundaries Readjustment Act.

An Act to amend the Export and Import Permits Act.

An Act to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act.

An Act to amend the National Parks Act.

An Act to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings.

The House of Commons withdrew.

The Right Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, May 8, 1974

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

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Copies of a Report by the Chairman of the Public Service Staff Relations Board, dated May 1974, entitled "Employer-Employee Relations in the Public Service of Canada, Proposals for Legislative Change, Part III".

Report of the Fitness and Amateur Sport Directorate for the fiscal year ended March 31, 1973, pursuant to section 13 of the Fitness and Amateur Sport Act, Chapter F-25, R.S.C., 1970.

ADJOURNMENT

Hon. Leopold 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, May 21, 1974, at 8 o'clock in the evening.

Hon. Mr. Choquette: You are skipping a week, aren't you?

Hon. Mr. Langlois: You shouldn't complain.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Langlois, with leave of the Senate and notwithstanding rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday, May 21, 1974, at 8 o'clock in the evening. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: On division.

Hon. Mr. Flynn: Honourable senators, we cannot adopt a motion like that blindfolded. We should have an explanation from the Acting Leader of the Government.

Hon. Mr. Argue: We should have a vote.

Hon. Mr. Langlois: Honourable senators, this motion speaks for itself. It is an adjournment of two weeks from today. I might say that this is the first time the Leader of the Opposition has complained about an unusual adjournment.

Hon. Mr. Flynn: Well, it is the first time that we have had an unusual adjournment.

Honourable senators, despite the clarity of the statement just made by the acting leader, I cannot understand the motion. We were here on Friday "just in case"; we were here on Monday "just in case"; we were here yesterday "just in case" and we are here today "just in case." I do not see why we should not be here tomorrow "just in

case." It seems that something we do not know about must be going on in the mind of the Acting Leader of the Government; but I really wonder if we should not be here tomorrow "just in case."

Hon. Mr. Langlois: We are just playing it safe.

Hon. Mr. Bourget: Yes, in case you are wrong.

Hon. Mr. Asselin: We will not be.

Hon. Mr. Bourget: Just in case; we don't know.

Hon. Mr. Flynn: Suppose, Senator Bourget, that I am wrong. I am sure I will not be, but suppose I am wrong, do you not think we should be here tomorrow to deal with urgent matters which might come from the other place?

Hon. Mr. Asselin: Just in case.

Hon. Mr. Flynn: Just in case, yes.

Hon. Mr. Langlois: I should remind the Leader of the Opposition that these adjournments are always subject to recall.

Hon. Mr. Argue: I cannot see the purpose of this motion.

Hon. Mr. Bourget: You, too?

Hon. Mr. Argue: I think it is a little silly. It makes the Senate look silly, because the Senate is saying that if the government is sustained the Senate is going to have a two-week adjournment. I think that at the conclusion of our sitting today we should have an ordinary motion to adjourn until tomorrow and just let events over in the other place take care of themselves. We do not have to bring in motions like this, which are basically meaningless.

Hon. Mr. Langlois: We have received complaints in the past that we were recalling the Senate unnecessarily—"just in case," as the Leader of the Opposition has just said. But the Leader of the Opposition and my honourable friend Senator Argue should recognize that if the government stays in power after tonight, the House of Commons will debate the budget, with the result that we will not receive any legislation for quite some time. This motion is made in the light of these circumstances. I do not know why the senator calls it silly. Does he want to remain here for nothing?

Some Hon. Senators: Oh, oh!

Hon. Mr. Langlois: May I finish, please? If any legislation should come to us from the other place, the Senate will be recalled. As I have already explained, these motions to adjourn are always made on the understanding that the Senate is subject to recall. There is nothing abnormal about it.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Lamontagne: Honourable senators, a notice was circulated yesterday that there would be a meeting of the Committee on Science Policy when we adjourned today. I wish to announce that this meeting has been postponed, because I think that even the members of the committee will be more interested in the events of today than those of the long-term future. I might, though, propose a meeting of the committee tomorrow.

Hon. Mr. Flynn: Tomorrow? Can it be held tomorrow if the fears of my honourable friend prove right?

Hon. Mr. Lamontagne: As I said, "I might".

Hon. Mr. Bourget: In case!

Hon. Mr. Argue: Honourable senators, I wonder if I might ask a question for clarification. A number of committees are scheduled for tomorrow. Does the motion we passed mean that there will be no committee meetings tomorrow?

Hon. Mr. Langlois: Unless they have permission to sit when the Senate is not sitting.

Hon. Mr. Argue: Why wipe out the committee meetings? There is lots for them to do tomorrow morning.

Hon. Mr. Flynn: The point made by Senator Argue is worth considering. If we do not sit tomorrow, the committees which were scheduled to meet tomorrow will not be able to sit unless permission has already been given, and I do not know that it has. I should like the Acting Leader of the Government to clarify this, because even if what is expected happens tonight, dissolution may take place only at 12 noon tomorrow, or something like that. In the meantime the committees will not know whether they will be able to sit regularly.

Hon. Mr. Langlois: Honourable senators, I am in the position that I am damned if I do and damned if I don't. The usual complaint is that we recall the Senate too often.

Hon. Mr. Argue: But we are here now.

Hon. Mr. Langlois: My honourable friend the Leader of the Opposition and his colleague Senator Beaubien have voiced criticism in the past because the Senate was asked to come here when there was no legislative work for it to do. There is no legislative work for the chamber tomorrow, but a few committees were scheduled to meet. If a committee wants to meet tomorrow morning, all its chairman has to do is introduce a motion this afternoon requesting permission to sit while the Senate is not sitting. It is as easy as that. In any case, may I point out that the motion has been passed, and any debate now is completely out of order.

Hon. Mr. Flynn: It is a question of trying to help senators know where they are going and what may be expected of them.

Hon. Mr. Langlois: Apparently a few do not know where they are going.

Hon. Mr. Flynn: I am looking at the majority now.

Hon. Mr. Langlois: You are not the majority yet.

Hon. Mr. Flynn: I'm sure that we won't be the majority for a long time.

● (1410)

LAND USE

INQUIRY—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Norrie, calling the attention of the Senate to the question of land use in Canada.

Hon. Frederick William Rowe: Honourable senators, I have just a few comments to make on this inquiry, but I would not want anybody to think the fact that I shall be speaking briefly on it is in any way indicative of a lack of appreciation of the importance of the subject. In my view it is extremely important, and I congratulate my colleague and seat-mate, Senator Norrie, for her initiative in drawing this to our attention. I congratulate also the other speakers who have made contributions to this particular debate.

There are one or two other facts that we need to keep reminding ourselves of in this connection. I recall the story of Mark Twain—and here I am speaking from memory—who, when somebody asked him what would be a good investment, replied, "The best investment is, of course, land." When asked why, he said, "Haven't you heard that they stopped making land some time ago?" We have to keep reminding ourselves of this, especially here in Canada. We have a great geographical expanse, an awful lot of land, but relatively few people—22 million Canadians live on one of the greatest land masses in the world—and therefore we are inclined to think we can be profligate with our land, that we do not have to worry too much about using land for this particular airport or that particular highway. This is a fallacy, honourable senators, and a very dangerous fallacy.

I suggest we need to remind ourselves over and over again that land is finite. Whether it be in China or in Canada, the amount of land available is strictly finite, and, so far, mankind has not shown any great ingenuity in increasing the amount of land available. Once land has been turned into an airport, a residential area or a highway, then it has for all practical purposes been rendered useless for anything else; the changeover is almost permanent.

I was interested in the excellent contribution that my honourable colleague Senator Carter made yesterday to this debate. He made some references to his and my native province, Newfoundland. One fallacy we sometimes run up against is that there is no agricultural land in Newfoundland. This is a fallacy which is easy to understand, because if you travel around the coast of Newfoundland, or fly over the province at 39,000 feet and look down on it, as I did only two days ago, you receive the impression that there is not very much agricultural land around. Relatively, compared with some other parts of Canada, we do not have a great deal of agricultural land. However, we do have some, but the very fact that, relatively, we have less than, say, southern Ontario, enhances its importance.

I had responsibility for the building of 65 per cent of the Trans-Canada Highway in Newfoundland, that great high-

way which runs in a semi-circle from St. John's right up north, across to the west coast and down to Port aux Basques—nearly 600 miles of it. I am not a zealot in this matter, but it used almost to break my heart to see the amount of good agricultural land that was destroyed in the building of that highway. Some of that destruction was inevitable if we were to have a highway, but in some instances that was not so and not enough care was taken. I am reminded of the old dictum, that war is too important to be left to generals. The building of highways and airports is too important to be left to engineers.

Again and again I have seen instances of highways being built through good agricultural land because the engineers said that that was the route the highway should follow. The highway should not have followed that route at all. I can give a simple example. Near where we have our little place in the country we had to build a five-mile access road. Senator Carter and other Newfoundlanders will remember this. It is in the Foxtrap area, and the road is known as the Foxtrap access road. It is only five miles, but, when it was pushed through, many acres of lovely agricultural land were destroyed. No one gave it a second thought, and the land is now gone. We do not have that much agricultural land in Newfoundland that we can afford to be so extravagant and nonchalant about it—and we do not have that much in Canada, either.

I offer another example—a personal one. In the 1940s when I was at the University of Toronto we built a home in northwest Toronto near Eglinton Avenue West, which was then on the outskirts. I would suspect that that house today is in the geographical centre of the city of Toronto. All the land in that area was agricultural, and it has all gone—thousands and thousands of acres of it.

During the last few years the Newfoundland government and the Government of Canada, with most of the money coming from the federal treasury, have been building an arterial road into St. John's. That arterial road comes in through the Waterford River Valley, and it has destroyed hundreds of acres of agricultural land. We had to have an arterial road coming into St. John's in addition to the existing roads, but I am not so sure, that we had to have it where it is now. That means that while we benefit in some ways from an arterial road, Newfoundland is made all the poorer by the fact that that good land has been lost.

Allow me to make the point that the reason why more agricultural land is not utilized in Newfoundland is not that there is no agricultural land or that it is not good agricultural land; it is that vegetable growing, as in Prince Edward Island, is not always economic. That is the simple reason.

In our little place in the country we grow 20 different vegetables, solely for our own use. They are as good as any vegetables grown anywhere in Canada. But I could not produce pumpkins in competition with southern Ontario, because it costs me much more to produce them in Newfoundland than it would if I were living in southern Ontario. However, the land is there.

● (1420)

I cite that example to emphasize the fact that we cannot afford to destroy good agricultural land, whether it be in Newfoundland, southern Ontario or anywhere else. We

cannot afford to destroy even marginal agricultural land, because what is uneconomic and marginal today may very well be economic in 10, 15 or 20 years' time. We see that phenomenon time and time again.

What Thomas Malthus had to say about that 200 years ago is still true today. The production of food increases arithmetically, while the population increases geometrically. So far all birth control methods and propaganda have been unavailing. They have not been effective in putting a brake on the population explosion which has taken place all over the world, including Canada.

While we may not need the land in our time, our grandchildren will need all the land that is available.

I have one other thought to express before I finish. As I mentioned, an arterial road is being built into St. John's through the Waterford Valley to join up with the Trans-Canada Highway approximately 15 or 20 miles out of St. John's. The route is a beautiful one. A four-lane highway is planned with a boulevard in the centre. It is a straight road with a cloverleaf interchange, excellent shoulders, and so on. Without any doubt, it is a magnificent piece of engineering, and the road will be utilized. That road runs parallel to the Canadian National Railway line over which not one passenger has travelled in the last seven or eight years, because the passenger service in Newfoundland has been discontinued. It has been discontinued for the same reason that it has been discontinued in other parts of Canada, because the CNR—I speak with conviction on this—has deliberately and systematically downgraded the passenger service to the extent that people have lost their desire to travel by train.

On the one hand we have the spectacle of a great arterial road which has already cost \$30 million. If that sum had been applied to upgrading the CNR line, which runs from St. John's parallel to the arterial road, we could have had a wide gauge railway without a single curve or grade, carrying trains at a speed of 100 miles per hour or even better.

I find the situation extraordinary and fantastic. I have travelled on trains all over Europe, some of which travel at more than 100 miles per hour. There is no reason in the world why we should not have right here, between Ottawa and Montreal, and between Ottawa and Toronto, modern high speed trains which can carry tens of thousands of passengers back and forth between those centres at speeds of 100 to 120 miles per hour. If we had such train services, then obviously fewer people would use the airlines and highways. I suggest that this is a matter which should receive serious consideration.

Far from being outmoded relics of the past, railways should increasingly become an important means of transport of the future. The routes exist. The railroad in Newfoundland already exists. In upgrading it we would lose some 25 acres of land, whereas the construction of the arterial road has already destroyed hundreds of acres of good land, as has the construction of the Trans-Canada Highway, and every road and airport we have to build. I suggest—

Hon. Mr. Buckwold: Would the honourable senator permit a question? Is he suggesting that by improving rail passenger service we would eliminate the demand for land for highways?

Hon. Mr. Rowe: What I am saying is that if instead of having 50 million people travelling over a certain highway route in a given period of time you have, in one way or another, 100 million, that will necessitate that much more in the way of highway services. I am sure my honourable friend is familiar with what has happened in Japan. Had they not upgraded their railway systems there would have been chaos now. Had they not utilized the railways available to them, every square inch of the country would have been taken up by highways and airports by this time. The same thing applies throughout Europe, where increasingly they are utilizing their railway systems.

What I am suggesting is that rather than downgrading the passenger services already available, those services should be upgraded. A program aimed at upgrading the roadbeds and equipment would entail the spending of a good deal of money—in the long run perhaps several billions of dollars. But this would be a good investment if, in so doing, we prevented the destruction of that irreplaceable asset, good land. I say "irreplaceable asset," because no one knows how to increase the amount of land which man has at his disposal at this particular time. On some future occasion I should like to develop the theme a little further.

I do not make these remarks in any sense of recrimination. I am not blaming any particular government for what the CNR has done. I think what the CNR has done, regardless of who is responsible, is reprehensible; I think it is wrong. What the CNR has done with respect to its passenger services is having a detrimental effect on Canada, and I feel, if we are to protect our heritage, we should be insisting that our railway services be upgraded to the point where a significant proportion of the travelling public will not only be encouraged but will feel it necessary to use those railway systems as opposed to relying on motor vehicles and airplanes.

Hon. Mr. Cameron: What about the CPR?

Hon. Mr. Rowe: I have referred to the CNR in making my remarks because that is the one with which we have the most dealings. What I have said about the CNR applies to the CPR. I have not done a great deal of travelling in Western Canada in recent years, but I have noticed a decline in the quality of the CPR's service.

To give just one illustration of that, very often my wife and I would go to Montreal on business trips, and whenever we found ourselves with three or four days at our disposal after our business was concluded, we would take the overnight train to New York. We would get on the train in Montreal at 11.30 p.m., go to bed, and wake up in Grand Central Station at 8 o'clock the next morning. It was a convenient and relatively cheap way of travelling to New York, because we also saved the expense of hotel accommodation for one night. Until our last two trips, the service had been very good. However, on our last two trips the service was so deplorable, everything about it was so bad, that we said, quite deliberately, "This is it; never again," and for the last five years we have not taken that trip. We would not even think of taking a train to New York now because the service is so bad.

What has happened on that run is happening throughout Canada and, needless to say, throughout the whole of the United States. Only now have the Americans come to

[Hon. Mr. Buckwold.]

realize, to their regret, that they should not have allowed it to happen. The Americans now have to retrace their steps. There is no doubt at all in my mind that the United States is going to have to spend tens of billions of dollars over the next 10, 15, or 20 years to resurrect the railway passenger services.

● (1430)

The Hon. the Speaker: If no other honourable senator wishes to participate in the debate—

Hon. Mr. Buckwold: Honourable senators, I move the adjournment of the debate.

Hon. Mr. Flynn: Just in case.

Motion agreed to.

NATIONAL FINANCE

INFORMATION CANADA—CONSIDERATION OF REPORT OF COMMITTEE—DEBATE CONTINUED

On the Order:

Resuming the debate on the consideration of the Report of the Standing Senate Committee on National Finance on Information Canada, tabled in the Senate on Tuesday, April 30, 1974.—(Honourable Senator Langlois).

Hon. Mr. Langlois: Honourable senators, this order stands in my name but I would be pleased to yield to Senator Robichaud.

The Hon. the Speaker: Has the Honourable Senator Robichaud leave to proceed instead of the Honourable Senator Langlois?

Hon. Senators: Agreed.

Hon. Louis-J. Robichaud: Honourable senators, occasionally we read in the press or hear on television that there is little life in the Senate. Those who are critical of the Senate should have been here a few minutes ago to hear the debate between the Acting Leader of the Government, the Leader of the Opposition and Senator Argue on an important motion respecting the adjournment. It was a lively debate and one worth listening to by anybody, particularly those who are critical of this institution.

My remarks this afternoon will not be lengthy. I shall speak only on the report of the Standing Senate Committee on National Finance that is before us. Following my remarks in opening, let me add that if those who are critical of this institution were to follow the activities of senators, they would realize that we are often called upon to be in two or three places at the same time, because there are so many things going on. For example, there are the activities of our various committees, which perform excellent work for all of Canada. An example of that is the report of our National Finance Committee on Information Canada. I do not suppose I should come to the rescue of this committee, because I am a Johnny-come-lately member of it. I have attended only one or two meetings, since I am a newcomer to this institution. However, I support this report, which is extremely well prepared, almost in its entirety. I did not have the good fortune to attend the numerous meetings held by the committee. I did not even read all the reports of the evidence submitted

to the committee, but I believe that in essence this is an extremely good report and that it will result in an improvement to the operation of Information Canada.

Let me say at once that I believe in Information Canada, regardless of what anyone in this country might say to the contrary. I know that some people are opposed to even the concept of Information Canada. I should like at this point to establish a parallel between a situation that existed some years ago in my province and that which existed for many years in the country as a whole. Until the mid-sixties there was no such service in my province. There was no such service in Canada until, I believe, 1970. It has now been created.

When such a service was created in New Brunswick for the purpose of diffusing information, not political propaganda, I and my party were accused of creating an instrument that would disseminate political propaganda. We were blamed for it. We created the service regardless. It has expanded over the years. It is still in operation, and a different political party is taking advantage of it, diffusing information, not political propaganda, and I would be the last one to oppose what we then called the Central Information Bureau in New Brunswick.

The same is true of Information Canada. There is opposition in some quarters because it is said to be an agency that uses its facilities for spreading political ideas or political propaganda. I do not believe this to be the case. If the political party that at the present time opposes Information Canada should, maybe 10 or 20 years from now, form the government of this country, I am sure they would retain Information Canada, maybe in a different form, maybe functioning differently, and maybe by making some changes. Some changes, and good changes, are recommended in this report. Information Canada is not perfect, but it is an agency that is essential to the people of Canada. I believe that as much information as possible should be given to the Canadian people.

I listened with great interest to the speech made the other day by the Leader of the Government in the Senate supporting the recommendations in this report. I also listened with deep interest to my distinguished and esteemed friend Senator O'Leary. I usually agree with Senator O'Leary, but in this instance I cannot agree with him. At one point he complained that he has on his desk such a pile of documents and papers that he cannot read them all. I took it from what he said that all the documents delivered to him emanated from Information Canada. This morning I picked up my mail from the mailbox and found that I had, excluding the correspondence, a total of 32 documents; the mailbox was full. I checked them, but not one of them came from Information Canada. They all came from various departments of government, but not from Information Canada.

Information Canada rarely issues or distributes communiqués. For books, booklets and federal documents, Information Canada is only the publisher, not the distributor. Maybe they should distribute more information throughout the country, because I believe the people in a free country such as ours should be informed. I believe, as Senator O'Leary does, in a free press. I believe in freedom of speech. I believe that people, whether they live in the Northwest Territories, New Brunswick or Prince Edward

Island, whether they live in the country or in urban areas, are just as much entitled to information about what is going on in the country as are professional people who are supposed to know practically everything. Even professional people, such as lawyers, engineers and doctors very often do not always know what is going on. We should make recommendations for the improvement of the operations of Information Canada. Instead of abolishing it we should expand it and make sure that everyone in the country has access to all the information possible, be they rural or urban people.

There are so many things that could be said about it. I have certain reservations though concerning the recommendations of the committee, to which I have signed my name, concerning the mobile information officers. As Senator O'Leary pointed out the other day, one of the conclusions of our committee is that the mobile information officer program appears to the committee to have developed into a social welfare service. And that is a situation which somehow or other must be corrected.

● (1440)

We have all been politicians. We are politicians. We all know what those people were trying to do and what they were trying to accomplish with this mobile information officer plan; but today they are abusing it. For example, not that long ago I had a long-distance telephone call at 2 o'clock in the morning from someone wanting to know how come his neighbour paid only \$2 for a dog licence when he had to pay \$2.50. A long distance call!

Hon. Mr. Buckwold: Was it collect?

Hon. Mr. Robichaud: And I had to answer it at 2 o'clock in the morning. The simple answer was, of course, that one dog was a male and the other was a female. Well, I am sure that these mobile information officers have to face that same sort of situation once in a while. Maybe it is the price we have to pay for being public servants.

In any event, I am not going to say I am either in favour of or against the mobile information officer plan. I have not studied it thoroughly enough to do so. Although I have my reservations about this particular point, I do subscribe to the rest of the content of the report and I fully support it, and I hope that the Senate will support all of the recommendations of the committee with respect to Information Canada.

On motion of Senator Buckwold, debate adjourned.

SCIENCE POLICY

SPECIAL COMMITTEE AUTHORIZED TO MEET DURING
ADJOURNMENTS OF THE SENATE

Hon. Leopold Langlois, with leave of the Senate and notwithstanding rule 45(1)(h), moved:

That the Special Committee of the Senate on Science Policy have power to sit during adjournments of the Senate.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: Honourable senators, in view of the important program of this committee, can either the chairman of the committee or the Acting Leader of the Govern-

ment indicate whether any measures are contemplated to enable the committee to function between Parliaments as well as during adjournments of the Senate? In other words, what will happen to the work of the committee if Parliament is dissolved?

Hon. Mr. Lamontagne: You mean, "just in case."

Hon. Mr. Flynn: Yes. I am asking it "just in case." What will happen to the program of this committee, which is not of a legislative nature? I realize this is a rather difficult question, but perhaps we could have some views on it now.

Hon. Mr. Lamontagne: I am not an expert on this subject.

Hon. Mr. Langlois: This situation is covered by the Senate resolution of March 29, 1972, as contained in the Senate *Journals*, 1972, at page 98, which reads as follows:

That, during any period between sessions of Parliament or between Parliaments, the Leader of the Government in the Senate and a Senator to be named by him from time to time and the Leader of the Opposition in the Senate, or a Senator to be named by him from time to time, be authorized to act for and on behalf of the Senate in all matters relating to the internal economy of the Senate; and

That within fifteen days of the commencement of the next ensuing session there shall be laid on the Table, by or on behalf of the Leader of the Government in the Senate, a report covering in reasonable detail all matters relating to the internal economy of the Senate arising during any such period.

Hon. Mr. Flynn: If you want to give to that motion the widest interpretation possible, Senator Langlois, it could, I suppose, be considered as covering activities such as that which Senator Goldenberg will be dealing with in a few moments. But I am quite doubtful that it would cover, or extend to, the sittings of committees between Parliaments. The publication of a report is one thing; the sitting of a committee is quite another.

If Senator Langlois suggests that this resolution which was adopted by the Senate in 1972 would cover the sittings of committees, I might be willing to accept that, because I am inclined to think that this should be the case, but at the same time in my opinion there is no legislation and no precedent to cover the situation.

Hon. Mr. Langlois: Honourable senators, I had occasion this morning to advise the Leader of the Opposition that tomorrow morning there will be a meeting of the leaders of this house and members of the Internal Economy Committee to consider decisions that will have to be taken during the interim, and I am told that this particular resolution is the authority for that.

Hon. Mr. Flynn: I agree with that, but, important as the work of the Science Policy Committee may be, I doubt that the Leader of the Government and the Leader of the Opposition should be acting without some kind of general mandate from the Senate.

Hon. Mr. Molson: May I ask the acting leader if it is contemplated that a committee could meet after dissolution of Parliament?

Hon. Mr. Flynn: I doubt it.

[Hon. Mr. Flynn.]

Hon. Mr. Langlois: I think it is contemplated. I am not the chairman of the committee. I do not know what Senator Lamontagne has in mind. Perhaps he should explain what he intends to do.

Hon. Mr. Lamontagne: Honourable senators, my previous remarks about the possibility of having a meeting tomorrow were simply to offset the worries of the Leader of the Opposition. It was "just in case," that I was saying we might have a meeting tomorrow.

Hon. Mr. Flynn: In other words, if there were no dissolution. Of course, if there is no dissolution there is no problem.

Hon. Mr. Lamontagne: As I indicated before, I am not an expert on the rules, but I have had to face this situation twice before so far as my committee is concerned. From past experience, and from what I have been told by members of the interim Internal Economy Committee and by our legal adviser, it is my understanding that committees die with Parliament. It is an awkward position to be in, but that is the fact.

Hon. Mr. Molson: That is my understanding. That is why I asked the question. Up until dissolution all is fine, but if there is dissolution then the committee ceases.

Hon. Mr. Lamontagne: It merely means that the former chairman of a dead committee continues to work.

Hon. Mr. Flynn: I can see that. Perhaps Senator Lamontagne could tell us whether the Science Policy Committee met during the period of dissolution in 1972.

Hon. Mr. Lamontagne: No.

Hon. Mr. Flynn: But I understand that the chairman himself continued to work. For that, praise to him.

Motion agreed to.

LEGAL AND CONSTITUTIONAL AFFAIRS

AUTHORITY TO PUBLISH AND DISTRIBUTE REPORT ON THE PAROLE SYSTEM IN CANADA

Hon. H. Carl Goldenberg, with leave of the Senate and notwithstanding rule 45(1)(h), moved:

That the honourable senators authorized to act for and on behalf of the Senate in all matters relating to the internal economy of the Senate during any period between sessions of Parliament or between Parliaments be authorized to publish and distribute the Report of the Standing Senate Committee on Legal and Constitutional Affairs on the parole system in Canada.

● (1450)

He said: Perhaps a word of explanation would be in order. The draft report has now been approved by the full committee. The translation is well under way; indeed I am advised that the first version of the translation is ready now. The question is this: Should we hold it up until Parliament meets again, assuming dissolution, in the fall, or should we be able to distribute it as soon as it is printed, which will be sometime in June? My own suggestion is that the public will be well served if the report is not held

up until the fall, and is distributed in the interval. That is the whole purpose of my motion.

Hon. Mr. Flynn: Honourable senators, I merely want to point out that this motion gives specific authority to the special committee that my honourable friend Senator Langlois has been referring to. In fact, it clarifies the powers of that committee in this particular instance.

I was just wondering, although probably it is too late now, whether the mandate of this committee should not be clarified to cover situations such as this or situations like the one which is being faced by the committee chaired by Senator Lamontagne. I can well understand that a committee of the Senate dealing with any legislation—for instance, the Banking, Trade and Commerce, which is considering the subject matter of the Combines Investigation Act—should not continue to sit, because we do not know whether that bill will ever come before us. That is a legislative matter, but investigations, like the one by Senator Lamontagne's committee that has been referred to, can on some occasions—not during the election campaign, but at least after the election and during the period before Parliament has reconvened—be continued with excellent results.

I was trying to find a formula by which this could be achieved without violating the written Constitution. It would not really violate the written Constitution, because there is nothing in the written Constitution about that. Only usage and tradition cover such circumstances.

Hon. Mr. Langlois: Let us establish the practice, then.

Hon. Mr. Flynn: We were trying to solve the problem faced by Senator Goldenberg, and I was trying to help Senator Lamontagne to go ahead with his work.

Hon. Mr. Lamontagne: I must say that if this is feasible I would be delighted, but I was told on two previous occasions that it could not be done. Perhaps with some kind of agreement here, what was impossible up to now could become possible.

Hon. Mr. Molson: Honourable senators, I would like to ask the Chairman of the Legal and Constitutional Affairs Committee what this means in the way of procedure. To begin with, I agree that there should not be this delay. That committee's report is a report to the Senate, but it is going to be published and some months later, presumably, it will be presented to the Senate in the normal way. Is it correct to say it will be published for information purposes only, and will not have the weight of having been submitted and accepted or approved?

Hon. Mr. Goldenberg: That is correct. I assume that the chairman of the committee will table the report shortly after the opening, and we will then debate it in the usual way.

Motion agreed to.

HONOURABLE H. CARL GOLDENBERG

FELICITATIONS ON HONORARY DEGREE

Hon. Sidney L. Buckwold: Honourable senators, yesterday we had the privilege of congratulating Madam Speaker on her receiving an honorary degree, with another one to be conferred this weekend. I should like now to draw to

the attention of the Senate another member of this chamber who is being so honoured. I refer to the Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, Senator Goldenberg, who is to be given an honorary degree by the University of British Columbia.

Hon. Senators: Hear, hear.

Hon. Mr. Buckwold: I am sure this is just one more indication of the high esteem in which Senator Goldenberg is held by the people of Canada.

STANDING RULES AND ORDERS

COMMITTEE MEETING CANCELLED

Hon. Mr. Molson: Honourable senators, before the adjournment I should like to say that despite the discussions which have taken place about meetings of committees, the meeting of the Standing Committee on Standing Rules and Orders scheduled for tomorrow morning will not, in view of the peculiar circumstances of the day, be held.

BUSINESS OF THE SENATE

Hon. Mr. Cameron: Honourable senators, there is a meeting of the Foreign Affairs Committee scheduled for this evening, and I notice that neither the chairman nor the vice-chairman is here. Is the meeting going ahead at 8 o'clock as scheduled?

Hon. Mr. Langlois: The chairman is not here.

Hon. Mr. Flynn: Will he not be here today?

Hon. Mr. Langlois: I do not know.

Hon. Mr. Buckwold: As far as I know, the meeting will be held. There has been no indication otherwise. I might say that this particular committee has authority to meet, by resolution of the Senate, at times when the Senate is not sitting, other than between Parliaments.

Hon. Mr. Flynn: But tonight there is no problem, because the Senate is sitting today.

Hon. Mr. Lamontagne: Honourable senators, do I understand that at its meeting tomorrow the Internal Economy Committee will take up the suggestion that has been made by the Leader of the Opposition?

Hon. Mr. Flynn: It might be too late.

Hon. Mr. Lamontagne: Well, the subcommittee will have to meet anyway.

Hon. Mr. Flynn: I know, but this is the problem. I do not know whether honourable senators would agree, but I was just thinking that it might be a good thing to adjourn until 5 o'clock and consider whether we should enlarge on that motion. Does the acting leader believe that would be useful? If he does, all well and good; otherwise, we will proceed with the authority that has already been given by the Senate.

Hon. Mr. Langlois: I cannot do otherwise than abide by the advice I have received. I am told we have this authority, and I do not see how the Senate could change that.

If we do not have the constitutional right to do that, the Senate cannot change it. We would need a resolution of both houses for that, and I think the time would be quite inappropriate to try to get the assent of the other house to a resolution of that kind.

Hon. Mr. Flynn: You do not need the authority of the other house for a resolution of that kind. The one adopted in 1972 was adopted by the Senate, not by the other place. We have no act in which is provided authority similar to that of the Speaker of the House of Commons during the period of dissolution. We have nothing like that here. We have proceeded on precedents, and the opinion of the legal advisers of the Senate is that we can do that on the basis of practice. What I am saying is that the authority given in this resolution, which was passed in 1972, could possibly be widened in order to cover a problem like the one faced by the Science Policy Committee. It may be asking too much, of course, to try to settle this problem this afternoon. I am merely suggesting it and putting it on the record so that honourable senators may note it, and then we can, perhaps later, do our best to permit the continuation of certain activities that might usefully continue between Parliaments.

Hon. Mr. Hicks: Honourable senators, may I say a word on this? I can see that it may be difficult to extend the kind of authority which was given in the 1972 resolution, for a specific purpose, to cover such things as the meeting of the Special Committee on Science Policy in the interval between Parliaments in the event that there is dissolution, but surely it is unfortunate that we find ourselves debating this issue, and trying to find a way to do this, in what many honourable senators believe to be the dying hours of this 29th Parliament.

Would it not be wise for us to refer this whole question to the Committee on Legal and Constitutional Affairs in this session of Parliament, if possible, or, if not, in the next session of Parliament, so that a general formula could be arrived at and agreed to, which would enable the Senate to carry on these kinds of activities in periods of dissolution and between Parliaments? It seems to me that the Senate, with the relative permanence of its membership, ought to be able to provide the Canadian people with these services between Parliaments.

● (1500)

Hon. Mr. Langlois: Honourable senators, there is not much that I can add to what I have already said, except that I do not think the problem is all that serious. What Senator Lamontagne is asking for is leave to sit tomorrow. That is the only problem. I do not know what time dissolution will take place tomorrow, if it is to take place. Furthermore, I do not think we need to go into that problem at this stage.

On the other hand, I am told that this authority which was given in 1972 is not limited as to time, and is still applicable. If this authority is not sufficient, then I do not know how we can handle the situation except by getting a resolution of the two Houses of Parliament to amend the power to sit during dissolution. As I said, I cannot see how we can reasonably expect to secure such a resolution as this item having regard to the state of affairs in which we are living today. But, as I have said—and I have to repeat it—I have to go by the advice I have received, and I am

[Hon. Mr. Langlois.]

told that we have sufficient authority to do what is suggested should be done.

Hon. Mr. Flynn: Honourable senators, I agree that the only point raised by the motion is whether Senator Lamontagne's committee can sit tomorrow if Parliament has not been dissolved. That is all right, because even if the Senate is not sitting the committee can still sit. But the problem I have raised, because it is consequential, is whether the membership of the committee can continue their work after dissolution.

If the resolution adopted in 1972 is valid, even though it is not based on legislation—and I would like to point this out to my friend, Senator Molson, who appears to be rather doubtful about what I am saying—then a resolution giving wider powers to this special committee would equally be valid. The ideal solution, of course, would be legislation to provide for that very situation. Such legislation has been considered. We have had counsel look into the matter, and we have had bills drafted, but they have never found their way before us or the other place.

I further point out to Senator Langlois that the resolution passed in 1972 was not accepted by the other place, and that a resolution widening or clarifying the powers of this committee need not receive the approval of the other place.

The Hon. the Speaker: Honourable senators, in my opinion this debate is completely out of order because there is nothing before the Senate.

Hon. Mr. Flynn: But it has been useful.

The Hon. the Speaker: It is very important, I admit, and that is why I did not interrupt, but I think that all the good that is to be got out of this discussion has now been secured, and I think we should proceed with the business of the Senate.

I now call for Motions.

ADJOURNMENT

Hon. Mr. Langlois: Honourable senators, I move the adjournment of the Senate.

Hon. Mr. Prowse: Do we adjourn to a specific date?

Hon. Mr. Flynn: The motion has already been agreed to.

The Hon. the Speaker: It is moved by the Honourable Senator Langlois, seconded by the Honourable Senator Bourget, that the Senate do now adjourn. This is not a debatable motion.

Hon. Mr. Prowse: But do we adjourn to a specific date?

The Hon. the Speaker: The date is Tuesday, May 21, and that motion has already been agreed to.

Hon. Mr. Flynn: Senator Prowse is asking leave to revert to Notices of Motions. Agreed.

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

Hon. Mr. Prowse: The situation is that there was a motion which was agreed to rather quickly, and I thought we might get a chance to speak to it on the adjournment. It is my view that that motion should be amended.

I am not pessimistic, and I am not particularly optimistic either, but I can see no purpose at all in adjourning today until the 21st. I say this because in my view nobody has given any thought to the fact that the 20th is a holiday, and normally we would be spending the holiday with our families. I am thinking rather of their convenience than for our own. We have little enough time with our families, particularly those of us who come from a long distance. It is all right for those who have to travel only short distances because they can leave home in the morning of May 21 and be here in time for the sitting of the Senate at 8 o'clock in the evening, but that is of no convenience whatever to those of us who have to leave the day before to get here for an 8 o'clock sitting.

If we adjourn today until May 21, the whole thing becomes a nullity if the pessimists are right and this Parliament is dissolved. On the other hand, if that should not happen, it means we shall have to go through the motion of notifying every senator by telegram that he is required here at an earlier date, presumably tomorrow.

Regardless of what happens, and even if there should be dissolution, there will be caucus meetings tomorrow morning at 11 o'clock, and I do not think any member of this chamber or of the other place is planning to leave Ottawa this evening. So, nobody would be disadvantaged if, instead of adjourning until May 21, we merely adjourned until 2 o'clock tomorrow afternoon in the ordinary way. At that time we can meet and adjourn for whatever period seems appropriate, or it might not be necessary for us to be here at all.

Therefore, honourable senators, I suggest that the motion be resubmitted and reconsidered so that it can be amended to provide that we adjourn in the normal way.

Hon. Mr. McElman: Honourable senators, I fully support the proposition of Senator Prowse. I think that we have been quite precipitate in giving notice of adjournment to May 21.

We have in this house some who are excellent in prognostication, and some are suggesting that the events that others think will happen, will, in fact, not happen. In any event, nobody knows what is going to happen. There are those in another place who say they are prepared to carry on, while there are others who say that they are not, and still others who are saying they will defect from their party on this. In any event, it is a "come-all-ye," and nobody knows what is going to happen.

Furthermore, by our rules—and Senator O'Leary will support me on this, I am sure—we are not supposed to take any cognizance of what is done in the other house. Therefore it seems to me to be only logical and proper that when we adjourn today we should adjourn until tomorrow. If certain things do happen, that will have no effect on our adjournment. If certain things do not happen, and if we do adjourn until the 21st, there would be a very real effect on what we should be doing in this chamber.

● (1510)

In my opinion, we should, in the ordinary course of events, lead our own life in this chamber, and adjourn until tomorrow. I support fully Senator Prowse's comments.

Hon. Mr. Buckwold: Honourable senators, this debate may be out of order. I am not sure, but I wish to say that earlier in the session we endeavoured to indicate to members of this chamber that we would meet regularly for as long as necessary. At times when there was no work before the Senate, members would not have to be in attendance. For this reason we changed the routine of the Senate so that on occasions we met on Monday and Friday, as we did last week, in order to compensate for the fact that there would be times, because there was no legislative program, that we would not ask members to return.

There is nothing on the Clerk's Scroll for tomorrow, and no speakers scheduled. In normal circumstances the budget debate in the other place would proceed for some days. It is most unlikely there will be a legislative program brought forward next week. The Senate could be recalled if urgent matters arise, but in normal circumstances it would be quite logical, regardless of this spectre of dissolution, that the Senate not meet next week because of the fact that we have no legislative program before us. This is the idea behind the motion of adjournment that was presented by the acting leader. It was made to meet the demands of senators generally who have said "When we have work to do let us work and let us work hard and long, but when we do not have work to do it is not necessary for us to be here just to go through the motions."

Hon. Mr. Argue: Honourable senators, I do not believe the proposition is quite as simple as Senator Buckwold has indicated. The motion is to adjourn until May 21, but by adjourning until then we wipe out, obviously, tomorrow's sitting. We are here, and the Senate has work to do.

Hon. Mr. Buckwold: What work?

Hon. Mr. Argue: The Senate has scheduled work to do. I have in my hands the *Minutes of the Proceedings of the Senate*, which indicates that tomorrow at 9.30 a.m. the Standing Senate Committee on Foreign Affairs is to meet.

Hon. Mr. Buckwold: Perhaps the committees will meet.

Hon. Mr. Argue: I am informed that that committee has no authority to meet.

Hon. Mr. Buckwold: That committee has every authority to meet. That has just been clarified, and I indicated earlier that by resolution of this house that committee, together with the Special Senate Committee on Science Policy, which just received the authority, does have the right to meet while we are adjourned. That is the situation.

Hon. Mr. Argue: Then I stand corrected. I was under the impression that the committee could not meet tomorrow. There may be other committees that would like to meet tomorrow but which are not able to do so. I still object, however, to such a procedure being introduced to this house on this type of motion. Honourable senators can shake their heads—

Hon. Mr. Langlois: Well, it is too late.

Hon. Mr. Argue: That is all right. You have heard three or four speeches by agreement. You might hear another short contribution by agreement.

Hon. Mr. Langlois: I always like to hear you.

Hon. Mr. Argue: If there is not agreement, I will sit down. I happen to be a member of the majority party, which in this chamber used to hold caucus meetings, but now very seldom does. During most of my experience over the years since I have been in the Senate the caucus met for one of two reasons. First, it met when it was considered that a bill must be passed speedily without amendment; secondly, to decide whether we should adjourn for a week, or two or three weeks. During this session we have not had caucuses even to decide whether we should adjourn for two or three weeks. I say, very seriously and with great respect, that if a caucus of senators on the government side had met on this question of adjournment—and when Senator Connolly (Ottawa West) was the leader we always had a caucus on this question; now we are faced with an announcement—I do not believe we would have had this silly motion to wipe out Thursday's sitting that in all probability will be wiped out anyway. We did not need to announce to the people of Canada that, no matter what happens, we are going to go on holiday for two weeks.

Hon. Mr. Prowse: Honourable senators, one point that no one has mentioned is that, regardless of what happens in the other place, that house could decide on its own initiative to postpone any vote that would terminate it for a few days in order to give it an opportunity to deal with some of the important legislation which is presently before it. In other words, by agreement they could postpone dealing with the budget until they have dealt with the legislation. We will know by tomorrow morning whether that is to happen. I suggest that to move this motion to adjourn now puts us in a position in which we shall have to be called back if it is decided that we are needed here. Unless we receive specific instructions in writing to tell us to be here, who is to know where we are

off to? We are putting people to unnecessary work and expense. Every one who is here will be here tomorrow afternoon at 2 o'clock in any event, or ought to be, because there will be business before us. I say that that is the time when we should meet, when we will know what the situation is and we can do whatever the circumstances then indicate ought to be done. At the present time we are taking the pessimistic view that the worst will happen, that the government will be defeated; or, if it is not defeated, we are to take a holiday and allow the members of the other place to proceed with their work, which they may or may not do.

Hon. Mr. Langlois: Honourable senators, I did not want to interrupt but I suggest that this debate is out of order. The motion to adjourn until May 21 was agreed to earlier, and I do not believe any honourable senator can now ask the house to reverse that decision. In any event, I do not consider that the reasons advanced—and I am pleased to have had an opportunity to hear the complaints of honourable senators—justify any change in the decision which has already been taken.

The Hon. the Speaker: Honourable senators, we have reverted to Notices of Motions, but no notice of motion was given. As Senator Langlois has pointed out, we have already agreed to a motion, and rule 47(2) provides:

An order, resolution, or other decision of the Senate may be rescinded on five days' notice if at least two-thirds of the senators present vote of its rescission.

There has been no suggestion that that should be done, and if we are to change the motion which has been agreed to, this is the procedure we would have to follow. I would have to take a vote to see if two thirds of the senators are in favour. In any case, five days' notice has to be given.

The Senate adjourned until Tuesday, May 21, 1974, at 8 p.m.

*The Twenty-ninth Parliament was dissolved by Proclamation of
His Excellency the Governor General on May 9, 1974*

INDEX

Abbreviations

1r, 2r, 3r	=	First, second, third reading
amdts	=	amendments
com	=	committee
div	=	division
m	=	motion
neg	=	negatived
ref	=	referred
rep	=	report
r.a.	=	royal assent

Acts assented to during the Session

<i>Chapter</i>	PUBLIC ACTS	<i>Bill No.</i>
	<i>March 28, 1974</i>	
1.	Appropriation Act No. 1, 1974	C-15
2.	Appropriation Act No. 2, 1974	C-16
	<i>April 3, 1974</i>	
3.	Veterans' Land Act amendment	C-17
	<i>April 10, 1974</i>	
4.	Fisheries Development Act amendment	C-2
5.	Yukon Act, the Northwest Territories Act and the Canada Elections Act amendment	C-9
	<i>April 25, 1974</i>	
6.	Canadian National Railways Financing and Guarantee Act	C-5
	<i>May 7, 1974</i>	
7.	Electoral Boundaries Readjustment Act (Huron-Middlesex)	C-277
8.	Electoral Boundaries Readjustment Act (Middlesex-London-Lambton)	C-281
9.	Export and Import Permits Act amendment	C-4
10.	Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act amendment	C-14
11.	National Parks Act amendment	C-6
12.	Railway Relocation and Crossing Act	C-27
	LOCAL AND PRIVATE ACTS	
	<i>April 3, 1974</i>	
13.	Eastern Canada Synod of the Lutheran Church in America	C-264

Address in reply to Speech from the Throne

- Consideration of Speech, 4; termination date of Address in reply, 8; engrossing and presenting of Address to Governor General, 156
- Motion for Address in reply, Hon. Louis-J. Robichaud, 8-13; seconded, Hon. Raymond J. Perrault, 13-18

Speakers: Honourable Senators

- | | |
|---------------------------|--------------------------------|
| Asselin, Martial, 84-88 | Lawson, Edward M., 57-59, 60 |
| Blois, Fred M., 50-52 | Macnaughton Alan A., 139-47 |
| Bonnell, M. Lorne, 151-4 | Martin, Paul, 27-32 |
| Carter, Chesley W., 52-57 | Neiman, Joan, 110-13 |
| Croll, David A., 70-78 | Norrie, Margaret, 102-08, 116 |
| Desruisseaux, Paul, 95-99 | O'Leary, M. Grattan, 38-41 |
| Flynn, Jacques, 20-27 | Perrault, Raymond J., 13-18 |
| Forsey, Eugene A., 88-95 | Phillips, Orville H., 154-5 |
| Fournier, Michel, 123-5 | Quart, Josie D., 100-02 |
| Godfrey, John M., 60-62 | Riel, Maurice, 78-82 |
| Graham, B. Aladair, 121-3 | Riley, Daniel A., 147-51 |
| Grosart, Allister, 127-33 | Robichaud, Louis-J., 8-13 |
| Inman, F. Elsie, 46-49 | Rowe, Frederick William, 41-49 |
| Laing, Arthur, 65-69 | Smith, Donald, 133-9 |
| Laird, Keith, 119-21 | Stanbury, Richard J., 108-10 |
| Langlois, Leopold, 33-38 | Williams, Guy, 116-19 |
| Lapointe, Renaude, 62-65 | |

Agriculture

- Abandonment of farms, 124
- Acreage owned by non-residents in Annapolis and Digby counties, 105-08
- Highways through farmland, 104
- Irrigation of dormant land, 68
- Urban development and land speculation, 105

Agriculture, Standing Senate Committee

- Agricultural industry, examination of, 208; budget, 283
- Engagement of services, 250
- Letter to Minister of Agriculture, 282
- Meetings during Senate adjournments, 250
- Meetings during Senate sittings, 250, 317
- Members, 114
- Reports
 - Animal Contagious Diseases bill S-2, rep with amdts, 372-3, 377
 - Expenses re examination of agricultural industry, 181
- Terms of reference, 208, 250

Aird, Hon. John B.

- Canada-United States relations, 175-7
 - Import-export statistics (1973), 175-6
 - Options for the Future, policy paper issued by External Affairs Dept., 176
- Foreign Affairs Committee, 178

Animal contagious diseases

- Animals in transit, care and treatment of, 158

Animal contagious diseases — Concluded

- Beef prices, 206, 207, 208
- Committee amdts to bill, 372-3, 377
- Inspections for tuberculosis and brucellosis, 165
- Saskatchewan equalization payments, 207
- Suggestions for federal-provincial authorities re advice to cattle farmers, 206-07
- Western Canada, problems of animal malnutrition, 206
- Zoos and game farms, 165
- Speakers:** Honourable Senators
 - Argue, Hazen, 165-6, 205-08, 372-3, 377
 - Buckwold, Sidney L., 207
 - Flynn, Jacques, 164-5
 - McGrand, Fred A., 158-9

Animal Contagious Diseases bill S-2. 1r, 70; 2r, 158-9, 164-6, 205-08; ref to com, 208; rep with amdts, 372-3, 377; 3r, 378

Appendixes

- 'New Federalism': Canadian developments in decentralizing decision-making, paper presented by Clerk of Privy Council to American Society of International Law (containing remarks re Senate), 362-4

Appropriation bill No. 1, 1974 C-15. 1r, 180; 2r, 192-9; 3r, 199; r.a., 209

Appropriation bill No. 2, 1974 C-16. 1r, 180; 2r, 199-201; 3r, 201-05, r.a., 209

Argue, Hon. Hazen

- Agriculture, Standing Senate Committee
 - Authority to examine any aspect of agricultural industry, 208
 - Letter to Minister of Agriculture, 282
- Animal Contagious Diseases bill S-2, 165-6, 205-08, 372-3, 377
 - Beef prices, 206, 208
 - Committee amdts to bill, 372-3, 377
 - Suggestions for federal-provincial authorities re advice to cattle farmers, 206-07
 - Western Canada, problems of animal malnutrition, 206
- Regulations and Other Statutory Instruments Committee, 287
- Turks and Caicos Islands, request of State Council for closer association with Canada, 6-8, 378
- Veterans' Land bill C-17, 219, 227-8, 232
 - Recommendations for committee submission to government, 228
 - Terminal date for application, 227-8

Asselin, Hon. Martial, P.C.

- Address in reply to Speech from the Throne, 84-88
- Canadian National Railways Financing and Guarantee bill C-5, 263-4, 316
 - Crown corporations, operating policies, 263-4
 - Transportation for remote areas, 264
- Inflation, 85-86
 - Loss in purchasing power, 85
- Point of order on remark re Speaker of the other place, 324
- Post Office, strike negotiations, 296
- Quebec
 - Bilingualism and biculturalism, 86-87

Asselin, Hon. Martial, P.C. — ConcludedQuebec — *Concluded*

Court procedures in language of choice, 87

Unemployment statistics, 86

Atlantic provinces

Agriculture, abandonment of farms, 124

Freight rates, 149-50

Natural resources, 124; northern NB, 124

Newfoundland, twenty-fifth anniversary of Union with Canada, 210-11

Restrictions on land sales, 326, 395-6

Sunday trucking, 150-1

Transportation problems, 122, 125, 149-51

See individual provinces

Banking, Trade and Commerce, Standing Senate Committee

Competition policy in Canada and the Combines Investigation Act, study of, 189-90, 217-18; budget, 283

Meetings during Senate adjournments, 250

Meetings during Senate sittings, 347

Members, 114

Reports

Expenses re examination of bills based on budget resolutions relating to income tax, 180-1

Expenses re examination of foreign investment in Canada, 181

Export and Import Permits bill C-4, rep without amdt, 392

Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans bill C-14, rep without amdt, 366

Terms of reference, 189-90

Barrow, Hon. Augustus Irvine

Appointed to the Senate May 8, 1974

Beaubien, Hon. L. P.

Export and Import Permits bill C-4, 392-3

Veterans' Land bill C-17, 225

Belisle, Hon. Rheel

Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans bill C-14, 320-3

Farm improvement, 321

Small businesses, 321-2

Statistics of 1972 loans by banks, 322

National Parks bill C-6, 297-8

Objectives of national park system, 298

Parks Canada, decentralization of administration and operations, 297

Visitor statistics, 297

United Nations, 28th meeting of General Assembly, 170-5

Aid to developing nations, 172

Canada's contribution to UN budget and peace negotiations, 170-1, 173, 174

International Development Research Centre, 173

Peacekeeping costs, 170-2

United Nations University, 172

USSR and France, refusal to pay assessment to UNEF and UNOC, 171

Benidickson, Hon. W. M., P.C.

- Appropriation bill No. 1, 1974 C-15, 198-9
- Appropriation bill No. 2, 1974 C-16, 201
- Canadian National Railways Financing and Guarantee bill C-5, 261-3, 267, 268, 271-2, 315, 328-9
 - Borrowing authority, 262
 - Capital structure, 262-3; excerpt from 1952 Annual Report, 263
 - Financial statements, 261-2
- Estimates
 - Auditing procedures re petroleum products, 198
 - 'What governments take—1971 tax revenues as a percentage of GNP', article in Financial Times, 201
- Veterans' Land bill C-17, 232
 - Women veterans, 232

Bilingualism and biculturalism

- Freedom to use language of choice, 98-99
- Government policies, federal and provincial, 33-34
- NB Official Languages Act, 87
- Public Service difficulties of training, job classification, etc., 62

Bills, general data

- CNR Financing and Guarantee bill C-5, question of privilege re discussion on 2r, 281-2
- CNR Financing and Guarantee bill C-5, rep of com without amdt but with recommendations, 315-17
- Fisheries Development bill C-2, Order brought forward, 274
- Lutheran Church in America, Eastern Canada Synod of, bill C-264, suspension of rule 95, 223
- National Parks bill C-6, rep of com without amdt but with comments re clauses 2 and 10, 365
- National Parks bill C-6, request to bring Order forward denied, 273-4
- Veterans' Land bill C-17, subject matter ref to com following royal assent, 231-2, 234
- Yukon, Northwest Territories and Canada Elections bill C-9, Order brought forward, 275-6

Bills, Numerically, Commons

- C-2 Fisheries Development
- C-4 Export and Import Permits
- C-5 Canadian National Railways Financing and Guarantee
- C-6 National Parks
- C-9 Yukon, Northwest Territories and Canada Elections
- C-14 Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans
- C-15 Appropriation No. 1, 1974
- C-16 Appropriation No. 2, 1974
- C-17 Veterans' Land
- C-27 Railway Relocation and Crossing
- C-264 Lutheran Church in America, Eastern Canada Synod of
- C-277 Electoral Boundaries Readjustment (Huron)
- C-281 Electoral Boundaries Readjustment (Middlesex)

Bills, Numerically, Senate

- S-1 Railways (pro forma)
- S-2 Animal Contagious Diseases
- S-3 Motor Vehicle Tire Safety
- S-4 Criminal Code (control of weapons and firearms)

Bills, Private, Commons

Lutheran Church in America, Eastern Canada Synod of, C-264. 1r, 217; 2r, 222-3; ref to com, 223; suspension of rule 95, 223; rep without amdt, 235; 3r, 235; r.a., 235

Bills, Private, Senate

Nil

Bills, Public, Commons

Appropriation No. 1, 1974 C-15, 1r, 180; 2r, 192-9; 3r, 199; r.a., 209

Appropriation No. 2, 1974 C-16. 1r, 180; 2r, 199-201; 3r, 201-05; r.a., 209

Canadian National Railways Financing and Guarantee C-5. 1r, 236; 2r, 252-6, 257-72; ref to com, 272; question of privilege re discussion on 2r, 281-2; rep without amdt but with recommendations, 315-17; 3r, 328-36, r.a., 342

Electoral Boundaries Readjustment C-277 (Huron). 1r, 385; 2r, 385-6; 3r, 386; r.a., 398

Electoral Boundaries Readjustment C-281 (Middlesex). 1r, 386; 2r, 386; 3r, 386; r.a., 398

Export and Import Permits C-4. 1r, 388; 2r, 388-90; ref to com, 390; rep without amdt, 392; 3r, 392-3; r.a., 398

Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans C-14. 1r, 296; 2r, 318-25, 336-41; ref to com, 341; rep without amdt, 366; 3r, 377; r.a., 398

Fisheries Development C-2. 1r, 249; Order brought forward, 274; 2r, 274-5, 290-1; 3r, 291; r.a., 295

National Parks C-6. 1r, 247-9; request to bring Order forward denied, 273-4; 2r, 292-5, 297-8, 310-12; ref to com, 312; rep without amdt but with comments re clauses 2 and 10, 365; 3r, 377; r.a., 398

Railway Relocation and Crossing C-27. 1r, 354; 2r, 367-72; ref to com, 372; rep without amdt, 374; 3r, 374-7; r.a., 398

Veterans' Land C-17. 1r, 212-14; 2r, 214-17, 225-9, 230-4; 3r 234; motion that subject matter be ref to com, 234; r.a., 235

Yukon, Northwest Territories and Canada Elections C-9. 1r, 249; Order brought forward, 275-6; 2r, 276-80; 3r, 290; r.a., 295

Bills, Public, Senate

Animal Contagious Diseases S-2. 1r, 70; 2r, 158-9, 164-6, 205-08; ref to com, 208; rep with amdts, 372-3, 377; 3r, 378

Criminal Code S-4 (control of weapons and firearms). 1r, 164; 2r, 218-22, 237-40, 298-303; ref to com, 303

Motor Vehicle Tire Safety S-3. 1r, 70; 2r, 159-61, 166; ref to com, 166; rep without amdt, 236; 3r, 251-2

Railways S-1 (pro forma). 1r, 4

Blois, Hon. Fred M.

Address in reply to Speech from the Throne, 50-52

Fisheries Development bill C-2, 290-1

Construction, modification, conversion and equipment of fishing vessels, 290

Regulations, complexity of, 290-1

Subsidy rate, 290

Inflation, 50-51

Unemployment insurance, 51-52

Abuses, 52

Fund deficit, 51

Bonnell, Hon. M. Lorne

Address in reply to Speech from the Throne, 151-4

Bonnell, Hon. M. Lorne — Concluded

- Food and price controls, 152
- Housing, NB Manpower and Immigration school of carpenters, 152
- Land use in Canada, 386-8
 - Prince Edward Island, 387
 - Agricultural land, tax free, 387
 - Grants for development of family farms, 387
 - Non-resident ownership of land, 387
 - Royal Commission on land use and land ownership, 387
 - Suggestions re non-residents, research, national parks, 387-8
- Transportation, 152-4
 - Highway safety, 153
 - Seat belts, 153-4
- Tuna fishing, control of, 154; prices, 154
- Unemployment, 152-3
 - Transportation problems, 153
 - Unemployment insurance, 152-3; fishermen, disparities in benefits, 153

Bourget, Hon. Maurice, P.C.

- Canadian National Railways Financing and Guarantee bill C-5, 315, 316
- Speaker pro tem, 379

Brazil

- Exports of potash, coal and wheat to, 202
- Presidential inauguration ceremonies, 244-6

British Columbia

- Kaiser's mining operations, 203
- Trade unions, 202
- Vancouver harbour shipments, railway problems, 375-6

Broadcasting

- CBC television program 'Les Beaux Dimanches', 355, 366, 390-1

Buckwold, Hon. Sidney L., Chief Government Whip in the Senate

- Animal Contagious Diseases bill S-2, 207
 - Beef prices, 207
 - Saskatchewan, equalization payments, 207
- Estimates, auditing procedures re payments to oil importers, 182-3
- Labour contracts, cost of living escalation clause, 60
- Railway Relocation and Crossing bill C-27, 371-2
- United Nations, 28th meeting of General Assembly, 229-30
 - Israeli-Egyptian war, Security Council inaction re, 229-30
 - Statements of Israeli and Egyptian delegates at meeting of Human Rights Committee, 230
- Veterans' Land bill C-17, 213-14, 226-7
 - Condominium purchases, 227
 - Interest rates, 227
 - Terminal date for application, 226-7

Budget Speech, accommodation for Senators in Senate Gallery of House of Commons, 379

Business of the Senate, see Senate, Business

Cameron, Hon. Donald

- Canadian National Railways Financing and Guarantee bill C-5, 336
- Commission on the Future, 187-8
- Criminal Code bill S-4 (control of weapons and firearms), 218-22, 298-303
 - American Riflemen, report on questions put to UK Police Force Superintendent, 220
 - Argument against costs of gun control, 219-20, 300-02
 - Drug factor, 222
 - Hunting licences, 221
 - Letters from D.J. Morris, Newfoundland, and from D. Lawrence, Lindsay, re adherence to penalties and costs to instigate legislation, 219, 300-02
 - Prohibited weapons, transfers, permits, 221
 - Public reaction to bill, 218-20
 - RCMP responsibility in registration of weapons, 220-1
 - US Congressional Record (1968), firearms deaths vs war dead, 222
 - US research, 219
 - Washington news item re increase in murders and use of handguns, 221, 222
- Labour, illegal strikes affecting the Canadian economy, 317-18
- Railway Relocation and Crossing bill C-27, 367-71
 - Air rights over railway property, 369
 - Financial assistance for relocation projects, 369-70
 - Railway grade crossing fund, 370
 - Special grants for separations, 370-1
- Regulations and Other Statutory Instruments Committee, 314

Canada Elections Act, See Yukon, Northwest Territories and Canada Elections bill C-9

Canada-United States relations, 119-21, 139-47, 175-8

- Import-export statistics (1973), 175-6
- Options for the Future, policy paper issued by External Affairs Dept., 176
- Speakers:** Honourable Senators
 - Aird, John B., 175-7
 - Grosart, Allister, 177-8
 - Laird, Keith, 119-21
 - Macnaughton, Alan A., 139-47

Canadian Broadcasting Corporation, see Broadcasting

Canadian National Railways

- Air Canada, 252; purchase of Rolls-Royce engines and components, 265
- Borrowing authority, 252, 253, 262
- Branch lines, 252, 271
- Capital structure, 262-3; excerpt from 1952 Annual Report, 263
- Confusion re CNR-Air Canada accounting system, 255
- Crown corporations, operating policies, 263-4
- Excerpt from Commons committee proceedings re CNR, 268-9
- Financial statements, 254, 259, 261-2, 269-70
- Multiplicity of transportation bills, 260
- Parliamentary control, question of, 257-8, 260-1
- Purchase of CNR preferred stock, 252, 271
- Sources and application of funds (1971 and 1972), 266, 267
- Temporary advances to CNR and Air Canada, 252, 265
- Title of bill, misleading features, 258, 265
- Transportation for remote areas, 264

Canadian National Railways — Concluded**Speakers: Honourable Senators**

Asselin, Martial, 263-4, 316
 Benidickson, W.M., 261-3, 267, 268, 271-2, 315, 328-9
 Bourget, Maurice, 315, 316
 Cameron, Donald, 336
 Choquette, Lionel, 330-1, 333
 Denis, Azellus, 335-6
 Desruisseaux, Paul, 253-6, 281, 282
 Flynn, Jacques, 315-16, 317
 Fournier, Edgar E., 331
 Grosart, Allister, 257-61, 265, 267, 268, 270, 271
 Langlois, Leopold, 252-3, 264-5, 266-7, 268, 269-71, 272, 281, 282, 316-17, 332-4
 Macdonald, John M., 329-30
 Norrie, Margaret, 331
 Quart, Josie D., 331-2
 Riley, Daniel, 334-5

Canadian National Railways Financing and Guarantee bill C-5. 1r, 236; 2r, 252-6, 257-72; ref to com, 272; question of privilege re discussion on 2r, 281-2; rep without amdt but with recommendations, 315-17; 3r, 328-36; r.a., 342

Carter, Hon. Chesley W.

Address in reply to Speech from the Throne, 52-57
 Criminal Code bill S-4 (control of weapons and firearms), 239-40
 Energy resources and crisis in oil industry, 53, 55-56
 Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans bill C-14, 336-40
 Fisheries improvement, 338; statistics, 338, 339
 Small businesses, 337; statistics, 337, 338
 Fisheries Development bill C-2, 274-5, 291
 Construction, modification, conversion and equipment of fishing vessels, 274-5
 Expenditures under Development Act and Improvement Loans Act, 275
 Subsidy rate, 290
 Inflation, 52-56
 Agriculture production, 53-54
 The Nation's Greatest Needs, article in Christian Science Monitor, 56
 Wage and price controls, 54-56
 World currencies, 53
 Land use in Canada, 393-8
 Atlantic provinces, 395-6
 New Brunswick, 396
 Newfoundland, 395
 Nova Scotia, 395-6
 Canada Land Inventory project, 395
 Land census (by provinces), 396-7
 Senate Special Committee on Land Use, 394
 Urbanization, 394; excerpts from article in Financial Post and Nature Canada, 397-8
 World hunger in relation to land conservation, 397
 Veterans' Land bill C-17, 225-6
 Disposal privileges, 226
 Loan statistics, 225-6
 Repayments covering loan costs, 226

Choquette, Hon. Lionel

- Canadian National Railways Financing and Guarantee bill C-5, 330-1, 333
- Newfoundland, twenty-fifth anniversary of Union with Canada, 210-11
- Senate precincts and clerestory of chamber, 242
- Yukon, Northwest Territories and Canada Elections bill, C-9, 278

Commission on the Future, 183-9, 208-09

- See Science policy

Committee of Selection

- Appointment, 5
- Members, 5
- Report
 - Standing committees, members, 114

Committees, general data

- Agriculture
 - Agricultural industry, expenses and budget re study of, 181, 283
 - Engagement of services, 250
 - Meetings during Senate adjournments, 250
 - Meetings during Senate sittings, 250
- Banking, Trade and Commerce
 - Budget resolutions relating to income tax, expenses re study of, 180-1
 - Competition policy in Canada and Combines Investigation Act, budget re study of, 283
 - Foreign investment in Canada, expenses re study of, 181
- Foreign Affairs
 - Canadian relations with U.S., budget re study of, 283
 - European Community, expenses re study of, 164
 - Meetings during Senate adjournments, 250
- Legal and Constitutional Affairs
 - Parole system in Canada, 127; expenses and budget re study of, 181, 283; authority to distribute report, 404-05
- National Finance
 - Legislation and other matters, expenses re study of, 164
 - Meetings during Senate adjournments, 257
- Regulations and Other Statutory Instruments
 - Budget, 366
- Science Policy
 - Expenditures, 84; supplementary budget, 366
- Standing committees, members, 114

Committees, Joint, Standing

- Library of Parliament
- Printing of Parliament
- Regulations and Other Statutory Instruments
- Restaurant of Parliament

Committees, Senate, Special

- Poverty in Canada
- Science Policy

Committees, Senate, Standing

- Agriculture
- Banking, Trade and Commerce
- Foreign Affairs
- Health, Welfare and Science
- Internal Economy, Budgets and Administration
- Legal and Constitutional Affairs
- National Finance
- Orders and Customs of the Senate
- Rules and Orders
- Selection
- Transport and Communications

Commons, see House of Commons**Competition policy in Canada**

- Banking, Trade and Commerce Committee to examine and report on any bill relating to competition policy in Canada or to the Combines Investigation Act, 189-90, 217-18

Conferences

- United Nations, 28th meeting of General Assembly, 167-76, 229-30

Connolly, Hon. John J., P.C.

- Regulations and Other Statutory Instruments Committee, 287
- Senate, precincts and clerestory of chamber, 164, 240-2, 273
- Veterans' Land bill C-17, 212, 214-17, 230-1, 233-4
 - Indian veterans, 231
 - Individual benefits for wife and husband, 216-17, 230
 - Loan statistics, 214, 216
 - Qualifications for loan, 214
 - Size of small holding, maximum loan, interest and down payment, 215
 - Terminal date for application, 214-15
 - University benefits, 230-1
- Western Canada, problems of, 59-60

Constitution of Canada

- Recommendations of Joint Committee, 88

Cottreau, Hon. Ernest

- Appointed to the Senate May 8, 1974

Criminal Code (control of weapons and firearms)

- American Riflemen, report on questions put to UK Police Force Superintendent, 220
- Arguments against costs of gun control, 219-20, 300-02
- Availability of guns vs murder rate, 238-9
- Drug factor, 222
- Hunting licences, 221
- Letters from D.J. Morris, Newfoundland, and from D. Lawrence, Lindsay, re adherence to penalties and costs to instigate legislation, 219, 300-02
- Newfoundland, low murder rate, 239
- Prohibited weapons, transfers, permits, 221
- Public reaction to bill, 218-20

Criminal Code (control of weapons and firearms) – Concluded

RCMP responsibility in registration of weapons, 220-1
 US Congressional Record (1968), report on firearms deaths vs war dead, 222
 US research, 219
 Washington news item re increase in murders and use of handguns, 221, 222

Speakers: Honourable Senators

Cameron, Donald, 218-22, 298-303
 Carter, Chesley W., 239-40
 Laing, Arthur, 239
 Molgat, Gildas L., 237-8
 Rowe, Frederick William, 238-9

Criminal Code bill S-4 (control of weapons and firearms). 1r, 164; 2r, 218-22, 237-40, 298-303; ref to com, 303

Criminal law

Child abuse, 44
 Police training, 44
 Rehabilitation, 44

Croll, Hon. David A.

Address in reply to Speech from the Throne, 70-78
 Work ethic, 70-78
 Guaranteed income, 71-72; endorsements from churches and other sources, 71; US experiment, 71
 Income distribution, statistics, 72-73
 Low-paid, unstable work with poor or no fringe benefits, 75-76
 Senate report on poverty updated (1969-72), 74
 Social wages, fringe benefits, minimum wages and work ethic, 75-77
 Unemployment, 72; job availability and working conditions, 72

Deaths, see Tributes

Denis, Hon. Azellus, P.C.

Canadian National Railways Financing and Guarantee bill C-5, 335-6

Deschatelets, Hon. Jean-Paul, P.C.

Francophone Africa, Canadian aid to, 6, 349-53
 Speaker pro tem, 247

Desruisseaux, Hon. Paul

Address in reply to Speech from the Throne, 95-99
 Bilingualism, 98-99
 Canadian National Railways Financing and Guarantee bill C-5, 253-6, 281, 282
 Confusion re CNR-Air Canada accounting system, 255
 Financial statements, 254
 Question of privilege re discussion on 2r, 281, 282
 Energy resources, 97-98
 Inflation, 95-97
 Agriculture and marketing facilities, 96
 Forecast of 24 key gross national products, 96
 Newfoundland, twenty-fifth anniversary of Union with Canada, 211

Desruisseaux, Hon. Paul — *Concluded*

Senate

Appointments, 95

Official functions in Senate chamber, anteroom area for Commons members, 95

Dissolution of Parliament by Proclamation of His Excellency the Governor General (May 9, 1974), 408**Documents tabled**, see Journals of the Senate**Drugs**

Drug factor in murders, 222

Indians on reservations, problems of, 116

Economic conditions and prospects

Capital investments, 29

Employment increase, 28-29

Exports, 29

GNP, 29

Growth, employment and price stability, 36-37

Inflation, 13-15, 21-24, 29-31, 39, 40-41, 42, 50-51, 52-56, 59, 60, 81-82, 85-86, 91-94, 95-97, 102-03

Agriculture and marketing facilities, 53-54, 96

Cost of living vs social security payments, 21-22

Forecast of 24 key gross national products, 96

Government policies to control, 31

Income tax, personal exemptions, 22

Investment losses, 23

Loss of purchasing power, 85

Other countries, 14

Personal income, 103

Social security payments vs cost of living, 21

The Nation's Greatest Needs, article in Christian Science Monitor, 56

Unemployment, 24, 86

US price controls and effect on import prices, 30

Wage and price controls, 30-31, 54-55, 59-60

World currencies, 53

Regional disparities, 123

Electoral Boundaries Readjustment bill C-277 (Huron). 1r, 385; 2r, 385-6; 3r, 386; r.a., 398**Electoral Boundaries Readjustment bill C-281 (Middlesex)**. 1r, 386; 2r, 386; 3r, 386; r.a., 398**Emergency sittings of the Senate**

Authority to convene Senate during adjournment, 192

Energy resources, 11-21, 24-25, 36, 53, 55-56, 65-66, 67, 69, 97-98, 121-2

Alternatives to energy resources, 122

Crisis in oil industry, 53, 55-56, 65-66, 69, 148-9, 150

NS Conference, 121-2

Oil exports to Maine, US, 150

Panarctic Oils, 66

Petrochemicals, 67

Energy resources — Concluded

- Tar sands, 67
- Tax for protection of environment, 149

Estimates

- Auditing procedures in respect to petroleum products, 182, 198
- Borrowing authority, 200; total (1964-74), 200
- Business enterprises, lack of government support for, 202-04
- Dollar items, 194
- Government spending, increase in, 204
- Old age security fund deficit, 182
- Petroleum products, subsidies to Canadian consumers, 193
- Public Service, personnel establishment (1971-74), 182-3
- Social security, 193, 202
- Votes requiring additional proportions, 199-200
- 'What governments take — 1971 tax revenues as a percentage of GNP', article in Financial Times, 201
- See Appropriation bills

Estimates, referred to National Finance Committee

- Fiscal year ending Mar. 31/74, supplementary (B), 126; rep of com, 181-3
- Fiscal year ending Mar. 31/75, 126

Everett, Hon. Douglas D.

- Estimates, supplementary (B), year ending Mar. 31/74, 181-3
 - Auditing procedures re payment in respect of petroleum products, 182
 - Old age security fund deficit, 182
 - Public Service, personnel establishment (1971-74), 182-3
 - Supplementary estimates, increase in, 182
- Fort-Falls Bridge
 - Construction of international bridge, 158, 289-90
 - Ownership, schedule of tolls, gross revenues, etc., 354
- Information Canada, 191-2, 344-7
 - Budget, 345
 - Expenditures of departmental information services, 345
 - Free information, regulation of mailing lists, 347
 - Inquiry centres, 346
 - Leasing of premises for bookstores, 346
 - Mobile information officers, 345-6
 - Recommendations of National Finance Committee, 345-7
 - Regional offices, 346
 - Services, Publishing, Expositions and Regional Operations branches, 345
- Rules of the Senate, reports of committees, 356

Export and Import Permits bill C-4. 1r, 388; 2r, 388-90; ref to com, 390; rep without amdt, 392; 3r, 392-3; r.a., 398

External affairs, see Foreign affairs

Farm improvement loans, small businesses loans, fisheries improvement loans

- Farm improvement, 320, 321, 323-4; statistics, 324, 325
- Fisheries improvement, 320, 338, 340; statistics, 325, 338, 339
- Government guarantee for loans, 318

Farm improvement loans, small businesses loans, fisheries improvement loans — *Concluded*

- Interest, 319, 323, 340
- Loans by banks (1972), 322
- Maximum amount of loans permissible by lending institutions, 320
- Repayment period, 319
- Security, 319
- Small businesses, 320, 321-2, 337, 341; statistics, 325, 337, 338
- Speakers:** Honourable Senators
 - Belisle, Rheal, 320-3
 - Carter, Chesley W., 336-40
 - Molgat, Gildas, 318-20, 323, 324-5, 340-1
 - Sparrow, Herbert O., 323-4

Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans bill C-14. 1r, 296; 2r, 318-25, 336-41; ref to com, 341; rep without amdt, 366; 3r, 377; r.a., 398

Farming industry

- Delta farm lands, absentee owners, 58
- Equipment and labour costs, 58
- Incomes and pensions for farmers, 58
- Prices, 57-58
- See Agriculture,
 - Land use in Canada.

Felicitations

- Fergusson, Hon. Muriel McQueen, honorary degree from Acadia University, 392

Fergusson, Hon. Muriel McQueen, Speaker of the Senate

- Acadia University honorary degree, 392
- Budget Speech, accommodation for Senators in Senate Gallery of House of Commons, 379
- Library of Parliament, Librarian's report tabled, 6
- Official Languages, Commissioner's report tabled, 157
- Official Report (Hansard), Senators' style of address, 374
- Opening of Second Session of Twenty-ninth Parliament, communication from Secretary to Governor General, 1
 - Speech from the Throne, consideration of, 4
- Pompidou, Georges, President of the French Republic, the late, 236
- Rules of the Senate
 - Relevancy of remarks, 195
 - Reports of committees, 356-7
 - Ruling re second motion during motion for 2r, 234
- Senate
 - Chamber, photographing of, request from CBC, 180

Finance Committee, see National Finance, Standing Senate Committee

Firearms, see Criminal Code bill S-4 (control of weapons and firearms)

Fisheries

- Agreement between Canada and US, extension of, 367, 377
- Bait-holding facilities, refrigeration and icing systems, 135
- Cape Sable Island, Weymouth, and other development projects, 138

Fisheries — Concluded

- Cod and haddock fishing ban, 136
- DREE and other incentive programs, 137
- Financial assistance for owners of fishing vessels, 135, 136
- Herring and lobster, 135-6
- Licensing, 136
- Prices and markets, 135-6
- Small craft harbours, 137
- Tuna fishing, control of, 154; prices, 154
- See Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans bill C-14

Fisheries development

- Construction, modification, conversion and equipment of fishing vessels, 274-5, 290
- Expenditures under Development Act and Improvement Loans Act, 275
- Regulations, complexity of, 290-1
- Subsidy rate, 290
- Speakers:** Honourable Senators
 - Blois, Fred M., 290-1
 - Carter, Chesley W., 274-5, 291

Fisheries Development bill C-2. 1r, 249; Order brought forward, 274; 2r, 274-5, 290-1; 3r, 291; r.a., 295

Fisheries improvement loans, see Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans bill C-14

Flynn, Hon. Jacques, P.C., Leader of the Opposition in the Senate

- Address in reply to Speech from the Throne, 20-27
- Animal Contagious Diseases bill S-2, 164-5
 - Inspections for tuberculosis and brucellosis, 165
 - Zoos and game farms, 165
- Canadian National Railways Financing and Guarantee bill C-5, 315-16, 317
- Competition Policy in Canada, 217-18
- Energy resources, 24-25
- Felicitations from Hon. Mr. Martin, 273
- Inflation, 21-24
 - Cost of living statistics, 22
 - Income tax, personal exemptions, 22
 - Investment losses, 23
 - PC Party proposals, 23
 - Social security payments vs cost of living, 21
 - Unemployment, 24
- National Parks bill C-6, 247, 248, 249, 273, 274, 310-12
 - Notice of intent to proclaim or extend park, 310-11
- Newfoundland, twenty-fifth anniversary of Union with Canada, 210
- Quebec provincial police, compensation for maintenance, 84, 157-8, 237
- Regulations and Other Statutory Instruments Committee, 283, 284, 288
- Rules of the Senate
 - Misunderstanding of Senator's speech, 94
 - Reports of committees, 357
- Senate
 - Business, 115, 400

Flynn, Hon. Jacques, P.C. — ConcludedSenate — *Concluded*

Criticisms by House of Commons members, 212

Reform, 24-25; committees, 25-26; 2r of bills without notice, 26

Veterans' Land bill C-17, 212, 216

Foreign affairs

Brazil, Presidential inauguration ceremonies, 244-6

Canada-United States relations, 119-21, 139-47, 175-6

Francophone Africa, Canadian aid to, 6, 349-53

Turks and Caicos Islands, request of State Council for closer association with Canada, 6-8

United Nations, 28th meeting of General Assembly, 167-75, 229-30

Foreign Affairs, Standing Senate Committee

Canadian relations with US, study of, 175-8; budget re, 283

Meetings during Senate adjournments, 250

Members, 114

Report

European Community, expenses re study of, 164

Forsey, Hon. Eugene A.

Address in reply to Speech from the Throne, 88-95

Constitution, Joint Committee, recommendations of, 88

Inflation, 91-94

Lutheran Church in America, Eastern Canada Synod of, bill C-264, 222-3

Meighen, Rt. Hon. Arthur, absence of portrait from Commons corridor, 164, 190

Regulations and Other Statutory Instruments Committee

First report, 283-4

Second report, 284-8, 303-07

Third report, 343-4

Senate, 88-89

Canadian Forum criticism re, 89

Precincts and clerestory of chamber, 256

Remarks attributed to Clerk of the Privy Council, 348

Representation, 88-89; NDP, 89

Rules, adherence to when dealing with legislation, 88

Social security, 90

Unemployment statistics, 91

Yukon, Northwest Territories and Canada Elections bill C-9, 278-9

Fort-Falls Bridge

Construction of international bridge, 158, 289-90

Ownership, schedule of tolls, gross revenues, etc., 354

Fournier, Hon. Edgar E.

Canadian Broadcasting Corporation, television program 'Les Beaux Dimanches', 355

Canadian National Railways Financing and Guarantee bill C-5, 331

Canadian National Railways, Monk subdivision of Atlantic Region, derailment, 19-20

Fournier, Hon. Michel

Address in reply to Speech from the Throne, 123-5

Fournier, Hon. Michel – Concluded

Atlantic provinces, 123-4

Agriculture, 124; abandonment of farms, 124

Natural resources, 124; mining in northern New Brunswick, 124

Transportation, harbour at Belledune, 125

Francophone Africa, Canadian aid to, 6, 349-53**Godfrey, Hon. John M.**

Address in reply to Speech from the Throne, 60-62

Social security, 60-62

Employability of welfare recipients, 61

Negative income tax, 61-62

Task Force on Social Security appointed by Canadian Council on Social Development, 60-61

Unemployment insurance, 61

Goldenberg, Hon. H. Carl

Parole system in Canada, 127, 404-05

Government

Minority government, 40

Public debt and interest on, 39-40

Governor General, The Right Honourable Jules Leger, P.C.

Deputy

Laskin, Rt. Hon. Bora, 209, 398

Pigeon, Hon. Louis-Philippe, 295

Spence, Hon. Wishart F., 235, 341-2

Opening of Second Session of Twenty-ninth Parliament

Communication from Secretary to Governor General, 1

Speech from the Throne, 1-4

Graham, Hon. B. Alasdair

Address in reply to Speech from the Throne, 121-3

Agriculture, 122

Energy crisis, 121-2

Alternatives to energy resources, 122

NS conference, 121-2

Housing, 122

Assisted Home Ownership Program, 122

Decentralization of decision-making within CMHC, 122-3

Regional disparities, 123

Transportation, 122; NS, 122

Grosart, Hon. Allister

Address in reply to Speech from the Throne, 127-33

Appropriation bill No. 2, 1974 C-16, 204-05

Canada-United States relations, 177-8

Canadian National Railways Financing and Guarantee bill C-5, 257-61, 265, 267, 268, 270, 271

Air Canada, purchase of Rolls-Royce engines, 265

Financial statements, 259

Multiplicity of transportation bills, 260

Grosart, Hon. Allister — *Concluded*

Canadian National Railways Financing and Guarantee bill C-5 — *Concluded*

Parliamentary control, question of, 257-8, 260-1

Title of bill, misleading features, 258, 265

Commission on the Future, 188-9

Estimates, 182, 204

Government spending, increase in, 204

Fisheries agreement between Canada and US, 367, 377

Inflation, 129-30

Corporation earnings and tax cuts, 132

Employment and productivity, 130

Price stability, 131

Wage and price controls, 132, 133

Information Canada, 356-60

Budgets of departmental information services, 359

Expositions branch, 359

Free information, regulating of mailing lists, 358

Government advertising, 358-9

Leasing of premises for bookstores, 359

Legislation to establish terms of reference, 358

Monitoring of information personnel, 359

Regional offices, 359

Summary of conclusions and recommendations of committee, 358

National Parks bill C-6, 248, 249

Regulations and Other Statutory Instruments Committee, 284, 285, 288, 312-14

Rules of the Senate, reports of committees, 356

Science policy, 128-9, 188-9

Commission on the Future, 188-9; Organization of American States, 189

Medical Research Council, 128-9

Unemployment, 129-30; Newfoundland, 131; UI fund, 130, 133

Veterans' Land bill C-17, 213

Motion that subject matter be ref to com after royal assent, 231-2; agreed, 234

Haig, Hon. J. Campbell

Lutheran Church in America, Eastern Canada Synod of, bill C-264, 222-3

Motor Vehicle Tire Safety bill S-3, 166

Hayden, Hon. Salter A.

Competition policy in Canada, 189-90

National Parks bill C-6, 365-6

Clause 2, omission of reference to tabling of document in Senate, 365

Health, Welfare and Science, Standing Senate Committee

Members, 114

Hicks, Hon. Henry D.

National Parks bill C-6, 294-5

United Nations, 28th meeting of General Assembly, 167-70, 174

Armament budgets, reduction of, 169

Canada's role in UN budget and peace negotiations, 167-8, 174

Conference on Law of the Sea, 168

Political committee, 168

Hicks, Hon. Henry D. — *Concluded*

- United Nations, 28th meeting of General Assembly — *Concluded*
 - Terrorism and protection of diplomats, 168
 - UN budget, 169
 - USSR and People's Republic of China, 167
 - War between Egypt, Syria and Israel, 167

Housing

- Assisted Home Ownership Program, 122
- Decentralization of decision-making within CMHC, 122-3
- Government policy, 59
- Housing starts, 15, 34-35
- NB Manpower and Immigration school of carpenters, 152
- Urban development, 34

Indians of Canada

- Counselling services, 117
- Drug problem, 117
- Fishermen's assistance program, 117-18, 119
- Housing, 117
- Integration into society, 118-19
- Tradesmen, lack of financial support, 117
- Welfare and working poor, 118
- Women appointed as Tribal Chiefs and to other offices, 116

Industry

- Automobile industry, 66
- Manpower shortages, 63-64
- Stanfield Company, 14, 103

Inflation

- Consumer rights, protection against corporation powers, 45-46
- Corporation earnings and tax cuts, 132
- Employment and productivity, 130
- Food prices and wage controls, 131-3, 152

Information Canada, 126, 191-2, 344-7, 356-61, 379-85

- Advertising, 358-9, 384
- Budget, 345, 359
- Expenditures of departmental information services, 345, 382
- Freedom of the press and the public's right to know, 380, 381
- Free information, regulating of mailing lists, 347, 358, 360-1
- Inquiry centres, 346, 384
- Leasing of premises for bookstores, 346, 359
- Legislation to establish terms of reference, 358, 360, 380
- Mobile information officers, 345-6, 384
- Monitoring of information personnel, 359
- Overstaffing, 385
- Recommendations of National Finance Committee, 345-7
- Regional offices, 346, 359
- Responsibilities of Information Canada, 382
- Services, Publishing, Expositions and Regional Operations branches, 345, 359
- Summary of conclusions and recommendations of committee, 345-7, 358

Inman, Hon. F. Elsie

- Address in reply to Speech from the Throne, 46-49
- Prince Edward Island, 47-48
 - Tourist industry, 47, 48
 - Transportation, 47-48; air transport, 48; ferry and train service, 47, 48

Inquiries, calling the attention of the Senate to matters of national and international interest

- Canada-US relations, 119-21, 175-6
- CBC television program 'Les Beaux Dimanches', 355, 366, 390-1
- Francophone Africa, Canadian aid to, 349-53
- Information Canada, 126, 191-2, 344-7, 356-61, 379-85
- Land use in Canada, 325-7, 386-8, 393-8, 400-02
- Senate, precincts and clerestory of chamber, 164, 240-4, 256, 272-3
- Turks and Caicos Islands, request of State Council for closer association with Canada, 6-8, 378
- United Nations, 28th meeting of General Assembly, 167-75, 229-30

Inquiries, general

- Canadian National Railways
 - Monk subdivision of Atlantic Region, derailment, 19-20
- Fort-Falls Bridge
 - Construction of international bridge, 158, 289-90
 - Ownership, schedule of tolls, gross revenues, etc., 354

Internal Economy, Budgets and Administration, Standing Senate Committee

- Committee budgets
 - Agriculture, 283
 - Banking, Trade and Commerce, 283
 - Foreign Affairs, 283
 - Legal and Constitutional Affairs, 283
 - Regulations and Other Statutory Instruments, 366
 - Science Policy, 84, 366
- Consideration of matters without reference by the Senate, 126
- Members, 114

Labour

- Illegal strikes affecting the Canadian economy, 317-18
- Labour contracts, cost of living escalation clause, 57
- Trade unions, discontent of members, 57, 60

Labrador, see Newfoundland and Labrador

Lafond, Hon. Paul C.

- Electoral Boundaries Readjustment bill C-177 (Huron), 386

Laing, Hon. Arthur, P.C.

- Address in reply to Speech from the Throne, 65-69
- Agriculture, 68; irrigation of dormant land, 68
- Alberta, irrigation projects, 203-04
- Appropriation bill No.1, 1974 C-16, 201-04
- Automobile industry, 66
- Brazil
 - Exports of potash, coal and wheat to, 202
 - Presidential inauguration ceremonies, 244-6

Laing, Hon. Arthur, P.C. — Concluded

- British Columbia
 - Kaiser's mining operations, 203
 - Trade unions, 202
- Criminal Code bill S-4 (control of weapons and firearms), 239
- Energy resources, 65, 69
 - Oil prices and shortage, 65-66, 69
 - Panarctic Oils, 66
 - Petrochemicals, 67; tar sands, 67
- Estimates
 - Business enterprises, lack of government support for, 202-04
 - Social security, 202
- Grain, rerouting of railways and effect on shipments, 375; screenings, 375
- National Parks bill C-6, 274, 292-4, 295
 - Defining and proclaiming of parks, 293
 - Historic sites, 295
 - Reserves, 293
 - Traffic control, 293
- Northern Canada potential, 68-69; labour costs, 69; Faro, 69
- Railway Relocation and Crossing bill C-27, 375-7
 - Saskatoon, 375
 - Vancouver, 375-6
- Transportation, 67-68
- Yukon, Northwest Territories and Canada Elections bill C-9, 276-80
 - Electoral districts, amdts re, 277
 - Northern Canada resources, 276-7; population, 277
 - Northern Transportation Company, 280
 - Northwest Territories Council, 277; Deputy Commissioner, 277
 - Pine Point, 280
 - Yukon, 277; Crown lands administration, 277; Prison system, 277

Laird, Hon. Keith

- Address in reply to Speech from the Throne, 119-21
- Canada-United States relations, 119-21
- Yukon, Northwest Territories and Canada Elections bill C-9, 276-7, 279-80

Lamontagne, Hon. Maurice, P.C.

- Science Policy, Commission on the Future, 183-6
 - Studies re, 184-6; Japan, 185
 - World Futures Society, 185

Land use in Canada, 325-7, 386-8, 393-8, 400-02

- Canada Land Inventory project, 395
- Disappearance of farm land, 325-7; editorials re, 326-7
- Land census (by provinces), 396-7
- Newfoundland, 400-02
 - Highways through agricultural land, 401; Trans-Canada, Foxtrap access road, Waterford Valley, 401
 - Railways, upgrading to eliminate need for highways, 402
- Oil pipe line, Sarnia-Montreal, 326
- Prince Edward Island, 387
 - Agricultural land, tax free, 387

Land use in Canada — *Concluded*Prince Edward Island — *Concluded*

- Grants for development of family farms, 387
- Non-resident ownership of land, 387
- Royal Commission on land use and land ownership, 387

Provincial action to restrict land sales, 326, 395-6

- New Brunswick, 396
- Newfoundland, 395
- Nova Scotia, 395-6

Recommendations re non-resident ownership, farm banks, research, national parks, 327, 387-8

Special Senate Committee on Land Use, 394

'Speculators threaten farm output', article in Toronto Star, 326-7

Urbanization, 394; excerpts from articles in Financial Post and Nature Canada, 397-8

World hunger in relation to land conservation, 397

Speakers: Honourable Senators

- Bonnell, M. Lorne, 386-8
- Carter, Chesley W., 393-8
- Norrie, Margaret, 325-7
- Rowe, Frederick William, 400-02

Langlois, Hon. Leopold

Address in reply to Speech from the Throne, 33-38

Appropriation bill No.1, 1974 C-15, 192-4, 195

Appropriation bill No.2, 1974 C-16, 199-201

Bilingualism, 33-34

Canadian National Railways Financing and Guarantee bill C-5, 252-3, 264-5, 266-7, 268, 269-71, 272, 281, 282, 316-17, 332-4

Air Canada, 252; purchase of Rolls-Royce engines and components, 265

Borrowing authority, 252, 253

Branch lines, 252, 271

Excerpt from Commons committee proceedings, 268-9

Financial statements, 269-70

Purchase of CNR preferred stock, 252, 271

Sources and application of funds (1971 and 1972), 266, 267

Temporary advances to CNR and Air Canada, 252, 265

Title of bill, question of, 265

CBC television program 'Les Beaux Dimanches', 355, 366, 390-1

Commission on the Future, 187, 208

Economic conditions and prospects, 37-38

Energy resources, 36

Estimates

Borrowing authority, 200; total (1964-74), 200

Dollar items, 194

Petroleum products, subsidies to Canadian consumers, 193

Social security payments, 193

Votes requiring additional proportions, 199-200

Growth, employment and price stability, 36-37

Housing, 34-35

Railway Relocation and Crossing bill C-27, 374-5

Accidents, 375

Farmlands divided by railway crossings, 374-5

Rules of the Senate, reports of committees, 357

Langlois, Hon. Leopold – Concluded

Science policy, 35-36, 187, 208-09

Commission on the Future, 187, 208-09

Senate

Business, 115, 157, 208, 236, 288, 342, 367, 400

Emergency sittings, 192

United Nations, Canada's contribution to budget and peace negotiations, 174

Urban development, 34

Lapointe, Hon. Renaude

Address in reply to Speech from the Throne, 62-65

Bilingualism, 62-63

Public Service, difficulties in training, job classification, etc., 62

Quebec

Birth rate decrease, 63

Government policy re official language, 62-63

Unemployment, 63-64

Discrimination and prejudice as to age, 64

Manpower shortage in resource industries, 63-64

Unemployment insurance, 64

Women, status of, 64-65

Advisory Council on the Status of Women, 64

Anti-Discrimination Branch of Public Service, 64

Family courts, discrimination in, 64-65

Lieutenant Governor of Ontario, 64

Laskin, Rt. Hon. Bora, P.C., Chief Justice of Canada and Deputy to Governor General

Royal assent, 209, 398

Lawson, Hon. Edward M.

Address in reply to Speech from the Throne, 57-59, 60

Farming industry, 57-58

Delta farm lands, absentee owners, 58

Equipment and labour costs, 58

Incomes and pensions for farmers, 58

Prices, 57-58

Housing, 59

Inflation, 57, 59, 60

Wage and price controls, 59; free enterprise, 60

Trade unions, discontent of members, 57, 60

Labour contracts, cost of living escalation clause, 57

Leader of the Government in the Senate

Martin, Hon. Paul, P.C.

Leader of the Opposition in the Senate

Flynn, Hon. Jacques, P.C.

Legal and Constitutional Affairs, Standing Senate Committee

Meetings during Senate adjournments, 328

Meetings during Senate sittings, 328

Members, 114

Legal and Constitutional Affairs, Standing Senate Committee — Concluded

Parole system in Canada, authority to examine and report on, 127; budget 283; authority to distribute report, 404-05

Reports

Lutheran Church in America, Eastern Canada Synod of, bill C-264, rep without amdt, 235

Parole system in Canada, expenses re examination of, 181

Terms of reference, 127

Leger, Right Honourable Jules, P.C., His Excellency the Governor General

Opening of Second Session of Twenty-ninth Parliament, Speech from the Throne, 1-4

Library of Parliament, Joint Committee

Members

Senate, 114

Message to Commons, 125

Reports

Librarian's report tabled, 6

Lutheran Church in America, Eastern Canada Synod of, bill C-264. 1r, 217; 2r, 222-3; ref to com, 223; suspension of rule 95, 223; rep without amdt, 235; 3r, 235; r.a., 235

Macdonald, Hon. John M., Chief Opposition Whip in the Senate

Canadian National Railways Guarantee and Financing bill C-5, 329-30

Electoral Boundaries Readjustment bill C-277 (Huron), 385-6

Macnaughton, Hon. Alan A., P.C.

Address in reply to Speech from the Throne, 139-47

Canada-United States relations

Background of, 139; citation references, 146-7

Canadian distinctiveness and independence, 142-3

International parks, 144-5

Oil crisis, 141

Tourism, 144

Trade value (1965-72), 146

Transportation of oil on West Coast of BC, 142

US bicentennial celebration (1976), 146

US investments in Canada, 143

Interparliamentary Group, 139, 145-6

Unemployment, 141-2

Manning, Hon. Ernest C., P.C.

Science Policy, Commission on the Future, 187

Martin, Hon. Paul, P.C., Leader of the Government in the Senate

Address in reply to Speech from the Throne, 27-32

CNR, Monk subdivision of Atlantic Region, derailment, 19-20

Competition policy in Canada, 218

Economic conditions and prospects, 28-31

Capital investments, 29

Employment increase, 28-29

Exports, 29

GNP, 29

Martin, Hon. Paul, P.C. — *Concluded*

- Fisheries agreement between Canada and US, 377
- Flynn, Hon. Jacques, felicitations to, 273
- Foreign Affairs Committee, 178
- Fort-Falls Bridge Authority, construction of international bridge, 289-90
- Inflation, 29-31
 - US price controls and effect on import prices, 30
 - Wage and price controls, 30-31
- Information Canada, 381-5
 - Advertising program, 383
 - Costs of departmental information services, 382
 - Inquiry service, 384
 - Mobile information officers, 384
 - Responsibilities of Information Canada, 382
- Labour, illegal strikes affecting the Canadian economy, 318
- Meighen, Rt. Hon. Arthur, absence of portrait from Commons corridor, 190
- National Parks bill C-6, 247, 248, 249, 273, 274
- Newfoundland twenty-fifth anniversary of Union with Canada, 210, 211
- Penitentiaries, visit by parliamentary delegation to Millhaven maximum security institution, 250-1
- Pompidou, Georges, President of the French Republic, the late, 224
- Post Office strike negotiations, 296
- Quebec, cultural independence of, 31-32; separatist propaganda, 31-32
- Quebec provincial police, compensation for maintenance, 157-8, 237
- Regulations and Other Statutory Instruments Committee, 286, 307-08
- Rules of the Senate, reports of committees, 356
- Senate
 - Business, 280
 - Precincts and clerestory of chamber, 242-4
 - Remarks relating to Senate attributed to Clerk of Privy Council, 348, 349, 354-5, 362-4
 - Role of, 32
- Social security, 29
- Veterans' Land bill C-17, 212-13
- Yukon, Northwest Territories and Canada Elections bill C-9, 275-6

McElman, Hon. Charles

- Export and Import Permits bill C-4, 388-90
- New Brunswick Official Languages Act, 87
- Question of privilege re remarks relative to Hon. Mitchell Sharp, 199

McGrand, Hon. Fred A.

- Animal Contagious Diseases bill S-2, 158-9
 - Animals in transit, care and treatment of, 158
 - Clarification of certain sections of act, 158

McIlraith, Hon. George J., P.C.

- Regulations and Other Statutory Instruments Committee, 286

Molgat, Hon. Gildas L.

- Criminal Code bill S-4 (control of weapons and firearms), 237-8
- Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans bill C-14, 318-20, 323, 324-5, 340-1
 - Farm improvement, 320, 340; statistics, 324, 325

Molgat, Hon. Gildas L. — *Concluded*

- Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans bill C-14 — *Concluded*
 - Fisheries improvement, 320, 340; statistics, 325
 - Government guarantee for loans, 318
 - Interest, 319, 323, 340
 - Maximum loans permissible by lending institutions, 320
 - Repayment period, 319
 - Security, 319
 - Small businesses, 320, 341; statistics, 325
- Rules of the Senate, reports of committees, 356-7

Molson, Hon. Hartland de M.

- Rules of the Senate
 - Committee meetings after dissolution of Parliament, 404
 - Committee reports, debate on, 316, 356
 - Committee reports, publication of before presentation to Senate, 405

Motor vehicle tire safety

- National tire safety mark, 160
- Penalties for non-compliance with regulations, 160
- Replacement tires, 159-60
- Standards prescribed for tires, 160
- Studded tires, 251-2
- Speakers:** Honourable Senators
 - Haig, J. Campbell, 166
 - Neiman, Joan, 159-61, 251-2

Motor Vehicle Tire Safety bill S-3. 1r, 70; 2r, 159-61, 166; ref to com, 166; rep without amdt, 236; 3r, 251-2

National Finance, Standing Senate Committee

- Estimates, examination of in advance of bills reaching the Senate, 126
- Estimates, supplementary (B), examination of, 126
- Information Canada, examination of, 126; authority to publish report, 191-2
- Meetings during adjournments of the Senate, 257
- Members, 114
- Reports
 - Estimates, supplementary (B) year ending Mar. 31/74, 181-3
 - Information Canada, 344-7, 356-61, 379-85
 - Legislation and other matters, expenses re study of, 164

National parks

- Defining and proclaiming of parks, 293, 310-11
- Historic sites, 295,
- Objectives of national park system, 298
- Parks Canada, decentralization of administration and operations, 297
- Reserves, 293
- Traffic control, 293
- Visitor statistics, 297
- Speakers:** Honourable Senators
 - Bélisle, Rhéal, 297-8
 - Flynn, Jacques, 247, 248, 249, 273, 274, 310-12

National parks — Concluded**Speakers: Honourable Senators — Concluded**

Grosart, Allister, 248, 249
 Hayden, Slater A., 365-6
 Hicks, Henry D., 294-5
 Laing, Arthur, 274, 292-4, 295
 Martin, Paul, 247, 248, 249, 273, 274
 Riley, Daniel, 294

National Parks bill C-6. 1r, 247-9; request to bring Order forward denied, 273-4; 2r, 292-5, 297-8, 310-12; ref to com, 312; rep without amdt but with comments re clauses 2 and 10, 365; 3r, 377; r.a., 398

Neiman, Hon. Joan

Address in reply to Speech from the Throne, 110-13
 Motor Vehicle Tire Safety bill S-3, 159-61, 251-2
 National tire safety mark, 160
 Penalties for non-compliance with regulations, 160
 Replacement tires, 159-60
 Standards prescribed for tires, 160
 Studded tires, 251-2

New Brunswick

Acadians, 9
 Bilingualism, 9
 Equal Opportunities Program, 148
 Manpower and Immigration school of carpenters, 152
 Mining in northern areas, 124
 Official Languages Act, 87
 Regional disparities, government policies to eliminate, 10-11
 Restrictions on land sales, 396

Newfoundland and Labrador

Restrictions on land sales, 396
 Transportation problems, 401-02
 Twenty-fifth anniversary of Union with Canada, 210-11
 Unemployment, 131; unemployment insurance fund, 130, 133

Newspapers, periodicals, speeches, interviews, etc., excerpts from

Competition policy in Canada, editorial in Financial Times, 218
 Firearms and weapons control
 American Riflemen, report on questions put to UK Police Force Superintendent, 220
 Letters from D. J. Morris, Newfoundland, and from D. Lawrence, Lindsay, re adherence to penalties and costs to instigate legislation, 219, 300-02
 US Congressional Record (1968), firearms deaths vs war dead, 222
 Washington news item re increase in murders and use of handguns, 221
 What governments take—1971 tax revenues as a percentage of GNP, article in Financial Times, 201

Norrie, Hon. Margaret

Address in reply to Speech from the Throne, 102-08, 116
 Agriculture and land use, 102, 104, 105-08
 Highways through farmland speculation, 104

Norrie, Hon. Margaret — *Concluded*Agriculture and land use — *Concluded*

- Nova Scotia, non-resident land ownership, 105-08
- Urban development and land speculation, 105
- Canadian National Railways Financing and Guarantee bill C-5, 331
- Inflation, 102-03; personal income, 103
- Land use in Canada, 325-7
 - Disappearance of farm land, 325-6; editorials re, 326
 - Oil pipe line, Sarnia-Montreal, 326
 - Provincial action to restrict land sales, 326
 - Recommendations re non-resident ownership, farm banks, etc., 327
 - 'Speculators threaten farm output', article in Toronto Star, 326-7
- Stanfield Company, 103

Northern Canada

- Faro, 69
- Industrial potential, 68-69
- Labour costs, 69
- See Yukon and Northwest Territories

Northwest Territories

- Deputy Commissioner, 277
- Northern Transportation Company, 280
- Pine Point, 280
- Population, 277
- Resources and potential, 276-7
- See Yukon, Northwest Territories and Canada Elections bill C-9

Nova Scotia

- Conference on energy resources, 121-2
- Fisheries
 - Herring and lobster, 135-6
 - Prices and markets, 135-6
- Land use, 105-08, 395-6
 - Non-resident ownership, 105-08
 - Restrictions on land sales, 395-6

Official languages

- Report of Commissioner tabled, 157
- See Bilingualism and biculturalism

Official Report (Hansard)

- Senators' style of address, 374

Oil and gas, see Energy resources**O'Leary, Hon. M. Grattan**

- Address in reply to Speech from the Throne, 38-41
- Inflation, 39, 40-41
- Information Canada, 379-81, 382, 383, 384, 385
 - Freedom of the press and the public's right to know, 380, 381
 - Legislation to define terms of reference, 380
 - Overstaffing, 385

O'Leary, Hon. M. Grattan — *Concluded*

- Minority government, 40
- Public debt and interest on, 39-40
- Railway freight rates, 40
- Senate precincts and clerestory of chamber, 272-3

Opening of Second Session of Twenty-ninth Parliament

- Communication from Governor General's Secretary, 1
- Speech from the Throne, 1-4
 - See Address in reply

Orders and Customs, Standing Senate Committee

- Appointment, 4

Parks, see National parks

Parliament

- Dissolution by Proclamation of His Excellency the Governor General (May 9, 1974), 408

Parliamentary affairs

- Government expenditures, 112
- Public Service, employee increase, 111
- Senate and Commons role, 111
- Senate chamber anteroom for accommodation of Commons members during official functions, 95

Parole system in Canada, 127, 181, 283, 404-05

Penitentiaries

- Millhaven maximum security institution, visit by parliamentary delegation, 250-1

Perrault, Hon. Raymond J.

- Address in reply to Speech from the Throne, 13-18
- Housing starts, 15
- Inflation, 13-15; other countries, 14
- Stanfield Company, 14
- Western Canada, 15-17
 - Decentralization of public institutions, 16
 - Government proposals re, 15-16
 - Western Economic Opportunities Conference, 15-16
- Women of Canada, policies of equality for working women and housewives, 17-18

Phillips, Hon. Orville H.

- Address in reply to Speech from the Throne, 154-5
- Appropriation bill No. 1, 1974 C-15, 193-8
- Senate business, 155

Pigeon, Hon. Louis-Philippe, Puisne Judge of the Supreme Court of Canada

- Royal assent, 295

Point of order, see Rules of the Senate

Pompidou, George, President of the French Republic, the late, 224, 236

Poverty

See Social security,
Work ethic.

Prince Edward Island

Land use, 387
Tourist industry, 47, 48
Transportation, ferry, air and train services, 47-48

Printing of Parliament, Joint Committee

Members
Senate, 114
Message to Commons, 125

Privilege, question of

Canadian National Railways Financing and Guarantee bill C-5, discussion on 2r, 281-2
CBC television program 'Les Beaux Dimanches', 355, 366
Misunderstanding of speech, 94
Remarks relative to Hon. Mitchell Sharp, 199

Quart, Hon. Josie D.

Address in reply to Speech from the Throne, 100-02
Canadian National Railways Financing and Guarantee bill C-5, 331-2
Women, status of, 101-02

Quebec

Bilingualism and biculturalism, 86-87
Birth rate decrease, 63
CNR derailment at Monk subdivision, 19-20
Court procedures in language of choice, 87
Cultural independence of, 31-32
Government policy re official languages, 62-63
Provincial police, compensation for maintenance, 84, 157-8, 237
Separatist propaganda, 31-32

Question of privilege, see Privilege, question of

Questions

Fisheries agreement between Canada and US, 367, 377
Fort Falls Bridge
Construction of international bridge, 158, 289-90
Ownership, schedule of tolls, gross revenues, etc., 354
Labour, illegal strikes affecting the Canadian economy, 317-18
Meighen, Rt. Hon. Arthur, absence of portrait from Commons corridor, 164, 190
Post Office, strike negotiations, 296
Quebec provincial police, compensation for maintenance, 84, 157-8, 237

Railway relocation and crossing

Accidents, 375
Air rights over railway property, 369
Farmlands divided by railway crossings, 374-5
Financial assistance for relocation projects, 369-70

Railway relocation and crossing — *Concluded*

Railway grade crossing fund, 370
 Saskatoon, 371-2, 375
 Special grants for separations, 370-1
 Vancouver, 375-6

Speakers: Honourable Senators

Buckwold, Sidney L., 371-2
 Cameron, Donald, 367-71
 Fournier, Edgar E., 374-5
 Laing, Arthur, 375-7

Railway Relocation and Crossing bill C-27. 1r, 354; 2r, 367-72; ref to com, 372; rep without amdt, 374; 3r, 374-7; r.a., 398

Railways

CNR and CPR downgrading of passenger service, 401-02
 Freight rates, 40
 See Canadian National Railways,
 Railway relocation and crossing.

Railways bill S-1 (pro forma). 1r, 4

Regulations and Other Statutory Instruments, Special Joint Committee

Members

Senate, 114

Message to Commons, 125-6

Reports

First report, 283-4
 Second report, 284-8, 303-9, 312-14
 Third report, 343-4

Restaurant of Parliament, Joint Committee

Members

Senate, 114

Message to Commons, 125

Riel, Hon. Maurice

Address in reply to Speech from the Throne, 78-82
 Inflation, 81-82
 National unity, 82
 Senate role, 79-80
 Women, status of, 78, 80

Riley, Hon. Daniel

Address in reply to Speech from the Throne, 147-51
 Canadian National Railways Financing and Guarantee bill C-5, 334-5
 National Parks bill C-6, 294
 New Brunswick, 148-51
 Energy resources and oil crisis, 148-9, 150
 Oil exports to Maine, 150
 Tax for protection of environment, 149
 Equal Opportunities Program, 148

Riley, Hon. Daniel — *Concluded*New Brunswick — *Concluded*

Inflation, 148-9

Transportation, 149-51

Freight rates, 149-50

Sunday trucking, 150-1

Senate, remarks pertaining to Senate attributed to Clerk of Privy Council, 347-9

Robichaud, Hon. Louis, J., P.C.

Address in reply to Speech from the Throne, 8-13

Energy resources, 11-12

International Joint Commission, 9-10

New Brunswick, 9-11

Acadians, 9

Bilingualism, 9

Regional disparities, 10-11

Rowe, Hon. Frederick William

Address in reply to Speech from the Throne, 41-49

Canada's world image, 42-43

Consumer rights, protection against corporation powers, 45-46

Criminal Code bill S-4 (control of weapons and firearms), 238-9

Availability of guns vs murders, 238-9

Newfoundland, low murder rate, 238

CNR and CPR passenger service, 401-02

Criminal law, 43-44

Child abuse, 44

Police training, 44

Rehabilitation, 44

Educational opportunities, 44

Inflation, 42

Land use in Canada, 400-02

Newfoundland, 400-02

Highways through agricultural land, 401; Trans-Canada, Foxtrap access road, Waterford Valley, 401

Railways, upgrading to eliminate need for highways, 402

Newfoundland, twenty-fifth anniversary of Union with Canada, 211

Retirements forced at age 60-65, 44-45

Royal assent, 209, 235, 295, 341-2, 398

Laskin, Rt. Hon. Bora, 209, 398

Pigeon, Hon. Louis-Philippe, 295

Spence, Hon. Wishart F., 235, 341-2

Rules of the Senate

Point of order on remark re Speaker of the other place, 324

Relevancy of remarks, 195

Reports of committees, 356-7

Second motion during motion for 2r, 234

Suspension of rule 95, 223

Saskatchewan

Mendel Art Gallery, 375

Saskatoon, relocation of railways, 371-2, 375

Science policy

- Commission on the Future, 183-9, 208-09
 - 'Canadian Commission on the Future', 186
 - Organization of American States, 189
 - Studies and research re, 184-5; Japan, 185
 - World Futures Society, 185
- Granting Councils, 35-36
- Medical Research Council, 128-9

Science Policy, Special Senate Committee

- Commission on the Future, committee to be appointed to determine feasibility of, 183-9; members, 208-09
- Meetings during Senate adjournments, 403-04
- Reports
 - Expenditures, 84
 - Terms of reference, 183

Selection Committee

- Appointment, 5
- Members, 5
- Reports
 - Standing committees, members, 114

Senate

- Appointments, 95
- Business, 115, 157, 208, 236, 280, 288, 342, 367, 400, 405-07
- Canadian Forum criticism of, 88-89
- Chamber, photographing of, request from CBC, 180
- Chamber precincts and clerestory of, 164, 240-4, 256, 272-3
- Committees, 25-26
- Criticisms by House of Commons members, 212
- Easter recess, travel arrangements for Senators, 251
- Emergency sittings, 192
- Inquiries on Order Paper, 155
- Official functions in Senate chamber, anteroom area for Commons members, 95
- Official Report (Hansard), Senators' style of address, 374
- Reform, 25-26, 88-89, 112-13
- Remarks pertaining to Senate attributed to Clerk of Privy Council, 348, 354-5, 362-4
- Representation, 88-89
- Role of, 32, 79-80, 311-12
- Rules, adherence to when dealing with legislation, 88
- Second reading of bills without notice, 26
- See Rules of the Senate

Senate reform, 25-26, 88-89, 112-13

- Committees, 25-26
- Representation, 88-89
- Rules, adherence to when considering legislation, 88
- Second reading of bills without notice, 26

Senators, new

- Barrow, Hon. Augustus Irvine
 - Appointed May 8, 1974

Senators, new — Concluded

Cottreau, Hon. Ernest
Appointed May 8, 1974

Small businesses loans, see Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans bill C-14

Smith, Hon. Donald

Address in reply to Speech from the Throne, 133-9
Easter recess, travel arrangements for Senators, 251
Fisheries, 134-8
 Bait-holding facilities, refrigeration and icing systems, 135
 Cape Sable Island, Weymouth, and other development projects, 138
 Cod and haddock fishing ban, 136
 DREE and other incentive programs, 137
 Financial assistance for owners of fishing vessels, 135, 136
 Herring and lobster, 135-6; prices and markets, 135-6
 Licensing, 136
 Small craft harbours, 137
Internal Economy, Budgets and Administration Committee
Committee budgets
 Agriculture, 283
 Banking, Trade and Commerce, 283
 Foreign Affairs, 283
 Legal and Constitutional Affairs, 283
 Regulations and Other Statutory Instruments, 366
 Science Policy, 84, 366

Social security

Employability of welfare recipients, 61
Negative income tax, 61-62
Retirements forced at age 60-65 years, 44-45
Task Force on Social Security, 60-61
Unemployment insurance, 61

Sparrow, Hon. Herbert O.

Farm Improvement Loans, Small Businesses Loans, Fisheries Improvement Loans bill C-14, 323-4
Information Canada, 360-1
 Free information, regulating of mailing lists, 360-1
 Legislation to establish terms of reference, 360

Speaker of the Senate, see Fergusson, Hon. Muriel McQueen

Bourget, Hon. Maurice, Speaker pro tem, 379
Deschatelets, Hon. Jean-Paul, Speaker pro tem, 247

Special Committees, see Committees, Special, Senate

Speech from the Throne at Opening of Second Session of Twenty-ninth Parliament, 1-4

See Address in reply

Spence, Hon. Wishart F., O.B.E., Puisne Judge of the Supreme Court of Canada

Royal assent, 235, 341-2

Stanbury, Hon. Richard J.

Address in reply to Speech from the Throne, 108-10
Agriculture, 108-09
Trade, international, 108-10; US, 109; Iraq, 109-10

Standing Committees, see Committees, Senate, Standing

Standing Rules and Orders Committee

Members, 114

Status of women, see Women, status of

Supply bills

See Appropriation bills,
Estimates.

Thompson, Hon. Andrew

Veterans' Land bill C-17, 216, 232

Trade

Brazil, exports of potash, coal and wheat to, 202
Canada's world image, 42-43
Canada-United States relations, 119-21, 139-46, 175-6
 Import-export statistics (1973), 175-6
Iraq, 109-10
Options for the Future, policy paper issued by External Affairs Dept., 176
United States, 109

Transport and Communications, Standing Senate Committee

CBC television program 'Les Beaux Dimanches', authority to examine and report on, 390-1
Members, 114
Reports

 Canadian National Railways Financing and Guarantee bill C-5, rep without amdt but with
 recommendations, 315-17
 Motor Vehicle Tire Safety bill S-3, rep without amdt, 236
 Railway Relocation and Crossing bill C-27, rep without amdts, 374

Transportation

Belledune harbour, 125
Highway safety, 153
Newfoundland and Labrador, 401-02
Nova Scotia, 122
Remote areas, 264
Seat belts, 153-4
Trans-Canada Highway, 67-68
Western Canada railway problems, 67
See Railway Relocation and Crossing bill C-27

Tributes

Pompidou, Georges, President of the French Republic, the late, 224
See also Felicitations

Turks and Caicos Islands

- Request of State Council for closer association with Canada, 6-8, 378
- Resolution of State Council, 6-8

Unemployment

- Discrimination and prejudice as to age, 64
- Manpower shortage in resource industries, 63-64
- Retired persons, 44-45
- Statistics, 91
- Transportation problems, 153
- Unemployment insurance, 61, 64, 152-3
 - Abuses, 51
 - Fishermen, disparities in benefits for, 153
 - Fund deficit, 51

United Nations, 28th meeting of General Assembly, 167-75, 229-30

- Aid to developing nations, 172
- Armament budgets, 169
- Canada's contribution to UN budget and peace negotiations, 167-8, 170-1, 173, 174
- Conference on Law of the Sea, 168
- International Development Research Centre, 173
- Peacekeeping costs, 170-2
- Special political committee, 168
- Terrorism, protection of diplomats from, 168
- UN budget, 169
- United Nations University, 172
- USSR and France, refusal to pay assessment to UNEF and UNOC, 171
- USSR and People's Republic of China, 167
- War between Israeli and Egypt, 167; Security Council inaction re, 229-30; statements by delegates at meeting of Human Rights Committee, 230
- Speakers:** Honourable Senators
 - Bélisle, Rhéal, 170-5
 - Buckwold, Sidney L., 229-30
 - Hicks, Henry D., 167-70, 174

United States

- Canada United States relations, 119-21, 139-47, 175-6
- Fisheries agreement, Canada-US, 367, 377

Veterans' land

- Condominium purchases, 227
- Disposal privileges, 226
- Indian veterans, 227, 231
- Individual benefits for wife and husband, 216-17, 230
- Loan statistics, 214, 216, 225-6
- Qualifications for loan, 214
- Recommendations for committee submission to government, 228
- Repayment of loans, 226
- Size of small holding, maximum loan, interest and down payment, 215
- Terminal date for application, 214-15, 226-7, 228
- University training benefits, 230-1
- Women veterans, 232

Veterans' land — Concluded**Speakers:** Honourable Senators

Argue, Hazen, 213, 227-8, 232
 Beaubien, L.P., 225
 Benidickson, W.M., 232
 Buckwold, Sidney L., 213-14, 226-7
 Carter, Chesley W., 225-6
 Connolly, John J., 212, 214-17, 230-1, 233-4
 Flynn, Jacques, 212, 216
 Grosart, Allister, 213, 231-2, 233
 Martin, Paul, 212-13
 Thompson, Andrew E., 216, 232
 Williams, Guy, 227

Veterans' Land bill C-17. 1r, 212-14; 2r, 214-17, 225-9, 230-4; 3r, 234; motion that subject matter be ref to com after royal assent, 231-2; agreed, 234; r.a., 235

Weapons and firearms, see Criminal Code bill S-4 (control of weapons and firearms)

Western Canada

Alberta irrigation projects, 203-04
 Decentralization of public institutions, 16
 Government Economic Opportunities Conference, 15-16
 See individual provinces

Whips

Chief Government Whip in the Senate
 Buckwold, Hon. Sidney L.
 Chief Opposition Whip in the Senate
 Macdonald, Hon. John M.

Williams, Hon. Guy

Address in reply to Speech from the Throne, 116-19
 Indians of Canada, 116-19
 Counselling services, 117
 Drug problem, 117
 Fishermen's assistance program, 117-18, 119
 Housing, 117
 Integration into society, 118-19
 Tradesmen, lack of financial support, 117
 Welfare poor and working poor, 118
 Women appointed as Tribal Chiefs and to other offices, 116
 Veterans' Land bill C-17. 227
 Indian veterans, 227

Women, status of

Advisory Council on the Status of Women, 64
 Anti-Discrimination Branch of the Public Service, 64
 Family Courts, discrimination in, 64-65
 Indian women of Canada appointed as Tribal Chiefs and to other offices, 116
 Lieutenant Governor of Ontario, 64
 Policies of equality for working women and housewives, 17-18, 101-02
 Senators, 78-79

Work ethic

- Guaranteed income, 71-72; endorsements from churches and other sources, 71; US experiment, 71
- Income distribution, statistics, 72-73
- Low-paid unstable work with poor or no fringe benefits, 75-76
- Senate report on poverty updated (1969-72), 74
- Social wages, fringe benefits, minimum wages and work ethic, 75-77
- Unemployment, 72; job availability and working conditions, 72
- Working poor vs welfare poor, 74-75
- See Social security,
 Unemployment.

Yukon and Northwest Territories

- Crown lands administration, 277
- Deputy Commissioner, 277
- Northern Transportation Company, 280
- Pine Point, 280
- Population, 277
- Prison system, 277
- Resources and potential, 276-7
- Speakers:** Honourable Senators
 - Choquette, Lionel, 278
 - Forsey, Eugene A., 278-9
 - Laing, Arthur, 276-7, 279-80
 - Martin, Paul, 275-6

Yukon, Northwest Territories and Canada Elections bill C-9. 1r, 249; Order brought forward, 275-6; 2r, 276-80; 3r, 280; r.a., 295